



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

Wednesday, 1 October 2008.

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# DÁIL ÉIREANN

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*Dé Céadaoin, 1 Deireadh Fómhair 2008.  
Wednesday, 1 October 2008.*

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

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*Paidir.  
Prayer.*

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## **Leaders' Questions.**

**Deputy Enda Kenny:** Is there anecdotal evidence of outflows of finance from financial institutions regulated in this country but that are not part of the guarantee to the six financial institutions in respect of the Bill going through? I am aware of the complications about this, but will the Tánaiste say whether the Government is aware of this from the Central Bank or the Financial Regulator. I recognise the complications about relevance to other jurisdictions and not having to take on activities there.

**The Tánaiste:** As the Minister for Finance indicated last night at the end of the Second Stage discussion, through the legislation we will discuss later this morning and this afternoon, there will be facilitation in the event of any competitive distortions. The Financial Regulator is monitoring the balance of flows between institutions and his job is to maintain a stable banking environment. Any further decisions will be made on the basis of that information to the Minister for Finance.

**Deputy Enda Kenny:** Yesterday I made the point that this is about a stable banking system, not protection of management. A number of financial institutions licensed and incorporated in Ireland and whose liquidity, capital and solvency are regulated in Ireland are not part of the guarantee system. Has the Government considered a mechanism for ring-fencing the Irish activities of those financial institutions to keep a competitive playing pitch for financial activities? Is the Government in a position to do that on the basis of all those activities being regulated here but a number of those institutions not being part of the guarantee to the six financial institutions mentioned in the Bill? What does the Government propose to do about that?

**The Tánaiste:** All the institutions are included in the €100,000 guarantee. We are aware of concerns being expressed. On the basis of financial instability or if there was a difficulty with the balance of flow between institutions, the Financial Regulator will inform the Minister for Finance. The Minister has indicated in the broad parts of the legislation available to him that on the basis of that information there is an instrument available to him to allow him to deal with that. It would be appropriate for that to be teased out in the context of the discussions we will have here later this morning. There is enablement in the legislation in the event of those issues having to be addressed.

**Deputy Eamon Gilmore:** Many people, at some stage in their lives, have been approached by a family member, friend or business colleague who has asked them to be guarantor for a bank loan. Most people would be cautious and reluctant to do that and would want a certain amount of basic information before going to the bank and signing a guarantee for somebody, no matter how close they are to the person. People would want to know how much they were guaranteeing, the conditions attached to it and a little about how the person for whom they were going guarantor would behave financially afterwards. They would certainly read the small print of the guarantee very closely.

This country is being asked to go guarantor for the banks and in effect we are being asked put up the deeds of the country as security in doing so. Today on Committee Stage we will go through the small print of what that guarantee amounts to. Several issues regarding the Bill presented yesterday and the small print are of very serious concern to the Labour Party. I want to highlight some of those and perhaps the Tánaiste will answer them.

How much are we being asked to guarantee? Figures floating around have ranged from €300 billion to €500 billion. When I asked the Taoiseach about it yesterday he suggested to the House that this would never be called in, that no payment would ever be required from the taxpayer for this guarantee. Yet, the Bill explicitly provides for payment and there is a Financial Resolution before the House that requires for payment from the Exchequer. What exactly are we being asked to guarantee? In the Bill there seems to be no limit.

What charge will the banks pay for this comfort with which they are being provided? We are told there will be a charge, but no charge is specified in the Bill. The charge applies only if the guarantee is called in. It is like having an insurance policy where one has to pay the premium only on the day one makes a claim. What is this charge and how will it apply? What are the exact conditions? In the Bill, we are being asked to sign up to the guarantee of which we will be told the conditions later. The Minister for Finance will introduce a scheme before the House and it will apply provided we do not annul it within 21 days. We need to have the conditions of this guarantee upfront and known to us before the Bill is passed and before it comes into effect.

We know that the top executives of the banks have been paying themselves in millions. Will any limits, restrictions or constraints be put on the continuing arrangements for top executive reward in the banks? These are among the issues addressed in a series of amendments to the Bill by the Labour Party. How the Government responds to those amendments will determine whether the Labour Party will support this Bill.

I want clear answers. I want to know how much we are being asked to guarantee, what the banks will pay for the comfort, whether we will see the exact conditions before the guarantee is signed and whether the Government will allow top executives of the banks to keep their fists in the till.

**The Tánaiste:** It is appropriate to say that Members facilitated Second Stage late last night. We are all very anxious to bring the legislation to finality today if at all possible. We can discuss the timeframe for that in due course. It is also important to say why we are here. It is to give legislative back-up to a principled decision made by the Government yesterday. It is important to see that and bring it to finality as quickly as possible.

On the specific issues raised, as the Deputy is aware, this is broad enabling legislation. Regarding a fee, as the Minister for Finance indicated last night, that is a matter for discussion with the Central Bank, which will determine what the fee will be. It is important to reiterate that this facilitates banks in the case of an event happening. We are facilitating a guarantee that we hope will never have to be called in. That is the aspiration of all of us in the House.

I appreciate that the Labour Party put questions to me in the context of the amendments set down but it would be more appropriate to discuss them in the context of the debate on Committee Stage of the legislation, where we can tease out these issues and adhere to parliamentary democracy and where the Minister for Finance can answer them to the best of his ability. This is broad enabling legislation to provide a legislative framework to a principled decision made by the Government yesterday.

**Deputy Eamon Gilmore:** My questions go to the heart of the issue. What are we being asked to guarantee? No Member of the House or member of the public would walk into a bank and sign a guarantee for anybody, even a close member of the family, without knowing how much he or she is going to guarantee, and they would certainly not sign it in circumstances where it was open-ended, with no limit to the guarantee. Frankly, the Labour Party is not prepared to do with the taxpayers' money what it would not be prepared to do with personal money. We need to know exactly what we are signing up to. The Tánaiste tells us this is a broad enabling measure, which means a blank cheque. It is a blank cheque for the banks, a blank legislative cheque to grant the Government enabling provisions to look after the situation and, in the case of this Government, it is an inappropriate blank cheque to give a Government that thought, three years ago when the Taoiseach was Minister for Finance, that the country was so flush with money that it could abolish the bank levy. These are the people asking us to trust them in respect of their relationship with the banks.

There are simple questions we want answered on behalf of the taxpayer that any individual going to sign a guarantee in a bank would ask in analogous circumstances. How much will we guarantee? What will be paid for it? Will we see the conditions beforehand and will the Government do something about the excessive rewards that those seeking the guarantee pay themselves? These are simple questions and if the Tánaiste is not able to answer them perhaps the Minister for Finance will provide satisfactory answers during the course of the day. If those fundamental questions are not answered to our satisfaction, the Labour Party will not support this Bill this evening.

**The Tánaiste:** That would be most unfortunate but it is a matter for the Labour Party to decide. The assets of the banks exceed the guarantee.

**Deputy Joan Burton:** What are the assets?

**Deputy Emmet Stagg:** How do we know if we do not know the amount of the guarantee?

**The Tánaiste:** We would have found ourselves in a different set of circumstances if we had not brought in this legislation. We would have undermined the system of banking and it would have totally collapsed. As Members, we would be in a sorry situation if this legislation was not published. If we did not have this legislation, banks could not raise the capital necessary to keep this economy going. That is the fundamental reason that we are here, which is not to say that we cannot question or fine tune legislation in discussions of the House. That can be done in the context of the debate, which is open-ended, on Committee and Report Stages. The outcome of yesterday's decision has had a positive effect on our markets, which is what we want to see. We do not want to see the guarantee called in but we want to ensure that we have the capacity to obtain capital to keep this economy going. This is a short-term measure to deal with specific issues. The framework necessary to ensure this works will be outlined in the context of the debate later this morning.

**Business of Dáil: Motion.**

**Minister of State at the Department of the Taoiseach (Deputy Pat Carey):** I move:

That, notwithstanding anything in Standing Orders, Oral Questions to the Taoiseach shall not be taken today and we shall now proceed directly to the Order of Business.

Question put and agreed to.

**Requests to move Adjournment of Dáil under Standing Order 32.**

**An Ceann Comhairle:** Before coming to the Order of Business I propose to deal with a number of notices under Standing Order 32, iarratais chun tairiscint a dhéanamh an Dáil a chur ar athló faoi Bhuan Ordú 32.

**Deputy Terence Flanagan:** I seek the adjournment of the Dáil under Standing Order 32 to raise the following matter of local and national importance, namely, the need for the Minister for Transport to ensure that Clongriffin Dart station in Donaghmede is opened without further delay. The opening of the station has been continually put back. We are told that it will not open until next summer at the earliest, which is unacceptable to residents living in the north and south fringe areas who are not serviced with a proper transport system. Developers sold houses and are still selling houses on the basis that Clongriffin Dart station will open very soon. Will the Minister for Transport on behalf of local residents please intervene and ensure that the station is opened immediately?

**Deputy Catherine Byrne:** I seek the adjournment of the Dáil under Standing Order 32 to raise a matter of national importance, namely, the decision by Dublin City Council to shelve a number of capital projects in Dublin South-Central, such as, the new civic space at Kilmainham Jail, the Lutyens Bridge and the gateway to Islandbridge, the Camac greenland walkway, the improvements to Rialto and Inchicore villages, improvements to the Ballyfermot civic centre space and the Crumlin leisure centre. Unfortunately, unlike other Deputies, I do not have the “sell your soul” letter given by the previous Taoiseach. I ask that all citizens and communities be treated in the same way. I ask the Government to honour the commitments made to these communities and guarantee that these projects will be completed and not put on the shelf indefinitely.

**An Ceann Comhairle:** Tar éis breithnithe a dhéanamh ar na nithe ardaithe, níl siad in ord faoi Bhuan Ordú 32. Having considered the matters raised, they are not in order under Standing Order 32.

**Order of Business.**

**The Tánaiste:** It is proposed to take No. 9, motion re proposed approval by Dáil Éireann of the terms of the agreement on social security between the Government of Ireland and the Government of the Republic of Korea, back from committee; No. 10, motion re referral to joint committee of proposed approval by Dáil Éireann of a Council Framework Decision on the recognition and supervision of suspended sentences, the adoption of an agreement on extradition between the EU and the United States, and the establishment of a European Police Office, EUROPOL; No. 11, motion re leave to introduce Supplementary Estimate, Vote 31; No. 12, motion re referral of Supplementary Estimate, Vote 31, to select committee; No. 14, motion re proposed approval by Dáil Éireann for a decision of the European Parliament and of the Council amending Council decision 2001/470/EC establishing a European judicial network in civil and commercial matters; and No. a3, Credit Institutions (Financial Support) Bill

2008 — Committee and Remaining Stages. It is proposed, notwithstanding anything in Standing Orders, that (1) the Dáil shall sit later than 8.30 p.m. and business shall be interrupted on the conclusion of No. a3; (2) Nos. 9, 10, 11 and 14 and, subject to the agreement of No. 11, No. 12, shall be decided without debate and any divisions demanded on Nos. 11 and 12 shall be taken forthwith. Private Members' business shall be No. 50, motion re energy poverty, to be taken at 5.30 p.m. and to conclude after three hours, if not previously concluded.

**An Ceann Comhairle:** There are two proposals to be put to the House. Is the proposal that the Dáil shall sit later than 8.30 p.m. agreed? Agreed. Is the proposal to deal with Nos. 9, 10, 11 and 14, without debate agreed?

**Deputy Eamon Gilmore:** I seek clarification on the timetable. A time has not been specified for the conclusion of Dáil business today. Does the Government intend to allow the Dáil to continue in session until the provisions of the Bill and the financial resolution are dealt with?

**The Tánaiste:** It is intended that the House will determine when it completes its business. I am sure we will be practical about this matter.

**An Ceann Comhairle:** Is the second proposal agreed to? Agreed.

#### **Agreement on Social Security between Ireland and Korea: Motion.**

**Minister of State at the Department of the Taoiseach (Deputy Pat Carey):** I move:

That Dáil Éireann approves the terms of the Agreement on Social Security between the Government of Ireland and the Government of the Republic of Korea which was signed at Dublin on the 31st October, 2007 and was laid before the Dáil on the 23rd June, 2008.

Question put and agreed to.

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

**Minister of State at the Department of the Taoiseach (Deputy Pat Carey):** I move:

That Dáil Éireann approves the exercise by the State of the option or discretion provided by Article 1.11 of the Treaty of Amsterdam to take part in the adoption of the following proposed measures:

(i) a proposal for a Council Framework Decision on the recognition and supervision of suspended sentences, alternative sanctions and conditional sentences, a copy of which proposed measure was laid before Dáil Éireann on 27 February, 2007;

(ii) a proposal for the adoption by the European Union of the Agreement on Extradition between the European Union and the United States of America, done at Washington on 25 June, 2003 and the Agreement on Mutual Legal Assistance between the European Union and the United States of America, done at Washington on 25 June, 2003, copies of which Agreements were laid before Dáil Éireann on 24 April, 2008; and

(iii) a proposal for a Council Decision establishing a European Police Office (EUROPOL), a copy of which proposed measure was laid before Dáil Éireann on 18 July, 2008,

be referred to the Joint Committee on Justice, Equality, Defence and Women's Rights in accordance with paragraph (2) of the Orders of Reference of that Committee, which, not



[Deputy Pat Carey.]

later than 14th October, 2008, shall send a message to the Dáil in the manner prescribed in Standing Order 87, and Standing Order 86(2) shall accordingly apply.

Question put and agreed to.

**Estimates for Public Services 2008: Motion.**

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** I move:

That leave be given by the Dáil to introduce the following Supplementary Estimate for the service of the year ending on the 31st day of December, 2008:

Vote 31 — Agriculture, Fisheries and Food (Supplementary Estimate).

Question put and agreed to.

**Estimates for Public Services 2008: Referral to Select Committee.**

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** I move:

That, subject to leave being given to introduce the following Supplementary Estimate for the service of the year ending 31st December, 2008, the Supplementary Estimate be referred to the Select Committee on Agriculture, Fisheries and Food pursuant to Standing Order 154(3) and paragraph (1)(a)(ii) of the Committee's Orders of Reference, which shall report back to the Dáil by no later than 7th October:

Vote 31 — Agriculture, Fisheries and Food (Supplementary Estimate).

**Deputy Caoimhghín Ó Caoláin:** Are no questions on promised legislation allowed on the Order of Business today?

**An Ceann Comhairle:** I have gone beyond that point. Tomorrow is another day.

**Deputy Caoimhghín Ó Caoláin:** The Ceann Comhairle has gone beyond a lot.

**An Ceann Comhairle:** There is a bright new dawn in the meadow.

Question put and agreed to.

**Treaty of Amsterdam: Motion.**

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** I move:

That Dáil Éireann approves, in accordance with Article 29.4.6° of Bunreacht na hÉireann, the exercise by the State of the option, provided by Article 3 of the fourth Protocol set out in the Treaty of Amsterdam, to notify the President of the Council of the European Union that it wishes to take part in the adoption and application of the following proposed measure:

proposal for a Decision of the European Parliament and of the Council amending Council Decision 2001/470/EC establishing a European Judicial Network in civil and commercial matters,

a copy of which was laid before Dáil Éireann on 28 July, 2008.

Question put and agreed to.

**Business of Dáil.**

**Deputy Joan Burton:** I cannot hear the Ceann Comhairle clearly as the acoustics do not carry to this part of the House.

As yet we have not seen a set of Government amendments, although we have our own amendments. I am not sure whether other parties have tabled amendments. Does the Ceann Comhairle wish to call a short recess so we can get the amendments and read them? It is important that we are given a chance to see what is proposed. This is important stuff, not casual stuff, as is often the case with amendments. We need a chance to see the amendments.

**The Tánaiste:** If the House wishes we could adjourn for ten or 15 minutes.

*Sitting suspended at 11 a.m. and resumed at 11.10 a.m.*

**Credit Institutions (Financial Support) Bill 2008): Committee Stage.**

## NEW SECTION.

**Deputy Joan Burton:** I move amendment No. 1:

In page 1, before section 1, to insert the following new section:

“1.—This Act (other than section 7) shall not come into operation until the Minister has published and laid before each House of the Oireachtas for its approval full particulars of the terms and conditions under section 6(4) including the terms and conditions of any scheme.”

I do not wish to quibble but I only have a white copy of the amendments that was printed earlier. I am concerned about whether the green copy contains changes and whether it contains the full list of amendments.

**An Ceann Comhairle:** No, it does not. Amendments submitted before 10.30 a.m. are on the green copy and the other amendments will arrive in due course.

**Deputy Richard Bruton:** My amendments were submitted before 10.30 a.m. if that is the issue.

**An Ceann Comhairle:** That is not the issue. The outstanding amendments are with the printers and they will be printed in due course.

**Deputy Joan Burton:** The purpose of this amendment is to ensure the Minister for Finance outlines the details of the scheme to the House. Before the Act comes into operation the Minister should lay before each House of the Oireachtas, for its approval, full particulars of the terms and conditions set out under section 6(4), including the terms and conditions of any scheme.

This scheme is being toasted by bankers and financiers not just throughout Ireland but in Europe. There is now a suggestion that every European government should unconditionally guarantee the loans of its banking houses and financial institutions. The costs of that will be enormous. I am reliably informed that the figure involved is €400 billion, although nobody as yet has confirmed the figure so perhaps the Minister will do so. If the State steps in as the final guarantor of banking probity, underwriting banking deposits and borrowings to that extent, we need to know the terms and conditions of the scheme. In particular, we need to know that the reckless behaviour of the banks that led to this situation will be reined in.



[Deputy Joan Burton.]

For a number of years we have experienced a carnival of capitalism, partly because of globalisation and partly in the fever of ultra-deregulation which has swept through western economies going back to the time of Ronald Reagan and Margaret Thatcher. Banks and financial institutions have been free to expand and to make money on a scale previously unheard of. The only parallels which come to mind are the eras of Gatsby, the Weimar Republic and France in the 1930s, when capitalism made unbelievable profits and acted with neither restraint nor any social, national or international responsibility. Ultimately those systems came crashing down and some people may feel that might provide a bonus for left-wing politics but the legacy for later generations in Europe was fascism and, in eastern Europe, an ultra-Stalinist form of communism remaining in power for 30 or 40 years longer than it should have. This has been an historic stage in the story of western democracies, in which banking institutions have had things all their own way, which has led to a collapse and the requirement that they now be reined in.

11 o'clock

The Minister has said he wants to support the banking framework and we support him in that. He wants to support the core system in which deposits are taken from individuals and institutions but we want that money to be lent out in an orderly, valuable and structured way for businesses, for employment creation and young people starting businesses, and for science and technology. We also want it to be lent out to people investing in a property in which to live, rather than as a speculative vehicle. The Minister says he is guaranteeing the lifeblood of the financial system but he is providing a guarantee of unbelievable value and he is either unable or unwilling to tell us the conditions and regulations under which the guarantee will be given.

Members on the Government side are fond of talking about moral hazard. When people's homes are damaged in a flood but they have no insurance the Government does not bail them out because it does not want to set a bad example, encouraging other people not to take out insurance. I first heard about moral hazard from no less a doyen of international banking than Mr. Peter Sutherland when I debated with him the idea of forgiving Third World debt. Mr. Sutherland, who was well educated by the Jesuits, who originated and refined the concept of moral hazard for generations of Catholic businessmen, said that to forgive Third World debt would be to encourage every reckless country in Africa or elsewhere to repeat their mistakes. There is no perfect answer to that point but schemes and regulations can be put in place to save people from themselves.

I worked for an international accounting firm for seven years during the early part of my career and I carried out a lot of work with different banks, many of which do much valuable work. If, however, we do not impose regulations on the banks they will do the same again. They will look for the next boom in the cycle, from which they will make their money while our successors will have to come back in ten years time to clean up the mess. Given that he is giving a guarantee on behalf of every taxpayer and person in Ireland it is not unreasonable to ask that the Minister lay the scheme before the Houses so that those elected by the taxpayers have the opportunity to judge if the scheme is reasonable and to ascertain the risks associated with it, as well as its upside and downside elements.

I am worn out listening to lectures from some parties on the "polluter pays" principle, which has become a common phrase in economic and political life. The people who have polluted and ultimately wrecked the banking system are not the ordinary Joe and Josephine Soaps who put their money on deposit but the bankers and the leaders of financial institutions. If they have caused the current collapse within banking I suggest the Minister take a leaf out of his own book and apply the "polluter pays" principle. Yesterday, the Taoiseach mentioned figures of €600 billion in assets and €400 billion in borrowings. If one were to buy an insurance policy

on the commercial market, such as from AIG, to cover that amount of assets and debts, one would not get it for less than €1 billion per year inclusive of fees and insurance cover. That may even be a conservative estimate. Parents who part-guarantee loans for young people buying houses pay 1.5 percentage points on top of the loan rate for loan guarantee insurance policies, when they can get such a policy. They are very difficult to get nowadays. The cost of insurance is very significant. We want to hear from the Minister for Finance if his officials have evaluated a commercial cost and value to the insurance scheme. Has the Minister worked out a scheme whereby the banks will contribute to the cost, rather than what was indicated where the banks will only pay something if and when they have to dip into the scheme? That would be like, as the leader of the Labour Party said earlier, the case of someone affected by a flood being told to pay the insurance premium after the flood and then the claim will be accepted. This is a very valuable commodity and we want taxpayers to get value for their money. Another reason for having the levy at a commercial rate is that it is one of the ways that bankers acknowledge a requirement to change behaviour.

The second area we want addressed is the issue of bank compensation packages. Unlike other people, senior bankers do not get paid. They do not get salaries or wages; they get compensation for their strenuous efforts on behalf of the banks. We wish to see what the Minister for Finance proposes to do to rein in the climate of recklessness that has infected the banking system in Ireland and around the world. I will provide an example, which concerns the construction industry in Ireland.

At least two of the banks on the Minister's list to get the guarantee have been widely written about in the newspapers and in the Irish media now, probably for several years. These are the last two banks on the list. They, more than anyone else, are heavily exposed to construction industry lending. In some cases they are heavily exposed to speculative loans for land purchases and construction projects widely believed by the business community to be extraordinarily and excessively risky. If the Minister for Finance gives them a free pass with this guarantee, what is there in the scheme — we wish to know before we vote on it — to caution these people so they cannot go out and do it again next week or the week after? It is a very important question and I am unsure now that the Irish taxpayer is going to rescue them. I do not expect them to be grateful, but I expect them to have a more cautionary approach to their behaviour. There is nothing in the Bill to indicate that such a measure will be inserted as a precondition which will be understandable to Members of the House. Will the Minister for Finance state the position regarding banks' capitalisation? Does the Minister have a view on this matter?

**Deputy Brian Lenihan:** The debate on this section has wandered way beyond the amendment to which I have to reply. I will deal with all of Deputy Burton's questions as the Bill proceeds. However, the Deputy is speaking on subsequent sections of the Bill.

**Deputy Joan Burton:** We are asking for a scheme of regulation, because so far——

**Deputy Brian Lenihan:** That is in section 6.

**Deputy Joan Burton:** We are asking for the principle that it will be laid before the House. The Minister will say subsequently to the Opposition that he was never asked about this point. He is an able debater and he will be on various media shows saying: "They never asked about it." This is our one opportunity to do so. We wish to know what the Minister will do to rein in the banks and to make them pay for this scheme? Will the Minister for Finance lay before the House the scheme and publish it before it is implemented?

**An Ceann Comhairle:** Deputy Richard Bruton will speak next. In deference to the remarks of the Minister for Finance, the point of this amendment, as I read it, is the commencement of

[An Ceann Comhairle.]

the Act and the role of the House in same. Although I do not wish to confine the debate, it is important to remember that point.

**Deputy Richard Bruton:** I will be as brief as I can. The whole rules of the game for banking have changed. Any money the banks raise has a guarantee from the taxpayer, which radically changes the way we view banking. It is essential that a regulatory regime is in place in which the House can have confidence. The Minister for Finance is taking sizable powers and there is no doubt that, under the legislation, he will have powers to provide a regulatory regime that is exhaustive and thorough. However, the problem is that the Houses has not seen what that regime involves.

**Deputy Billy Timmins:** Hear, hear.

**Deputy Richard Bruton:** The problem is the Minister is asking us to make an act of faith and trust that he, in consultation with the regulatory authorities, will come up with a scheme that is robust. Prudence would suggest that we should not make that act of faith quite so easily.

We need to see a scheme. I further believe that some of the powers the Minister proposes to take, which will not be included in this scheme under this legislation, should be laid before the House so we can examine the broader conditions that he intends to impose regarding the companies' operations. The Bill does not provide this detail. I do not agree with Deputy Burton that it is necessary the details should come before the House before the Minister operates the guarantee. However, I believe they should come before the House as quickly as possible — we say within three days. There should be a positive debate to approve the details in the House. Anything the Minister does under the scheme should continue to be lawful before we make that positive resolution. While we are not preventing the Minister from taking emergency action, his room for manoeuvre is strictly for the time between when he starts to operate the guarantee and when the House approves it. The Minister should continue working until we see the scheme. However, once we see the scheme, he must get our approval before continuing indefinitely; this is the way forward.

We have proposed certain matters and we will come to them in detail during the progress of the Bill. However, these include that there should be representation by the State on the main board of the banks covered by the scheme and there should be representation by the regulator on the risk assessment committee of the banks covered by this scheme. We have many other proposals we wish to debate in the course of Committee Stage. We must see the details of what is proposed, or at least have an absolute certainty that all of those details will be brought back to the House for approval. This is so that we can have confidence that, as the scheme develops, the taxpayer is adequately protected, that we can be confident the banks' behaviour under the new regime is robust and inspires confidence in the financial system and that the taxpayers underwriting it can have confidence that this is being done.

**Deputy Michael Noonan:** I hope this succeeds, but the Minister must take the House more into his confidence.

**Deputy Billy Timmins:** Hear, hear.

**Deputy Olivia Mitchell:** Hear, hear.

**Deputy Michael Noonan:** We do not know what the Minister's system of regulation will be. We take it on trust, but the Minister asks us to take a great deal on trust. I support the amendment and especially the call by Deputy Richard Bruton that we debate the matter. The

Minister should share more with us. The banks operate very secretively and it is time there was more transparency.

The story appears to be that sometime one night recently chaos descended on the Irish banking system and the Minister had to stay up all night to save a bank from going down the tubes. I do not know the facts and I do not want to know the facts about that matter, but I wish to know — I cannot measure the effectiveness of the Bill without knowing this — was the crisis a liquidity or a solvency crisis? If it was a liquidity crisis, the very fact the Minister has published this legislation, that deposits which were moving out of the Irish banking system now seem to be moving back and because now inter-bank loans will be guaranteed here, means the banks can borrow all the money they want in the inter-bank system.

Publication of the Bill should solve the problem if it is a liquidity problem solely, and the Minister will probably not be asked to invoke it. If, on the other hand, there is a solvency problem attached to the liquidity problem or if the solvency problem was the primary issue when the Minister stayed up all night with the Taoiseach and the various bankers, that is a different matter. If it is a solvency issue that caused the crisis, it will not be resolved by publication of the Bill and there will be a transfer of taxpayers' money at some point, probably sooner rather than later, to underpin one or more of the financial institutions in question. The Minister must make clear to the House the genesis of the crisis. Is it liquidity, solvency or both because what solves the liquidity problem — this Bill — will not necessarily solve the solvency problem without it being implemented in a detailed way. That is the difficulty I have with it.

It is also difficult to measure the effectiveness of the Bill, given that the Minister is granting himself very strong powers, as provided for at the end of the Bill. Effectively, he is transferring the notification provisions of the Competition Act to himself from the Competition Authority. Is that a case of the Minister deciding that while he can he will take more power or is there something in the background about a merger or an acquisition which requires the Bill to be brought through the Houses quickly?

**An Ceann Comhairle:** Excuse me, Deputy Noonan, but I must remind all Members that we are dealing with amendment No. 1 on the commencement.

**Deputy Michael Noonan:** I am addressing amendment No. 1 because as I understand Deputy Burton's amendment, the reason for it is that the Minister has to be more transparent with us and must give us fuller information. At this point we cannot continue to operate in such a secretive banking system where only a few weeks ago the regulator and the Governor of the Central Bank told us everything was all right.

**Deputy Bernard J. Durkan:** Hear, hear.

**Deputy Michael Noonan:** They came before committees of the House and gave us absolute guarantees that there was no problem with the Irish banking system. We then wake up one morning and there is chaos. We need more information and, as parliamentarians, if we are to measure the effectiveness of the Bill we need information along the lines I am suggesting.

I will conclude on this point. Is the Minister transferring the notification provisions to himself from the Competition Authority because he believes there may be an imminent acquisition or merger and he needs to act very quickly or is it simply a measure to underpin the system which he may or may not use in the middle distance or ever? In particular, will the Minister answer the question later as to whether he sees this as a liquidity or solvency crisis, or both?

**Deputy Michael D. Higgins:** A Cheann Comhairle, I am glad we are having this discussion at the beginning. Your observation is an accurate one. The role of the Oireachtas in dealing

[Deputy Michael D. Higgins.]

with this legislation is at stake. For example, if we had rattled on to section 6 of this legislation the assumption would be that one accepted the logic of section 2, which invokes the public interest. The public interest is best served by answering adequately the questions in the minds of the public, and that is the purpose of the amendments that have been put down by the Labour Party finance spokesperson, my colleague, Deputy Joan Burton.

A number of questions arise which it is only reasonable to require the Minister to answer. His assumption that a guarantee can be offered that will fall equally available to all banks assumes a homogeneity of practice that is demonstrably untrue. The banks differ in terms of their exposure and their practice.

I will speak plainly. The people in the street and those watching television programmes and listening to radio programmes absolutely reject the suggestion of the Government that this is about keeping the show on the road as it was. That is not acceptable to the public. It is to assume that one does not make an analysis on how we have arrived at this point, admittedly, some of it due to a highly speculative environment internationally, but much of it due to irresponsible lending that, when we come to deal with the Bill, we must deal with in terms of social distress on families. I have not heard a single word, for example, on the protection or guarantee that will be given to the victims of irresponsible lending by the banks. They are supposed to drag themselves through queues to social welfare offices as they seek to extricate themselves from debt in which they should never have found themselves.

Staying with the fundamental principles, and if we take Dr. Allan Kearns's conservative comment this morning, it would be assumed that the charge that will eventually be made on the banks would somehow or another be related, if one believes in market principles, to the degree of the risk being undertaken. The risk is different in a cautious, conservative bank than it is in a highly speculative bank but the Minister is asking us to blindly wave them on as they were and continue to trust those who have been guilty of a massive breach of trust, be it in terms of the Central Bank or the Financial Regulator. Members will have heard that representatives of both gave assurances to Oireachtas committees that everything was fine. Everything was fine when it was not disclosed. Those of us who believe in democracy in many cases now ask for a minimum of transparency in regard to the banks.

The question has been asked: what exactly are the public being exposed to by way of guarantee? If the Minister answers the question posed by Deputy Noonan as to whether it is a liquidity or a solvency crisis to the effect that it is the latter, how then will the Minister decide what should be the taxpayers' exposure? Does that mean that in the unlikely event, we all hope, of any aspect of insolvency, the taxpayer takes responsibility for the speculative bad debts of a bad bank that engaged in bad banking practices, that was rewarded with millions of euro and where people awarded themselves, sometimes at a slight remove by having a remuneration committee, hundreds of thousands of euro for speculative risk taking to people who in turn fed into the economy destructive principles in regard to the cost of building land, property and housing? The Minister may say that gentlemen or bankers do not talk about this and that it can all be taken for granted, but that is not good enough in terms of answering people's questions on the nature of the guarantee and its general or specific effect.

Another question will be asked of the Government, namely, if there was to be more discipline, transparency, responsibility to the Oireachtas and so forth, would it not look for pre-conditions before people were allowed to participate? This is an extraordinary club where one does not need any kind of character in terms of banking to belong. Membership is open. The only qualification for membership is perceived distress or having been caught out in one's irresponsible banking.



On the question of participation, if a bank, for example, was not willing to disclose the degree of its exposure to assets that are highly speculative or unreal, a Minister could say it cannot participate. I read the Bill and I do not see evidence of that in terms of it being a pre-condition. It is a conservative view to require that the degree of guarantee should be related to the risk and that in turn should be related to the charge. Those of us who argued for equalisation of access in terms of health insurance had to fight a battle to have older people included with people who would not have a charge in respect of the VHI and so forth.

The Minister, for the sake of the economy, may not want to be specific in his disclosure but everyone on the street wants to know which banks are exposed to highly risky speculative loans and to what extent. We are familiar with the notion that this is about the blood of the economy. It has been suggested the economy is about to freeze up. That follows on from the notion in the United States that people will be unable to get a student loan or buy a car. None of us wants the economy to grind to a halt in such a manner. There is no comparison between a person who wants some money to stock the shelves of his or her shop — a person who needs some liquidity to start a small business, to keep such a business going, or to pay his or her staff — and a person who has borrowed €500 million or €1 billion for a highly speculative development, much of which may not be in this State at all.

I wish to speak about the Minister's general approach to these matters. I assume he will reflect on the reorganisation of banking philosophy and practice during his considerations in advance of the budget etc. He will have to do so in the context of the national development plan. Is there the slightest indication that the banking system will adopt a new credit policy to assist employment-rich social projects? Is there any suggestion that there will be any shift of lending or credit into what have been described as "green technology" projects? The banking sector has not given a whit of commitment to doing anything differently. Those at the very top of the sector seem prepared to stay at the trough. It appears they are prepared to continue with the mad speculation in which they have previously engaged. Perhaps they made some kind of confession when they were in Government Buildings. Did they get down on their knees to say "we are very sorry we let the Government and the construction industry down"? Did they admit they have been caught out? I do not think they have offered a jot of admission that they brought us to this point, or suggested they will ever change.

It is entirely reasonable to ask the Minister to outline the circumstances in which he was forced to introduce emergency legislation to deal with this crisis. With respect, the Bill is rushed and sloppily drafted.

It is terribly important to point out that people need to get real when they reflect on what happens during banking transactions. I am sure the Minister, Deputy Ryan, remembers the campaigns which his party and my party ran in respect of the Tobin tax. I wish to remind him that just 2% of all international capital transactions involve goods. If one includes foreign direct investment, that figure increases to 4%. Therefore, 95% of international transactions are highly speculative. I agree with the suggestion made by the Minister, Deputy Gormley, that it is time for international regulation. When Lord Keynes suggested that in the 1940s, the institution was agreed but never came into existence.

It is time to deal with the issue of hot money. We never hear about it. It is regarded as some kind of left-wing argument, but it is not. It is a responsible argument. At a global level, hot money is having immensely destructive effects. I have every sympathy for poor people in the United States who are being asked to take on——

*(Interruptions).*

**Deputy Michael D. Higgins:** I am glad the Minister finds this entertaining.



**Deputy Brian Lenihan:** I do not.

**Deputy Michael D. Higgins:** It is not my view of the social economy that is in crisis. The speculator-led economic model, to which the Minister subscribes, is in crisis at home and internationally. Speculative investment with no responsibility is the global contagion to which the Minister referred as some kind of flu. Last night, the Tánaiste spoke about this measure as a new tool in the toolbox. That is the depth of thinking at the top of the Government. Somebody else referred to it as a contagion, somewhere between the Asian flu and bird flu.

The reality is that we have an international financial crisis for certain reasons. I agree with the Green Party that new initiatives are required at UN level, for example. At home, the Government has produced an emergency Bill and is asking us to wave it on. It wants us to keep things as they are, with no additional increment of transparency. Deputies on all sides have spoken about the appearances of representatives of the Financial Regulator and the Central Bank before committees of this House. Where are the Minister's proposals for giving additional disciplinary powers to such bodies? Is it the case that the Minister's proposed scheme does not follow any principle of disclosure? Does the Minister intend to give additional power to the Financial Regulator or the Central Bank to require compliance with the scheme?

**An Ceann Comhairle:** While I do not like to restrict debate in any way, I remind the Deputy that the House is considering an amendment to the section of the Bill that relates to the commencement of the Act and the role of the Oireachtas in that regard.

**Deputy Michael D. Higgins:** Yes. I am about to conclude. I wish to set out the fundamental principle in this regard. We are not talking about amending section 6 of the Bill. We are talking about the fundamental obligation on the Minister to come in at the beginning of the debate on the legislation to set out what he is proposing and the basis for it. In our amendments, we are seeking a guarantee that this is not more of the same. We need to be assured that things will be different. We are willing to listen to the Minister's proposals. We are being asked to place trust where it has previously been abused. I refer to institutions where certain practices took place in the absence of control or accountability on the part of the Financial Regulator or the Central Bank. That is simply not on.

We need to consider these matters before we move on to section 2 of the Bill, which invokes the public interest. I suggest that clarity and transparency are required in the public interest. We need a different kind of banking. The banking practices I demand will help this country to protect employment. We need to acknowledge that wild and mad speculation, which has been a destructive principle within the economy, must end. The suggestion that we must fumble on the way we were, bad and all as it was, is irresponsible and destructive of the economy. It will have social consequences. As the public discusses what we did last night, it is raising the questions I have asked. They want to know if the status quo will continue.

Details of the salaries and expenses received by Members of this House are published on a regular basis. Could any Deputy justify the remuneration that the people at the top of the banking system gave themselves over recent years? The answer to that question is "no". Will those who wish to participate in the Minister's scheme be required to allow others to be represented during decision-making? No. Will they have to lose some of their control over remuneration? No. That is why it is necessary to say all of these things at the outset. I am trying to give the Minister an opportunity to respond to certain concerns at the beginning of the Committee Stage debate.

**Deputy Bernard J. Durkan:** Like previous speakers, I will speak about the proposed new section in the context of the need for transparency and accountability. The details of the scheme

the Minister proposes to enter into with the financial institutions, or has already entered into, need to be available to the House in full. Over recent days, the Government has made repeated appeals to Opposition Members. References have been made to the Tallaght strategy and other things. It was obvious that something was coming down the pipeline. We all should have been made aware of it.

Like other Members of the House, a few years ago I served on a committee that thoroughly investigated this country's banking institutions. I think Deputies Ardagh and Rabbitte are the only two members of the committee who are still in this House. We investigated the procedures and practices of the financial institutions at length over a three-month period.

*12 o'clock* We were given numerous reassurances that the situation which unfolded at that time would never be repeated. We examined all the practices which had taken place, some of which were still taking place. Deputies will recall that the various flaws in the system were supposed to be corrected. We were assured that what happened at that time could never happen again. We were told it was impossible that the Government or a Minister would be oblivious to what was going on.

Great emphasis has been placed over recent days on the suggestion that this difficulty developed as a result of the international credit crisis. It did not arise from that source — it arose in this jurisdiction. If the Minister does not recognise that, he is avoiding the facts. He can appeal to this side of the House as much as he likes. We were told repeatedly that the fundamentals were sound and in good order. This proves that was not the case. They have not been good for several years. The Minister can laugh if he wants to, but the fact is that the dogs on the street knew what was happening.

Well-placed economists who knew what they were talking about were rubbished. They were ostracised, set aside and dismissed, yet people should have asked questions at that time. For instance, why was a house in New York or Texas cheaper to purchase than a house here? This is a simple question. Why was that happening? It was an extraordinary situation. The same was true of a house in France, a big country with a large population and a long-established economy. What was happening here? It is still happening.

Obviously, the economy was inflated. What the Government decided to do was to pour more petrol on the fire. During the past eight years, when the Minister for Finance came into this House and read his budget speech, what was the reaction from the Government side of the House? All of the backbenchers with one accord rose from their feet and gave a standing ovation. They cheered and called for more.

The Government has the audacity to call on members of the Opposition to support it blindfolded without giving them the information, telling them into what agreements it has entered or giving any indication to the House as to what the liability might be. Does anybody realise what the consequences of this will be?

As one who has been through this arena already, I would like to see clear evidence as to what arrangements the Minister for Finance has entered into with the financial institutions, what undertakings he has received from them, what indication he has received from them as to their liabilities and how they intend to proceed with the backing of the taxpayers of this country. This is not to be taken or given lightly and one should not in any way be flippant about it.

What worries me most of all is that there is a tendency on the Government side of the House to dismiss anybody who has any reservations, and state that this is big finance and that only certain people understand it. I would not go there, Minister. All the mere plebs in the country and in the House know full well what the implications are and they do not need any explanation

[Deputy Bernard J. Durkan.]

or guidebooks to tell them. We have been there before. We read and saw it all and we know what the consequences were.

At this late stage, instead of depending on and asking the Opposition to come in and accept something as a *fait accompli* I would like to see thorough and proper investigation into how these things happened and what will happen from here on in. If these issues were addressed it would reassure not only Members on all sides of the House but also the general public and consumers, and one must remember that this is all about confidence.

The fact that there is a need for this legislation and the intervention of the Government is a clear indication that if it can go right it can also go wrong. Let us be quite clear. I do not want this situation revisited all over again in a couple of years when we look into our hearts and state we should have asked these questions at the time or that we should have got an undertaking from the Minister or that the Minister should have sought clarification and undertakings but did not do so. We have no way of finding this out. Nobody can reassure us.

What has happened is something that should not have happened. It was totally within the control of the institutions here, namely, the Minister for Finance, the Central Bank and the regulator. Where were they? What happened? Did the Government tell the Central Bank to go easy? Deputies who were members of the Committee of Public Accounts all those years ago will remember all the nods and winks and understandings from time gone by. Was there an understanding that nothing would happen which would in any way arrest the upward trajectory of the economy as it was seen at the time? What were the consequences of this? What are the implications and liabilities now? Why did the regulatory system not work?

During the past seven or eight years, I heard arguments that interest rates were low internationally and it was a great time for the development and expansion of economies and a great time for everybody. However, it was stated that the Governments of Europe did not have the same control because in the eurozone we had low interest rates which were determined by the ECB. There was nothing to stop Governments from having some type of credit control. It was available to any Government at any time. This was the most simple and most obvious thing to do.

There is a great deal of talk about negative equity and sub-prime lending in the United States. A hell of a lot of this also went on here. In these circumstances, I would like to hear from the Minister at the earliest possible stage what he intends to do to bring more confidence back into the system. This can only be done by whatever undertakings he can give to the House today.

**Deputy Paul Gogarty:** I will begin by referring to the end of Deputy Durkan's contribution on this amendment when he used the phrase "more confidence". The quickest way to instill confidence is to pass this legislation. This is why while I agree with the sentiments of the amendment wholeheartedly, it would be flawed to place this type of constraint on the Minister.

I agree that the worldwide financial system is shattered. As far as I am concerned, it is a global pyramid scheme. The financial markets have long since left marking their speculation against value. If one could return to the gold standard at least one would have something to measure it against. Today, most of the world market is based on speculation. It is based on human emotion, greed and fear. It is not based on any reality.

A couple of years ago, our deputy leader, Deputy Trevor Sargent, referring to peak oil production rather than economic collapse, though they are related, stated that very soon Ireland would have to enter a wartime economic footing. This emergency legislation is that wartime footing. In a wartime situation we fight to defend ordinary people and this legislation

is about defending ordinary business people, PAYE workers and people on social welfare. Unfortunately, I must support it with gritted teeth because there are a lot of scum, and I state this deferentially in one sense, who do not deserve to be bailed out in this way. These people made a great deal of money out of many innocent people. Unfortunately, this is the only way we can protect our society. Passing this legislation is very much in the national interest, a phrase which is often used.

The banks have lent money improperly and this was supported by successive Governments. We had a good Celtic tiger spurred on by Fianna Fáil and the PDs and by Fine Gael, the Labour Party and Democratic Left. However, bad decisions were also made, including with regard to developer-led greed and speculation. This was not only in terms of macro-economic policy, but also with regard to decisions made in council chambers throughout the country where corrupt or incompetent local representatives increased the value of land tenfold overnight by rezoning, thus encouraging baby developers to get onto the ladder, encouraging people to speculate and banks to lend more and more money until the bubble expanded to the point where it is just about to burst. This is the problem with which we are dealing now.

**An Ceann Comhairle:** I must discourage Members from making Second Stage speeches. This amendment deals with the role of the Oireachtas prior to the commencement of the legislation.

**Deputy Paul Gogarty:** Absolutely. Questions were asked of the Minister about which banks were more fragile than others. To mention the name of a particular bank which the Financial Regulator might have secretly told the Minister was a little more dodgy than another would start a run on banks and increase the lack of confidence in the financial sector. A bank may be in such a situation. I do not know and to be quite honest I do not want to know. Right now, I am happy enough with the statements of the Minister and the Financial Regulator that the fundamentals of the banking system are sound, at least when compared with other banks, such as those in the United States. I am happy right now to accept that it is a liquidity issue. That is what we are debating — the issue of ensuring that ordinary people and businesses are able to borrow money at critical times to keep normal economic activity going. I am referring to bread and butter economic activity, not speculative economic activity. Deputies Higgins and Burton have suggested that by offering this guarantee the State is encouraging banks to embark on another orgy of speculation. That risk is obviously there but I would argue that banks now have a triple-A rating and will have to pay the State the difference between what they get as a triple-A and a secondary bank. They will be a lot tighter in how they lend money from now on. If the Minister had to outline exactly the terms, conditions and schemes that would apply it would take longer than one day. It would serve to increase the lack of confidence in the market, so that is why we need to have this done and dusted today. It is not without precedent that primary legislation is passed and details of the statutory instruments or regulations are examined at a later stage.

In deference to Opposition spokespersons, I ask the Minister to give as much information as possible. However, I also argue that because we are in a wartime economic situation *vis-à-vis* the factors that might influence the stability of the Irish banking system over the next two to five years, the terms and conditions the Minister may apply are fluid. We do not know exactly what is needed until we know what situation we will face. Asking the Minister to lay down a list of criteria now would, first, be false because the situation may change and, second, it would delay the passage of this legislation. It would also have a negative impact on economic stability. While I agree with Deputy Burton's sentiments, I ask her to withdraw the amendment on the basis of its negative impact on confidence. We need to increase confidence and let the public know the Government and Opposition are standing foursquare behind them. People

[Deputy Paul Gogarty.]

should be able to do their business as much as possible in this constrained market without fear of the whole edifice tumbling down on top of us.

**Deputy Seán Ardagh:** Listening to the tone and tenor of the Opposition contributions, with the particular exception of Deputy Bruton, it sounds like the prophets of doom. I wonder if the situation was reversed and the Opposition was in Government, would it have the bottle to put forward this plan?

*(Interruptions.)*

**Deputy Pádraic McCormack:** They opposed everything we ever put forward, tooth and nail.

**An Ceann Comhairle:** Please let the Deputy finish.

**Deputy Seán Ardagh:** Would they take the swift and decisive action that this Minister and Government have taken to protect the economy and the jobs about which we are all so concerned? The Government is to be congratulated on taking such action.

**Deputy Bernard J. Durkan:** They sat on their hands for about five years.

**Deputy Seán Ardagh:** I would like to hear more about the banks' net assets, as Deputy Gilmore mentioned earlier.

**Deputy Michael D. Higgins:** Yes.

**Deputy Seán Ardagh:** We want to know where we are. Deputy Burton suggested a figure of €200 billion, which is the difference between €600 billion and €400 billion.

**Deputy Joan Burton:** They were the Taoiseach's figures yesterday.

**Deputy Seán Ardagh:** Yesterday, the Taoiseach mentioned €100 billion — the difference between €500 billion and €400 billion. The Minister for Finance has mentioned €80 billion. Today is 1 October and yesterday marked the end of the third quarter, so I would like to see the equity or net assets of the banking system in Ireland valued on a prudential basis, under which the Central Bank has always stated it does business. Naturally, the net assets of the banking system depend on the value of the loans. Some people can say they are worthless while others put a high figure on them. I would be prepared to take the prudent value put on them by the Central Bank. We should know what is the value of the net assets of those six financial institutions.

**Deputy Michael D. Higgins:** Hear, hear.

**Deputy Joan Burton:** We will hold the Deputy to that.

**An Ceann Comhairle:** The Deputy should deal with amendment No. 1.

**Deputy Seán Ardagh:** It would be difficult to put the amendment into effect, given the terms and conditions under which a bank can get into trouble and the way fees and sanctions can be applied. There is an extensive matrix of the type of problems that a financial institution can get into. Some of those difficulties have not yet been defined. Similarly, the sanctions that can be adopted by the Minister, including fees, levies, interest rates or shares, and whether a bank can effectively afford to pay for it at all, entail many different options. To set out all of those terms and conditions would be an impossible task.



I agree with the exemption of section 7, which concerns the Competition Authority, from the amendment because swift overnight action would have to be taken if any bank got into difficulty. However, the Bill is not being put forward on the basis that banks are in difficulty. Various Members, including Deputies Noonan and Higgins, asked if solvency is the reason for the Bill, but I do not believe it is. I am sure the Minister will confirm that the whole purpose of the Bill is to deal with inter-bank lending and the ability of the Irish banking system to lend on international markets so that it can lend, as Senator Obama says, to “main street” Ireland. In that way jobs, business and the economy generally can continue. We will do the best we can to come out of the situation in which we find ourselves, so that we can resume economic growth as soon as possible.

**Deputy Pat Rabbitte:** Whatever the net value of the banks’ assets at the end of the third quarter, there is no denying that we are providing an immensely valuable insurance policy for the liabilities of the named banks. There is no gainsaying that and whether it is €100 billion or €200 billion the provision being made in this Bill is immensely valuable. All Deputy Burton’s amendment requires is that the Minister will tell us what the broad terms are for the provision of this immensely valuable policy. It is entirely wrong for Deputy Gogarty to say that Deputy Burton’s amendment would delay the legislation. It would not do so because the legislation will proceed to conclusion. However, it does not permit the legislation to be invoked until such time as the Minister provides the terms of provision as provided by the amendment. Therefore, it does not stop the legislation but, given the record, it does invite the Minister to be more transparent with this House on a critical issue.

Yesterday, I said it was equivalent to turning Ireland into one massive AIG in terms of underwriting these kind of liabilities. For example, I understand the going rate for credit default swaps is about 2%. If one applies 2% to the figures we have been given here it is a payment of about €8 billion, so it is immensely valuable. The banks will now be able to borrow money at a cheaper rate than they would otherwise have been able to do. The Irish State, Ireland Incorporated, which will have an excessively increased borrowing requirement as a result of the imminent budget, will have to pay more for our borrowings. I do not think it is unreasonable at all for us to ask the Minister to set out the terms that will apply to the critical provision of section 6(4), which is the provision of financial support for credit institutions in the circumstances envisaged. I say that because of our experience. Did the banks change their habits as a result of being bailed out in ICI or as a result of the DIRT inquiry? What did the banking chiefs say when they presented themselves at this campus only six weeks ago? What did they tell questioners about the issues now in front of us? What did banks say on the international scene? A bank was in deep trouble yesterday, even though it was mooted that it would take over another bank a few weeks ago. As a number of Deputies said, trust is at the heart of this. We are being asked to buy a pig in a poke as things stand. This is an enabling Bill that is just the scaffolding and we do not know what we are getting in return.

Deputy Noonan asked whether we are seeking to address a liquidity crisis or a solvency crisis. I expressed it differently last night when I asked whether it was a liquidity crisis or a capitalisation crisis. I am sure the Minister for Finance knows that there is a credible school of economic thought which believes that the banks concerned have a capitalisation problem, that this does not do a thing for that problem and that the problem will remain. It is all very well to watch economists for stockbrokers and banks being rolled out to say that this is a marvellous innovation. These are not stupid people so what would one expect them to say? They are after getting an insurance policy for their liabilities so of course that is what they would say. Some of the more feeble-minded commentators will take that up and say that this is marvellous. They do not know whether this is marvellous. I hope it is marvellous, but we do not know. As Brendan Keenan said, we will know it works when it works. I hope it will work, but for those



[Deputy Pat Rabbitte.]

who believe there is a capitalisation problem, it will not solve that problem. I would like to hear the Minister dwell a little on Deputy Noonan's question as to whether we are addressing a liquidity problem or a solvency problem.

The more thoughtful commentators have an open mind on what confronts us. Alan Ahearne has a track record on the property bubble going back a long way. He had an analysis that was the subject of much ridicule by exactly the same stockbroker and mortgage lending economists who are now telling us that this is fantastic. These guys came out and said that Alan Ahearne was a doomsday merchant and that his prognosis would never be realised.

**An Ceann Comhairle:** The Deputy should speak to amendment No. 1.

**Deputy Pat Rabbitte:** I am concluding now. In today's edition of *The Irish Times*, he states:

The charge to the financial institutions should be set at high levels to compensate for the risks that taxpayers are being asked to take. If a bank or building society refused to pay those charges, then that institution should not have been included in the scheme. . . The Government is putting at risk public funds to provide financial institutions with an extremely valuable insurance policy.

Public funds are being put at risk and the essence of Deputy Burton's amendment is the following. If Hank Paulson was in this country, he would not be able to believe his luck. Does the Minister think that Hank Paulson would get away with a Bill like that on Capitol Hill? He tried it and he did not succeed, and the representatives of the people were heard and were entitled to be heard about the deficiencies in the two and a half page Bill that became a 100 page Bill. All Deputy Burton is asking for is that we have the necessary elaboration from the Minister in specifying the terms and conditions that will apply to the provision of finance. We are not saying that we should hold up the progress of the Bill — let it be concluded — but we are saying that we should see the terms and conditions applied by the Minister because that is where the nuts and bolts rest in this scheme. People reasonably ask us what the Government is getting back. We need to know that before the provisions of this Bill become operational.

**Deputy Arthur Morgan:** I support amendment No. 1 put forward by the Labour Party. It is entirely reasonable that the Government should be asked to include a model of the scheme with this Bill and to outline at least a general guideline of the terms and conditions that will apply in any such schemes. We are giving the banks a blank cheque, but we are also giving the Minister a complete blank cheque. We have heard about blank cheques at the tribunals and we know that is not good practice.

The buzzwords this morning are confidence and trust, but I am not sure about having confidence and trust. When we look at the example of the banks and their rip-off practices, we see AIB bailed out and not having to pay back anything like the reward it received from the State. We should contrast that treatment of the banks with the treatment of constituents of ours who have received an overpayment of welfare benefits of €200 or €300 and who receive a letter straight away demanding the money back. This does not apply to the banks so it is easy to understand why there are reservations in this House regarding the absence of a model of the scheme.

I received a letter this morning from the Ceann Comhairle stating that my amendments Nos. 18 and 19 are out of order as they may involve a potential charge on the people. Even Members of this House are being tied down due to potential charges on the people, yet we have no idea of the potential charge the banks will apply on the people. There is an explanation needed urgently.

I do not trust the Government, and with good reason. Deputy Rabbitte quoted an economist who warned about this, and there are others, but many in this House, including myself, warned more than three years ago that the economy was grossly over-reliant on the construction sector and that the Government needed to develop alternative options. There was construction and internal consumption, and as soon as one began to shift, the other naturally melted like snow off a rope, but the Government did nothing about that. It was warned about the lack of a regulatory regime in the banking system as far back as 2005, when the Joint Committee on Finance and the Public Service, on a proposal of my colleague, Deputy Ó Caoláin, had a look at the regulatory regime in the banking sector. That committee recommended strongly that there should be a review and that an effective regulatory regime should be put in place. This did not happen and it has not happened in the past three years. If it had happened, at least some of this current crisis may well have been averted. I support the amendment because it would add substantially to the legislation and I hope the Minister will accept it.

**Deputy Noel Treacy:** I compliment the Minister for Finance on his shrewd judgment and his quality timing on a number of issues over the past three months. This is an island nation where 90% of GDP is dependent on an export market. We cannot operate in a global market without taking into account the impact of the current global economic crisis. The Minister must be complimented on the fact that not one financial institution in this country has gone to the wall.

Ireland is a member state of the European Union. In the past week, governments and banks have collaborated across borders to sustain banks in other member states. We are Members of a sovereign Parliament of a small country, this Republic and as legislators we have a duty of care to our citizens, our nation and our banking system. The banking system has four clear elements, including currency with its value fluctuations, trust in business and in banking and the ability to take risks and to make judgments to ensure economic growth can prevail. Our job is to ensure we sustain this system and drive it forward. Ultimately, those three elements are underpinned by the fourth element of banking, which is confidence. We must discharge our duties and provide the basis for the necessary confidence in the banking system at this time.

In the United States which is the biggest democracy in the world, banks have collapsed or have been nationalised or amalgamated.

**An Ceann Comhairle:** On amendment No. 1.

**Deputy Enda Kenny:** The Deputy is in Wyoming at the moment.

**Deputy Noel Treacy:** I have listened with great interest to the utterances of my colleagues——

**Deputy Richard Bruton:** A roaming charge.

**Deputy Noel Treacy:** ——and I have been guided by the limits of elasticity they have used. I am trying to encompass the whole system within that.

**Deputy Michael Ring:** Like the banks, uncontrolled.

**Deputy Noel Treacy:** I agree with Deputy Morgan and Deputy Rabbitte that this is an insurance policy. Any of us who ever had an insurance policy and examined it in detail will know one can be very fortunate; a policy can realise wonderful growth and mature at the right time or one can be very unfortunate and it might not return——

**Deputy Michael D. Higgins:** We all remember endowment policies.

**Deputy Noel Treacy:** —exactly what is required. As legislators we are the last line of resort in this situation—

**Deputy Joan Burton:** It is the taxpayers who are the last line of resort.

**Deputy Noel Treacy:** —and there is a duty on the banks. I listened to Deputy Burton's lecture in history last night and I did not interrupt her, but it was slightly off the wall at times.

**Deputy Thomas P. Broughan:** Deputy Treacy is so sensible.

**Deputy Noel Treacy:** The banks have a duty and the Bill proposes that banks must be responsible. We are fortunate to be in the eurozone at this time. If we had to protect our banks with only our own little punt currency, how could we stand against the ravages of the international marketplace? The European Central Bank has a key role to play because we are part of that system, we are in the eurozone and we have the Stability and Growth Pact to protect our borrowing requirements within that eurozone. Over the years, the Government put together one of the most robust regulatory systems, including the Irish Financial Services Regulatory Authority, to put structures in position—

**Deputy Michael Ring:** It cleared up well but it did not work.

**Deputy Noel Treacy:** Gently, please. This was done to protect our financial institutions. The Governor of the Central Bank, the Irish Financial Services Regulatory Authority and the Minister for Finance, either individually or collectively, can put an inspector into a bank at one hour's notice.

**Deputy Michael Ring:** They were all on holidays.

**Deputy Noel Treacy:** That legislation has been introduced over the years.

**Deputy Paul Connaughton:** The bank must have been locked that day.

**Deputy Noel Treacy:** This is very important legislation. The Minister is taking into account the importance of this House, this Legislature. The Bill proposes to give responsibility to the Minister, to the custodian of the country's financial system, and we as his colleagues, as legislators, can question him at any time, either in the House or in committee, on any aspect of the financial system. We can take back the powers that perhaps may have been given over to others. The Minister will also have the advice of the Governor of the Central Bank and the Irish Financial Services Regulatory Authority, the officials in his Department and the Governor of the European Central Bank. There is no point in us tying the hands of either the Minister for Finance or the banking system with regard to the rejuvenation of the economy.

People talk about an overhang in the market but this is not the first time we have had a crisis. In the 1920s there was an international crisis and in the 1970s the banks had neither reserves nor resources to give mortgages to people. In the 1980s, from 1987 to 1990, the same situation prevailed and the economy ultimately delivered.

**Deputy Michael D. Higgins:** The Deputy should not forget to include the Famine.

**Deputy Noel Treacy:** There have been sectoral failures over the years. I refer to the collapse in the technology sector a number of years ago which was dealt with. The Government is

introducing legislation that will give sustainability and confidence and that protects the resources, savings, investments, deposits and credit lines of our people and our companies. We have a duty to do this and we must support the Minister. There is no point tying the Minister's hands. We must ensure we have the best deal possible so that banks can loosen up resources, increase credit lines, look after the retail and business sectors and provide mortgages for the young couples who want to buy houses. This would also allow senior citizens and those who have reached retirement to transfer their assets to their children and allow them enough resources to purchase apartments for their retirement. It is the duty of the banks to loosen up the cash that is vital for growing this economy and absorbing the intellectual capital of our nation, absorbing the intellectual talents of our people. There is no point tying the Minister's hands in his outstanding efforts to ensure that as a small sovereign nation dependent on a global banking system and on a global economy, we make the right decision at this time.

**Deputies:** Hear, hear.

**Deputy Enda Kenny:** The Deputy did not go to New Zealand.

**Deputy Lucinda Creighton:** The Deputy's contribution will be a difficult act to follow. I thank Deputy Treacy for his rewriting of certain aspects of Irish history.

The Tánaiste, excuse me, the Minister for Finance——

**Deputy Brian Lenihan:** I seem to have had a sex change.

**Deputy Lucinda Creighton:** Please excuse my Freudian slip. I welcome the spirit of this amendment. It is vitally important that we place some form of restriction and method of scrutiny into this Bill. In my lifetime I have never read a Bill that proposes to give such wide-ranging powers to one individual. This potentially makes the Minister for Finance a very powerful man. While I have a certain amount of faith and confidence in the Minister, I have certain concerns, and my concerns and reservations are shared by many Deputies on this side of the House. I refer to the unprecedented latitude being afforded to one Minister and those concerns should be noted on the record of the House. There is a shocking lack of checks and balances on those powers and this amendment would address this lack to some extent.

Fine Gael supports the Bill as a whole and in good faith. We are not privy to the same level of detail as the Minister and his Cabinet colleagues about the actual and real situation in which the banks find themselves. Last week, the House was assured by the Minister that there was no problem with Irish banks and no danger or risk of any of them going under. Obviously, we entered different territory this week and found out that was not the case. The Minister is asking the Opposition to take a giant leap of faith and, to a large extent, we are prepared to do that. However, it is difficult for a variety of reasons, primarily because the Government and the Department of Finance have in no small part contributed to the mess in which we now find ourselves. It is important to acknowledge this point. It is not nay-saying or negativity. Deputy Seán Ardagh may take issue with Members from the Opposition benches criticising any aspect of this legislation. However, that is our duty. It would be highly irresponsible for the Opposition not to seek reassurances from the Minister for Finance or ensure safeguards are put in place.

We have heard contradictory figures concerning the guarantee. If we take the figure of €400 billion at face value, it is a massive guarantee based on taxpayers' money. When it is broken down, it amounts to €92,000 for every man, woman and child. That is a large responsibility for us who represent the taxpayers and non-taxpayers who ultimately will foot the bill should the guarantee be called into play. It is a noose around the necks of the ordinary citizens. If a single

[Deputy Lucinda Creighton.]

bank goes down, the chair will be kicked from under them. I have concerns about this and find it difficult to support an open-ended Bill without any safeguards for the people, particularly as we have arrived at this position because of reckless financial behaviour, a failure to adequately regulate the banking sector and, as Deputy Michael D. Higgins pointed out, the speculative nature of the property industry. We now realise the so-called “property boom” was a false bubble.

I have grave concerns about section 6. I do not like to draw extreme analogies but the powers being vested in the Minister for Finance are somewhat akin to those seen in 1930s Germany. While I accept the Minister will not abuse them, should he be in the frame of mind to do so, the section provides him with much latitude. There is no requirement for the Minister to present any details of secondary legislation to the House. He is simply required to consult with a person or a body. He then has 21 days to introduce whatever measures he so wishes and return to the House with them. Even if his resolution is rejected by the House, this cannot take effect retrospectively. Should damage be done, it cannot be undone.

I support Deputy Richard Bruton’s argument that three days would be adequate in this regard. It would provide much greater safeguards for parliamentary democracy and greater accountability to the people. There is no reason that an extended period of three weeks is necessary. If the Minister was required to take action for a particular bank, there is no reason this could not happen by re-calling the House in two or three days. We are all acutely conscious of the gravity of this issue but also of the responsibility on us to protect taxpayers’ money. I am sure every Member would be willing to agree to such an amendment.

There is a large responsibility on the Minister and the Government. The Opposition is prepared to play its part in this and support the legislation to re-inject confidence into the financial markets. We cannot, however, in good conscience or faith give the Minister the type of blank cheque as presented in the Bill. Meaningful amendments must be accepted by the Government. I hope every amendment is not pushed to a division but that the Minister will — in the same good faith as the Opposition — take on board some of the constructive suggestions put forward by the Opposition.

I commend Deputy Joan Burton’s amendment. I hope the Minister will consider the other amendments and take them on board in a responsible fashion as we would expect from the Minister for Finance.

**Deputy Jim O’Keeffe:** I hope the system being put in place by the Minister for Finance and the Government works. I hope it withstands the vicissitudes of the marketplace and the legal challenges — which no doubt are being considered at home and in Europe — to the Bill’s provisions. In many ways an Opposition in a situation such as this has to take a Government on trust. We must don the green jersey in what is presented as an emergency situation. We hope this trust will be well-founded in the coming months and years.

The one major defect in the Credit Institutions (Financial Support) Bill is its democratic deficit. The Oireachtas has been asked to write a blank cheque for the Government and Ireland’s financial institutions. In doing this, we must bear in mind the background to these events.

Alan Greenspan spoke about irrational exuberance at the time of the dotcom bubble. Everyone accepts that over the past several years we have had irrational irresponsibility on the part of Irish lending institutions. Lending practices were in place that were absolutely outrageous from the point of view of any prudent banking system. What is worse is that no one shouted



“Stop”. That is the real concern for the future. The Central Bank and the regulatory authority issued reports now and again, raising a cautious voice about what was happening in the financial sector. Yet no one shouted “Stop”, or anyone who raised a whisper about these practices was simply not heard. That contributed substantially to the difficulties which now confront our financial institutions.

Could it happen again now that we are providing this underwriting guarantee? If it does, will there be a cost to the taxpayer? Yesterday, the Taoiseach said there was no exposure to the taxpayer in this scheme. That was a rather simplistic interpretation of this legislation. Already there is an indirect cost to the taxpayer in that the level of interest payable on Government bonds is creeping up. If this guarantee was called in at any stage, undoubtedly the taxpayer would be exposed to substantial costs.

Who will look after the taxpayers’ interests? I am a bit old-fashioned but in a democratic system I always regard parliament as the body that looks after the taxpayers’ interests. Apart from giving this blank cheque to the Government, Parliament has become *functus officio*. It has a few small responsibilities regarding positive resolutions on motions and regulations but no direct function or role. It does not have the watchdog role I believe it should have regarding the exposure of the taxpayer arising from this legislation.

That is why I strongly believe that what is needed is a public accounts type banking committee of the Oireachtas. We need a committee of the Oireachtas to which the various bodies can report. This would provide a platform for the Central Bank, the Financial Regulator, officials from the Department of Finance or the Minister for Finance to express their views; a platform through which the interests of the taxpayer could be protected. One issue that could be raised in opposition to such a proposal, which I will counter straight away, is that in many instances sensitive information, commercial or otherwise, could become public knowledge improperly. However, that issue has been dealt with in other countries. Basically we should believe in a system of openness, transparency and accountability. In so far as there is any sensitive information to be protected, it can be dealt with by committees in this House in the same manner as in other countries.

As someone who has been a Member in this House for some time, I agree that we must support this legislation and I hope it will work. However, I would like to see the major defect I am highlighting, namely the democratic deficit, addressed. I am putting forward a concrete proposal as to how that might be done, through the establishment of an Oireachtas public accounts type banking committee. There is enough expertise in this and the other House to provide that kind of safeguard for the taxpayer. I ask the Minister to consider that proposal.

**Deputy Pádraic McCormack:** Apart from one short observation, I will confine my contribution to a question. My observation is that we are now two hours into the debate, there are 28 amendments tabled and it will take 48 hours of continuous debate, at the rate we are going, to complete Committee Stage.

I have a question for the Minister which I hope he will answer at the conclusion of this debate. If, for example, Mr. X, Mrs. X or Ms X is currently in debt to a lending institution in this country to the tune of €2 million and is unable or unwilling to repay that debt, what happens in two years’ time? Who will take up the tab for the €2 million owed? Will the Irish taxpayer have to take up the tab? While €2 million is a large amount of money to many individuals, it is a small amount of money in banking terms. I read in one of today’s newspapers information on the earnings of the chief executives of Irish banks. The top earner is earning €9,781 every day of the week.



**An Ceann Comhairle:** The Deputy should not delay the debate further.

**Deputy Pádraic McCormack:** I am only relating the information to the man or woman who owes €2 million to the bank. I will not delay the debate at all. The second highest earner is earning €8,493 per day, which is €59,449 per week. It is no harm to put that information on the record of the House because people in the street are asking if we are propping up institutions that will continue to pay exorbitant wages to their chief executives and directors. What assurances can the Minister give this House that there will be any control over the earnings and bonuses of chief executives over the next two years, during which time we are guaranteeing the viability of the six lending institutions in question to the tune of €400 billion? That is one of the questions the ordinary person on the street is asking, and on whose behalf I ask the Minister for a response. The salaries and wages in question are inconceivable to ordinary people. I ask the Minister to reassure us on that question in his reply to this debate. What guarantees can he give us?

I note that amendment No. 2 proposes limiting salaries to level of that earned by the Minister for Finance, which is a very sensible suggestion. Will the Minister do that? Were he to do that, the people on the street would understand. We would be talking about normal figures then, rather than the abnormal ones about which people are reading. They cannot understand how we could be propping up institutions that would throw money about like that.

**Deputy Michael Ring:** I have several questions for the Minister for Finance. The first is——

**Deputy Edward O’Keeffe:** Where do you bank?

**Deputy Michael Ring:** If I start on the banks this morning, there will not be a run on them. There will be a run on the officials tomorrow.

**Deputy Paul Gogarty:** Deputy Ring’s money is under his mattress.

**Deputy Michael Ring:** What happens to the man or woman who is now in difficulty with the banks? Is the Minister going to do any deal for such individuals? I received a call from a constituent yesterday who asked me to ask the Minister that question today. The ability to do so is one of the privileges of being a Member of this Parliament. What will the Minister do for the ordinary person? Now that he is saving the banks, will he also do a deal for people who are in difficulty with mortgage repayments and whose homes are in danger of being repossessed?

In the United States of America, the FBI was sent in to investigate the banks. I want to——

**An Ceann Comhairle:** The Deputy should address amendment No. 1.

**Deputy Michael Ring:** I want to know if the fraud squad will investigate the banks because they have dragged this country down to its current level. Last week a man was caught working while drawing the dole and he is now in Loughlin House. Thanks to the banks, the country is almost at a standstill. Where was the Financial Regulator and the Governor of the Central Bank? These are people in the quangos that we set up and they did not do their job. Nor did the officials in the Department of Finance.

How could we be in this state again? This is not the first time we have saved the banks. I have been a Member of this House a relatively short time but it is not too many years ago when we had to come in here and save AIB and PMPA. It is not too long ago that the taxpayer had to shoulder the enormous costs relating to beef exports. I listened to Deputy Treacy talking

about the wonderful job done by the banks. They should all be in jail for what they have done to this country and its young people.

**An Ceann Comhairle:** Amendment No.1 please, Deputy Ring, on the role of the Oireachtas.

**Deputy Michael Ring:** This is not about amendment No.1. I want to know what will be done with the people who have brought the country to its knees today.

**Deputy Paul Gogarty:** Will Fine Gael sack its councillors who made them rich in the first place?

*(Interruptions).*

**Deputy Michael Ring:** Deputy Gogarty should sit down. He is now in with the builders and Fianna Fáil.

*(Interruptions).*

**Deputy Michael Ring:** I heard the Deputy's hypocrisy before about salaries but he never gave the money back.

*(Interruptions).*

**An Ceann Comhairle:** Hold on there. Amendment No.1, please.

**Deputy Michael Ring:** I will say no more. There is precedent there. I have had enough of the Deputy's hypocrisy.

**Deputy Paul Gogarty:** The Deputy is great at the repartee and the mock anger. He should stick to the issue before us.

**Deputy Michael Ring:** I want to ask the Minister——

**An Ceann Comhairle:** Amendment No.1.

**Deputy Michael Ring:** ——a very serious question.

**An Ceann Comhairle:** Amendment No.1 deals with the role of the Oireachtas prior to the commencement of the legislation. The Deputy's point has nothing at all to do with that, to the best of my knowledge.

**Deputy Michael Ring:** I thank the Ceann Comhairle for protecting me because I need protection when I am speaking.

**Deputy Noel Treacy:** Deputy Ring is back in Ireland now.

**Deputy Michael Ring:** As we are dealing with bankers and money, Mr. and Mrs. Citizen will have to pay, those people who cannot afford to do so and who are already struggling to pay their mortgages. They are the ones who will have to pick up the tab. It is outrageous. This is the third or fourth time we have saved the banks.

What protection will be provided by this legislation to ensure we never see this happening again? Where is the Governor of the Central Bank and the Financial Regulator, to whom we are paying big money?

[Deputy Michael Ring.]

As Deputy McCormack said, paying the bankers who have put this country in the state it is in €2 million or €3 million *per annum* is a disgrace. The first thing the Minister should do, before this package is agreed, is ensure that their salaries are halved. In fact, half is too much for them. He should not worry about the executives going anywhere because if they ran any other company in the same way they have run the banks, they would be sacked, as would many others along with them. The Minister might think it is great for the country. It is good for the country in that we must save the banks. I would like to vote against the banks today but I would not be doing the country any good. I want to vote to save the country.

This is not the first time that we have saved the banks in this country. There are two laws in this country, one for the rich and one for the poor. When I came into this House 14 years ago a man said to me at the door to remember when it comes to money——

**An Ceann Comhairle:** The Deputy should confine his remarks to amendment No. 1.

**Deputy Michael Ring:** ——whether it is Fianna Fáil or Fine Gael, the rich man will be saved. That is what is happening again today. Do something now for those with mortgages, the people who are in difficulty and the people whose homes are repossessed, and do not have the bank hounding them on one end and the taxpayer keeping them up at the other end.

**Deputy Bernard J. Durkan:** Hear, hear.

**Deputy Pádraic McCormack:** Especially the people in Mayo.

**Deputy Seán Sherlock:** That this Government would expect us to come into this House, take the Bill that is before us and accept it as a *fait accompli* without any critical assessment is a gross underestimation and a gross insult to those we represent.

**Deputy Brian Lenihan:** Excuse me, we have not asked them to do that.

**Deputy Seán Sherlock:** The amendments that have been put forward by the Labour Party are sensible because they seek to give a parliamentary oversight to the process that is about to be undertaken here.

The amendment on the financial aspects — I refer specifically to amendment No. 24 — to the effect that an equity stake could be taken by the State in the event of a call on one of the loans is something that should be considered. The people of this country would then have some sort of a stake and say in the control of the banking system into the future.

The other issue relates to the power of the Minister for Finance. In any parliamentary democracy there must be checks and balances. What is being proposed by the Government in its current form gives undue power to the Minister for Finance and the amendments that we have put forward would seek to keep that in check.

I do not want to engage in a rhetorical speech here about the nature of global financial capitalism, but what we need in this country, which we can bring about only through our membership of the European Union, is a greater degree of regulation that will ensure that the confidence that has always been in the banking sector will continue.

Unlike Deputy Gogarty, I do not envisage that we should return to the gold standard.

**Deputy Paul Gogarty:** I did not say that.

**Deputy Seán Sherlock:** Confidence is all important but if the taxpayers of this country are being asked to underwrite this, there should be some pain for the banks, there should be some *quid pro quo*, and there should be a possibility that the State would at some future date have a degree of equity in the banking system, if necessary. That is what is being proposed, and that there would be complete transparency in that process as well. Our amendments are reasonable and should be taken on board.

**Deputy Thomas P. Broughan:** We are discussing section 6(4). The Labour Party amendment in the name of Deputy Burton clearly indicates what is wrong with that section, that is, the references, for example, to “such commercial or other terms and conditions”, and that, “Without prejudice to the Minister’s discretion ... all financial support provided shall so far as possible ultimately be recouped”. That section, and the fundamental amendment which my colleague seeks to extend to it, shows the problem with the heart of this Bill.

I would hope that Fine Gael colleagues who spoke so vehemently about the misbehaviour of bankers over recent years would now have the courage to vote against this Bill. It is a bad Bill. It was thought out, if you like, on the back of a beer mat and following people reading what trendy commentators perhaps feel is the only way forward in the current circumstances. It is based on a vacuum of knowledge in terms of what action could be taken at this particular time.

For example, I asked the Minister’s predecessor and the Financial Regulator repeatedly over recent years to see what could be done about the horrendous scandal of endowment mortgages where in the region of 90,000 young families——

**An Ceann Comhairle:** We are on amendment No. 1.

**Deputy Thomas P. Broughan:** I want to make the point. Some 90,000 young families were ripped off in a callous way by institutions and I was told by the regulator, who has such a woeful track record, that what I sought could not be done. However, the Minister or his predecessor did not rush in here and try to protect householders and he is not rushing in here today to protect them. His motives are first and foremost to protect some grossly irresponsible bankers who behaved so badly.

**An Ceann Comhairle:** The Deputy should address amendment No. 1.

**Deputy Thomas P. Broughan:** He is now coming in here with a pig in a poke and expecting us to sign off on this essentially bad Bill.

I must ask why this was necessary in the first place. Two weeks ago, as Mr. David McWilliams correctly stated, the Minister implicitly gave a guarantee of all deposits. As he had already done that effectively, what was different yesterday and what is different about the legislation here today, which tells us nothing?

By the way, last night and all day yesterday the Dáil was treated in the most disgraceful way that I have seen over the past 16 years——

**An Ceann Comhairle:** Come on Deputy; we are on amendment No. 1.

**Deputy Thomas P. Broughan:** ——and we are still being treated like this here today because we still do not have the key information, which my colleague is seeking to extract from the Minister.

At the end of the day, who will carry the can? How big will the can be? We do not have a clue. We do not know. Professor Morgan Kelly last night correctly sought to estimate the

[Deputy Thomas P. Broughan.]

amount of toxic debt that was out there and was thinking in terms of €20 billion or €30 billion, which is a considerable liability.

**An Ceann Comhairle:** Deputy Broughan, you must stick with amendment No. 1.

**Deputy Thomas P. Broughan:** This relates to section 6(4) — what can be recouped, and how it will be recouped, for the taxpayer. I am addressing the amendment under discussion.

As colleagues have stated, what about the other big day the Minister will have in a few weeks time, when we face one of the biggest budget deficits in our history and when this country will have to borrow? The Minister has seriously affected our credit rating by this global measure that he has taken and we will have to pay through the nose to try to maintain basic State spending on services for which we in this House have responsibility. The Minister has acted grossly irresponsibly.

**An Ceann Comhairle:** Stick with amendment No. 1 please.

**Deputy Thomas P. Broughan:** What are we getting in return? Are there any major sections here on corporate governance? Are there major sections on performance-related pay?

**An Ceann Comhairle:** Deputy Broughan, the general principles of this Bill were agreed on Second Stage.

**Deputy Thomas P. Broughan:** They were not agreed on Second Stage.

**An Ceann Comhairle:** We must have some semblance of order.

**Deputy Thomas P. Broughan:** Most of us got this Bill late at night. We got fragments of paper, we heard rumours.

**An Ceann Comhairle:** The Deputy had better stick with amendment No. 1.

**Deputy Thomas P. Broughan:** We were restricted.

**An Ceann Comhairle:** Stick with the amendment.

**Deputy Thomas P. Broughan:** This House did not have a chance to discuss this. This is the first opportunity we have had.

**An Ceann Comhairle:** On the amendment Deputy.

**Deputy Thomas P. Broughan:** What is happening in this regard? The Minister has no details on the appalling performances on corporate governance in the banking sector. I will not go over the history of the failures throughout the years, like the Government backbenchers did. I mentioned one, namely, endowment mortgages. Those people were ripped off and the Minister and his party did nothing about it throughout the years. In fact, it told them to get lost. That is the bottom line. Householders who are now in difficulty are being told the same.

**An Ceann Comhairle:** Amendment No. 1 relates to the role of the Oireachtas prior to the commencement of the legislation. Deputy Broughan has embarked on a Second Stage speech and we cannot have it.

**Deputy Thomas P. Broughan:** Young householders face stiffer and stiffer monthly mortgage repayments——

**An Ceann Comhairle:** Please stick within the terms of the amendment.

**Deputy Thomas P. Broughan:** —and are barely able to make ends meet. How will the Minister help them? What is he doing for them in the context of this legislation? There is absolutely nothing here. As I said, we are effectively buying a pig in a poke and, personally, I am strongly opposed to it.

**Deputy Paul Gogarty:** What is Deputy Broughan's alternative?

**Deputy Thomas P. Broughan:** We have not had an opportunity in the discussion to put forward anything, but there are alternatives. As I stated, the Minister took a step a couple of weeks ago and has now sought to retrospectively protect himself by this kind of global legislation.

We have the experience in Scandinavia in the 1990s, with Sweden, Norway and so on. The economics textbooks have been written about how to manage a banking crisis.

**An Ceann Comhairle:** That is outside the scope of the amendment.

**Deputy Thomas P. Broughan:** The Scandinavians did not embark on the adventure on which the Minister is embarking, whereby he is endangering the taxpayers and citizens of this country.

I applaud the Labour Party amendment, which seeks to bring some facts and figures into the debate such that we will know what we are likely to face and what we can get back. I strongly support my colleagues' contention that we should be prepared to take equity where necessary, be it at the rate of 80% or, if necessary, 100%. We should not run away from this proposal and should be prepared to take on the responsibility. The Minister has a lot of thinking to do about this Bill.

**Deputy Brendan Howlin:** I will shock the Ceann Comhairle and the House by confining my remarks to amendment No. 1.

This is a very important issue and the Bill is one of the most important this House has dealt with in a very long time. It is probably one of the most important instruments with which any of us will be involved and that is why the scarcity of detail is so alarming. It is a framework for action. While we are all agreed that action is required and while we all have a shared ambition to achieve the desired outcome of that action, that is, to restore equity and confidence in the banking sector and ensure there is capital available to do genuine and honest business in this State, our job is not to underscore business as usual and allow those who have brought us to this point to continue on their merry way.

For us to be certain that this instrument will be fit for purpose, we need to have the detail; it should not be *post factum*. There will be no point putting the detail of the scheme to the House in a week or three weeks for comment or annulment because we are not going to renegotiate a deal done. We need to have the framework in advance so we will know what we are getting into.

I am motivated to speak more than anything else because I believe this first amendment is a matter of fundamental principle, a matter of proper parliamentary function and oversight. Over recent days, I have listened to some shrill voices, most of which were from outside the House but some of which were from within, accusing Members of the House of temerity for wanting detail. They ask whether we know there is a crisis, point to the formula and suggest Members should not be involved in working out detail and desiring accountability. This morning, when this point was being raised generally, the Minister stated we do not want to end up like Capitol Hill.



**Deputy Brian Lenihan:** We do not.

**Deputy Brendan Howlin:** Capitol Hill takes its legislative function seriously. Would it not be wonderful if Paulson's blank cheque were rubber stamped and all were hunky dory? Parliament does not work like that because it is the people's assembly and its job is to ensure we make laws, as we are constitutionally charged with doing.

I am worried about two principles that underpin this entire scheme. First, the Dáil is being asked to hand over to the Minister its constitutional prerogative to make law. We are providing for considerable potential in secondary legislation for the Minister to craft law. The Supreme Court has already spoken on this in respect of another issue. It is for us to make law, not to give authority to the extent envisaged in this measure to any individual.

The second worrying principle is that we are being asked to give the assets and future assets of the State to the Minister for a stated purpose. The purpose is good but what is being asked is incredible. It literally involves a blank cheque and a volume of demand that has never been handed to any Minister for Finance in the history of this State.

A few reasonable questions were asked this morning by the Leader of the Opposition and Deputy Joan Burton, in moving this amendment, on the scale of the liability. To request knowledge of the scale of the liability is reasonable and we need to know it. I imagine the liability is changing by the hour as more funds move into our banking system — this is welcome — but we need to know what exactly is being guaranteed and the extent to which it is being guaranteed.

Many Members, in their contributions on this amendment, stated we must have regulation. However, regulation must have concrete form. It is no use having the Minister say to us it is referred to in the Bill. There will be regulation, an equity stake and a cost to the banks but we do not know the scope or nature of any of these. We do not know the amount of money to be underwritten and we do not even know the yardstick by which the cost is to be measured and recouped to the State. Having listened to different Ministers, I note the goalposts have moved several times. Some say there will be no payment unless there is a call on the funds and others say there is an insurance-type scheme on foot of which there will be a real charge.

The Minister acknowledged last night that there is a real cost to the State in respect of our ability to borrow and the cost of borrowing——

**Deputy Brian Lenihan:** I said, "There may be".

**Deputy Brendan Howlin:** Last night the Minister said there was a real cost.

**Deputy Brian Lenihan:** I said, "There may be".

**Deputy Brendan Howlin:** It is most people's opinion that this new liability will make it more expensive for the State, *qua* State, to borrow. The Minister has acknowledged that fact. Will that quantifiable sum be part of the budget arithmetic so we will know how much is to be borrowed, the cost thereof, the additional cost subsequent to this legislation and the manner in which it is to be levied on those who are benefiting from the legislation? I hope this will be part of the budget arithmetic.

A number of other issues must be part of the decision-making process before we allow this to become a *fait accompli*. Otherwise, we can fold up our tent as legislators. The cry for the past five to ten years has been for little government, open markets, no regulation or light-handed regulation. Those who argued for these for ten years should now show some modicum of humility. Since they have come to the State, the elected representatives of the people and ultimately the people themselves to dig them out of the hole they have created, they should

allow us to set the terms. We should demand that we be allowed to set the terms and not listen to the very people who brought us to this point telling us to get on with our job in a way that they determined.

In advance of any decision of the Minister under this scheme, there should be an analysis of its impact on competition generally. Some Members, including Members who contributed in this debate today, said this is a wonderful whizz that the Government has and that it is a model that will be replicated across Europe. Where stands the market? If every bank in Europe is guaranteed and if there is no risk involved, how can there be competition?

**Deputy Brian Lenihan:** We are not carrying borrowing.

**Deputy Brendan Howlin:** It will be very interesting to see how this pans out. There will be no risk to borrowing because it is guaranteed by the scheme. Therefore, recklessness can enter into the equation.

**Deputy Paul Gogarty:** The difference between triple A and second level——

**Deputy Brendan Howlin:** Deputy Gogarty has had his say.

**An Ceann Comhairle:** The Deputy should stick to the amendment.

**Deputy Brendan Howlin:** My point is relevant to the amendment to the extent that these are the issues that must be set out in advance to the satisfaction of the Members of the House. There may be some who happily buy pigs in pokes but the rest of us want to know the detail of this most profound decision. By and large, we want to make the decision but want to do so in a way we will not regret shortly. Deputy Jim O’Keeffe said we have to take the Government on trust on many of these matters. To some extent we do, because we must give sufficient flexibility to the Minister to act in the national interest. However, we must circumscribe that in so far as we can to the cause of public accountability and prudence.

As a man who I have never quoted before, former President Ronald Reagan, once said: “Trust, but verify.” We need to include this House — the people’s voice — in ensuring the decisions that are made are thought through, real and do not expose us to unnecessary risk. For all those reasons, this amendment is a necessary one. It is not a great burden on either the efficient working of this scheme or on the Minister. This House needs to change the way it does its business to be relevant in these matters. I hope the Minister will give careful thought to accepting the amendment and shaping the workings of this House to ensure the people’s business is done effectively, with proper regulation and proper oversight, so we do not end up in this mess again.

**Deputy Olivia Mitchell:** I support the remarks made earlier by Deputy Bruton and also by Deputy Noonan in stating we need more information as to what we are doing here. We need more information on what it is we are trying to achieve and how we are to ensure we achieve it.

The Minister stated that this problem is one of liquidity, which is what we are dealing with. There is no doubt there has been an international credit crunch. The truth of the matter is that the ECB has made liquidity available, albeit at a price. The problem the Irish banks are facing is not an absolute shortage of liquidity in the overall market but that they cannot access it through the interbank market. We must ask ourselves why this is the case. Why is it Irish banks are perceived to be more of a risk than their peers in the rest of Europe?

**Deputy Brian Lenihan:** Is the Deputy aware of what is happening in Germany and Belgium?

**Deputy Olivia Mitchell:** While the banks, the Government and the Central Bank have told us the banks are sound, the market does not think so — that is the reality.

We are, of course, supporting the notion of giving a guarantee of liquidity where it is needed, which is essential. I totally support the Government's move in that respect. However, the reality is that we are only dealing with the symptoms of what is an underlying problem, namely, the elephant in the corner that is the concern about the solvency of the Irish banking system. The Minister cannot deny this. The reason the Irish banks are having such difficulty getting funds in the market is because the international markets are looking with a very jaundiced eye at the quality of the portfolios of the Irish banks.

**An Ceann Comhairle:** We are dealing with amendment No. 1.

**Deputy Olivia Mitchell:** Indeed, and this is very relevant. The situation is quite scary. In the case of AIB, one of our main banks, 60% of its total loan book is concentrated in the property sector, either in residential mortgage lending or in construction and property lending, and that figure is 70% for Bank of Ireland. This makes us very exposed to any downturn in the property market, which is the worldwide problem. However, this situation is exacerbated further in the Irish case by the degree of borrower concentration. A very frightening figure I read recently suggests that a mere 40 borrowers are responsible for half of the commercial development loans given by our two main banks. The same figure for residential borrowing is not available but from what we all know about the residential market, the level of borrower concentration there must be even more extreme.

By any stretch of the imagination, one cannot claim the Irish banks have a balanced portfolio — that is the problem. When one adds to that the economic problems — the negative growth we are now experiencing, unemployment and the drop in house prices — we have our own toxic bank debt that the other international banks must look at with a very jaundiced eye. We need to deal with the underlying problem and we need to know how we will do so. For example, what will happen to the young mortgage holders and first-time buyers who borrowed at the top of the market and now face negative equity?

**An Ceann Comhairle:** What has that got to do with amendment No. 1?

**Deputy Olivia Mitchell:** We need to see the terms and conditions to know what will happen with regard to these people. Is there any requirement for the banks to restructure their loans? Will they be allowed to make a massive number of repossessions and have fire sales, driving house prices down further and sending the economy into even deeper recession? Has the Government any plan to deal with this?

**Deputy Brian Lenihan:** This is the plan.

**Deputy Olivia Mitchell:** Will there be any watchdog system to ensure the banks' portfolios are more balanced in future?

I am not trying to be populist about the banks. I recognise that we all want to be part of the dream. For every risky loan that is given out, there is a risk taker and somebody only too willing to take the money. I also recognise that banks must lend money. However, we need a return to the banks of old — to the image we had of them as being dull, staid, boring, cautious and careful. We no longer have that image. What is the Government's plan to create the conditions that will ensure this happens? What will happen to restore confidence in the banking system? If we do not restore confidence in the banking system, what the Minister is doing now——. I do not know what the Minister is laughing at.

**Deputy Brian Lenihan:** I am not laughing. I am allowed to smile.

**Deputy Olivia Mitchell:** If the Minister does not restore confidence in the banking system, we will be back here in two years' time doing exactly what we are doing now but we will have an economy in freefall.

**Deputy Kieran O'Donnell:** In the context of the amendment put forward by the Labour Party, while we need the scheme to come into operation, it is critical that the terms and conditions would be brought before the House as a matter of urgency. Section 6(5) of the Bill gives no indication as to when these will be laid before the House and, furthermore, does not allow the House to debate them. Fine Gael has put down an amendment that would allow them to be debated and they should be brought before the House within three days of being ready. When will the Minister have the terms and conditions ready, given this is extremely important?

Liquidity and solvency are interlinked. In layman's terms, liquidity is cashflow and solvency is profitability. The current problem is that the capital requirements ratio within the banking sector in Ireland is lower than that of our international competitors. In Spain, for example, the central bank applied higher requirements for banks in that country and they are not experiencing the same problems as banks here.

What must happen here first, as a matter of urgency, is that we need to know the terms and conditions, and I ask the Minister to outline when he will bring them before the House. He should deal with the amendment put down by Deputy Bruton and allow the matter to be debated and voted on in the House.

Second, due diligence is now required for the banking system in Ireland. Where solvency comes in is with regard to the elephant in the room, which is bad debt. We read reports in the newspapers, including a report in *The Sunday Tribune*, to the effect that developers are at present considering writing down the value of their assets so they can obtain a refund of corporation tax based on what they paid in advance. Will the banks do the same? What is required first is liquidity, and I accept it is important the Bill has been brought before the House, but it is critical we also ensure there is solvency in the banking sector.

Section 6(4) states that, as far as possible, the banks will themselves pay for the cost of the supports. In the House yesterday, the Taoiseach stated that any shortfall within the banking sector would be made up by a levy on that sector. The key point is that we need to return the banking sector to liquidity and solvency but, equally, we need to protect taxpayers' money. While this is critical, the Bill does not deal with it satisfactorily. We need to make absolutely certain that we have proper financial regulation. The financial regulation system in place under the Central Bank and the Financial Regulator has failed. The Government is introducing an historic Bill to effectively give a personal, sovereign guarantee — our guarantee — on behalf of taxpayers, to the tune of €400 billion. That sum is twice our gross national product. This is monumental.

The key requirement is for us to see the terms and conditions as a matter of urgency, while allowing the scheme to go ahead because the banks are already borrowing on the inter-bank market with that guarantee in place. Last night, the Minister indicated he is in discussions on the terms of the guarantee with the National Treasury Management Agency. The banks are now able to borrow money at a lower rate of interest on the inter-bank market than they were two days ago. That benefit must be passed on to the consumer. In addition, the Minister is aware that his borrowings on the international market for the Government have increased in terms of Government bonds. That means taxpayers are paying for it. They cannot pay for it.

**An Ceann Comhairle:** Will the Deputy move the adjournment of the debate?

**Deputy Billy Timmins:** On a point of order, will the Ceann Comhairle list the order of speakers when the debate resumes?

**An Ceann Comhairle:** Deputy O'Donnell is in possession and Deputy Connaughton is next, followed by Deputy Timmins, Deputy Shatter, Deputy Flynn, Deputy Perry and Deputy O'Keeffe.

Progress reported; Committee to sit again.

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

## Ceisteanna — Questions.

### Priority Questions.

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#### Road Network.

7. **Deputy Fergus O'Dowd** asked the Minister for Transport if additional public expenditure is requested or planned for the Dublin Port tunnel; and if he will make a statement on the matter. [32959/08]

**Minister for Transport (Deputy Noel Dempsey):** I have responsibility for overall policy and funding in regard to the national roads programme element of Transport 21. However, under the Roads Act 1993, the implementation of individual national road projects and the allocation of funding for the construction or maintenance of such projects are matters for the National Roads Authority, NRA, in conjunction with the local authorities concerned.

The construction of the Dublin Port tunnel project was procured by Dublin City Council and funded through the NRA. I understand from the NRA that the estimated final outturn cost of the tunnel remains at €751 million. The twofold purpose of the port tunnel and the heavy goods vehicles, HGV, management strategy which goes with it is to improve the flow of goods to and from Dublin Port and to remove heavy goods vehicles from the streets of the city. To date, good progress has been made on both of these objectives.

**Deputy Fergus O'Dowd:** There is serious concern regarding the cost of the port tunnel project in view of the several significant changes that have been made by the NRA. These changes have not been identified individually to me but there are clearly cost implications. They arise as a consequence of an internal report compiled by the port tunnel operators, EGIS, which indicated the existence of serious issues regarding the safety performance of the tunnel, relating specifically to the Scada system. Has the architecture of the Scada system been redesigned and replaced? Have unsuitable computer components been replaced? Has the capacity of the Scada system to respond in a safe and correct manner to emergencies been reconfigured and, if so, what has been the cost of this change? The fundamental issue is safety. I understand the Minister has responsibility to issue a safety audit directly to the European Union.

**Deputy Noel Dempsey:** I have responsibility to report to the European Commission in regard to the safety of this and other tunnels. I have not taken over any safety functions in regard to the tunnel itself other than to make that report. The most recent of these reports was submitted to the EU on 25 or 26 September.



The issues to which the Deputy refers were the subject of publicity in the recent past. They are a matter for the NRA and the companies concerned. The Deputy is correct that the Scada system had to be repaired and replaced. Most of the work identified as necessary in the EGIS report has been completed and the safety system is working well. I am assured by the NRA that it will at no time allow the safety of tunnel users to be compromised in any way. That is its paramount concern. Whenever a safety issue arises, the first recourse is to ensure there is nobody in the tunnel and that it is blocked off. Deputy O'Dowd and I have made that discovery from time to time.

In regard to the specifics of what is happening with the Scada system, I understand it is a contractual matter. I am not aware of any request for additional public expenditure on that basis.

**Deputy Fergus O'Dowd:** Did the report to which the Minister referred involve an independent audit or was it an in-house report? Will he publish it or offer us a brief summary of its findings? Is he absolutely satisfied there are no safety issues in regard to the operation of the tunnel, particularly in terms of the Scada system? That system cost €30 million to install and the evidence of the internal report suggests it is entirely unsuitable for the operation of a tunnel system.

**Deputy Noel Dempsey:** The report, which was completed last March or April, identified improvements needed to the Scada system. My understanding is that almost all the problems highlighted have been dealt with on the basis of the report as part of the upgrading of the system. In regard to the report submitted by my Department to the European Commission, it is a matter for the latter as to whether it is published. I presume that will happen at some stage.

**Deputy Fergus O'Dowd:** Will the Minister make the report available to the House?

**Deputy Noel Dempsey:** I cannot do so. It is for the Commission to decide whether it is published.

**Deputy Fergus O'Dowd:** Will he provide a summary of the findings?

**Deputy Noel Dempsey:** The main point is that the port tunnel is deemed to be safe, as is the Jack Lynch tunnel. The report also provides a summary of all incidents and how they were handled.

### **Rail Services.**

8. **Deputy Thomas P. Broughan** asked the Minister for Transport the estimated completion date for metro north; if he has been informed of or has been in discussions on potential substantial changes to the design plans for metro north, including the proposed underground sections; the impact such changes will have on the current tendering and planning processes for metro north; if he has been briefed by the Railway Procurement Agency on this matter; if other changes are planned for critical Transport 21 investment in 2009 and 2010; and if he will make a statement on the matter. [32685/08]

**Deputy Noel Dempsey:** There have been no substantial changes to the design plans for metro north, nor are any under consideration by the Government. The Railway Procurement Agency, RPA, placed copies of the railway order application on display on 17 September in accordance with the six-week statutory public notice requirement pursuant to section 37 of the Transport (Railway Infrastructure) Act 2001. This application defines all the principal elements of the project, including the proposed alignment, underground sections and station locations.

[Deputy Noel Dempsey.]

The Railway Procurement Agency continues to make good progress on the public private partnership, PPP, tender process for metro north. The initial phase of the PPP public procurement process was conducted in 2007, resulting in the formation of four pre-qualified consortia for the purpose of tendering for the project. Tender documentation was formally issued to the four pre-qualified consortia on 12 May 2008. Since then the RPA has held a number of meetings with the consortia. Following on from a request from some of the consortia, the RPA recently agreed to extend the closing date for submission of tenders by two months. Receipt of tenders is now required by 6 February 2009.

The target date for the completion of metro north is 2013 but that is dependent on the outcome of the planning and procurement processes. A final decision on the project will be taken by the Government once the planning and procurement processes are complete. The Government remains committed to the implementation of the metro north project, which is contained in the Transport 21 strategy to transform the public transport system in the greater Dublin area.

With regard to the wider Transport 21 investment, several national road and public transport projects that are currently under construction will be completed in the next two years. The start and completion dates of projects that have not yet commenced will be determined by the funding allocation available during the current difficult economic climate. The commencement dates for these projects will also be influenced by the time taken for public consultation, the relevant statutory process and the procurement and contract award processes.

**Deputy Thomas P. Broughan:** Constituents in north County Dublin will be concerned by the Minister's statement that "no substantial changes" to the metro north plan are envisaged. The Minister for Finance's comments during the summer on the importance of assessing value for money have given rise to grave concerns. There is a general understanding of the need to assess the costs of all infrastructural projects, but comments by the Minister, Deputy Brian Lenihan, suggested he was less than committed to the project.

Will the Minister, Deputy Dempsey, offer a categorical guarantee that the railway order, as publicly presented, for a metro line of 18 km running from north of Swords to St. Stephen's Green will go ahead as planned and as close as possible to the timetable? That is the assurance people seek. The Minister has said there will be no substantial changes to the project. Can he offer an assurance that the plan will not be altered so that instead of a metro system, we are given a right rail system, super busway or something else? Can the Minister guarantee there will be no scaling back in this regard?

What costs have been expended in 2008 in regard to the metro project? What will happen in 2009 and into 2010 and 2011 in regard to planning costs? As I understand it, the four applicants who now have until 21 February 2009 to submit the first tenders have all budgeted on the basis the "big dig" will start in late 2011. Has the Minister discussed this project with his Green Party colleagues? Has he had a specific discussion with the Minister for Finance? Has the Minister called on the Railway Procurement Agency to discuss any possible changes to the metro north project?

**Deputy Noel Dempsey:** The word substantial in the reply was directed at answering the concerns raised by the article to which the Deputy, rightly, adverts, whereby someone decided that the metro project was going to turn into some kind of light rail project or something else. There is no truth to any of this and I can give the assurance the Deputy seeks. The project will go ahead as per the Railway Order with whatever changes are made by An Bord Pleanála, subject at all times to a cost-benefit analysis that will, necessarily, be done at the end. This

happens with all major projects. If the Deputy is asking would I settle for a half-baked Luas or rapid bus transit system instead of the metro, the answer is “No”. Such a system would be a waste of taxpayers’ money. It would not be a waste of as much taxpayers’ money perhaps, but it would be a waste nonetheless. The reason a metro was chosen and the reason the underground proposal was originally chosen for the metro system was to ensure we could get up to 20,000 passengers per hour travelling in either direction at peak times. That is what is required as the population of the north Dublin area could reach 500,000 or 600,000 by 2020.

**Deputy Thomas P. Broughan:** Does the Minister, Deputy Dempsey, agree that the kind of speculation and alleged leaks regarding serious changes to, or the termination of, the project are damaging to the process? As the Minister is aware, by the time the number of bidders is reduced to two tenders, very significant spending will have taken place. The Minister has given no indication of RPA spending in this area throughout the tendering process, which is a key factor. Already, State expenditure is underway.

Has the Minister discussed the matters outlined in the environmental impact statement, EIS, with Dublin City Manager, Mr. John Tierney, who, the Minister says, is the man in charge of the “big dig”? The EIS, which can be studied in Fingal Council and Dublin City Hall, includes such issues as the removal of Dan O’Connell’s statue and various other changes necessary for the “big dig” to take place. Has the Minister spoken to the city manager and asked for a scoping programme through the digging?

**Deputy Noel Dempsey:** I will go through the various questions. Deputy Broughan asked in the previous set of supplementary questions about the Green Party. My Green Party colleagues have been most supportive of this project. They have strongly expressed the need to move forward with this project, which I appreciate.

Regarding speculation, the Deputy raised a similar question before the summer. In our exchange then I said speculation could damage the tendering prospects. I agree that speculation and the kind of stories that have been fed, from whatever source, could damage the tendering process, especially at this sensitive time. Spending is ongoing and provision will be made in the Estimates for what the RPA believes is necessary to spend on this project in 2009.

On the final point, as recently as this week and on a quarterly basis I engage with all the agencies, including the CIE companies, the Garda, Dublin City Council, Dublin City Business Association and the Dublin Chamber of Commerce on the roll-out of the plan to ensure the city is kept going.

### **Public Transport.**

9. **Deputy Fergus O’Dowd** asked the Minister for Transport the action he is taking to open the Dublin bus market to further competition and to increase bus capacity; and if he will make a statement on the matter. [32957/08]

**Deputy Noel Dempsey:** In accordance with the programme for Government commitment, the Dublin Transport Authority Act 2008 was enacted in July 2008 and provides for the establishment of the Dublin Transport Authority, DTA. For the first time, we have a law in place to ensure that a single body will be in charge of surface transport in the greater Dublin area.

The Act gives the new Dublin Transport Authority the power to procure public passenger transport services through the making of public transport services contracts. Under section 48 of the Act, the DTA may enter into contracts following open tendering in respect of public bus passenger services, as well as metro and light rail services. It also provides that public bus and rail services can be secured by means of direct award contracts. Section 52 provides that

[Deputy Noel Dempsey.]

direct award contracts will only apply to the continued provision of the services currently being provided by Dublin Bus and Bus Éireann.

Accordingly, the future growth in the market for subvented public bus services will be pursued by way of open tendering in accordance with the new EU Regulation No. 1370/2007 on public passenger transport services by rail and by road, which will become mandatory from December 2009. All contracts will be framed against the background of this EU law and will set strict standards of operational performance and customer service and will contain penalties for non-performance.

For the time being, the Road Transport Act 1932 will continue to be the basis for the licensing of commercial bus services provided by private operators. The programme for Government does, however, include a commitment to improving bus services under Transport 21 by reforming the bus licensing provisions of the Road Transport Act 1932.

It is my intention that proposals for a new bus licensing regime will follow in a public transport regulation Bill which will deal with the replacement of the Road Transport Act 1932 and the provisions of the Transport Act 1958 that relate to the provision of bus services by the State bus companies. It is envisaged that the new licensing structure will apply in respect of all commercial bus services, including those provided by Dublin Bus and Bus Éireann and will encompass provisions relating to the subvented bus market outside the greater Dublin area that are consistent with the new EU public service obligation regulation.

**Deputy Fergus O'Dowd:** I welcome the Minister's commitment to reforming the 1932 Act. This matter was raised during the DTA debate. When will this legislation be before the House? Will it be this term?

The second issue I wish to raise concerns Dublin Bus abusing its dominant position in the marketplace. The Circle Line company went out of business under the present system. One of the reasons for this was that Dublin Bus travelled in convoy before and after the Circle Line buses. Some of the bus stops were obstructed by parked Dublin Bus vehicles at taxpayers' expense to ensure that Circle Line buses could not stop there. The Department produced a report as recently as 2007, indicating that during the previous two years it carried out seven separate monitoring services. It found that Dublin Bus's operating services on the 25x route were well in excess of the approved levels, that the company operated the 25A service in a way that bears no resemblance to the timetable and that its buses were travelling in convoy. There was a private operator with a licence operating a route with three Dublin Bus vehicles travelling before and after its vehicles, and at the bus stops there were Dublin Bus vehicles parked as well. That is an absolute abuse of the company's privileged and dominant position in the marketplace and it is being done with taxpayers' money. Will the Minister prosecute Dublin Bus in this area? Will he hold the company to account for its abuse of taxpayers money and, most of all, for depriving commuters of a choice which the Minister and the Department seek?

**Deputy Noel Dempsey:** I confirm to the Deputy that it is my intention to legislate in this area. We are working on the heads of the Bill for the reform of the 1932 Act. We had several very good discussions on the DTA Bill. Deputy O'Dowd made several points on the 1932 Act and regulation. I have taken those into consideration in this reform and in the Bill we are bringing forward. The heads are nearly prepared and within a few weeks I should be able to circulate the heads of the Bill to the Government. I am not sure I will be able to publish the Bill during the current session. It depends on the difficulties with drafting. As I said all along,

it is my intention, and I gave the Deputy that commitment, that we will proceed as quickly as we can. Much work has been done on that Bill.

I do not want to say too much about the case the Deputy has referred to because of ongoing court cases in that regard, but it is a perfect illustration of the reason we need to change the 1932 Act. I do not disagree with the Deputy's contention in that regard. The powers in the Act are weak. For some time Dublin Bus argued the case that it felt it was doing nothing wrong and there was some legal doubt as to whether that was the case. Even if it is prosecuted successfully, the levels of fines and so on in the Act are ridiculous and from that point of view the Deputy and myself are *ad idem*. We may have differences in terms of the actual Bill but we are——

**Deputy Fergus O'Dowd:** I acknowledge what the Minister is saying but I do not accept that he cannot take action against Dublin Bus. Even if the action results in a court fine, whatever that is, the Minister and the Government must say to Dublin Bus that it will not get away with abusing the rights of consumers to have a choice, the rights of private operators to run these buses and the right of people to stand at a bus stop and get on a bus of their choice. The Minister and his Department must defend them and bring Dublin Bus to court.

**Deputy Noel Dempsey:** It is not the Department that takes it to court; it is the Garda. It is a prosecution.

**Deputy Fergus O'Dowd:** The Minister put the statutory powers in place.

**Deputy Noel Dempsey:** The Deputy appears to have got much of the information through a freedom of information request. He acknowledged that the Department sent out inspectors.

**Deputy Fergus O'Dowd:** It did, but there has been no action.

**Deputy Noel Dempsey:** They engaged in correspondence. Dublin Bus is on notice since then that in future I will not be issuing letters to it on this matter. I will be issuing directives and directions if it comes to my attention that it is engaged in that kind of behaviour.

**Deputy Fergus O'Dowd:** In the first instance.

**Deputy Noel Dempsey:** In the first instance, yes.

### **Road Network.**

10. **Deputy Thomas P. Broughan** asked the Minister for Transport the contacts he has had with the National Roads Authority on the recent introduction of barrier free tolling on the M50; if he will direct the NRA, under section 41 of the Roads Act 1993, to review the operation of the barrier free tolling system, particularly in relation to the issuing of inaccurate fines and serious resulting problems for commuters and transport companies; and if he will make a statement on the matter. [32510/08]

**Deputy Noel Dempsey:** I have overall responsibility for policy and funding in respect of the national roads. The implementation of any individual road project is a matter for the National Roads Authority under the Roads Acts.

In addition, the statutory power to levy tolls on national roads, make toll by-laws and enter into toll agreements with private investors in respect of national roads is vested in the NRA under Part V of the Roads Act 1993, as amended by the Planning and Development Act 2000 and the Roads Act 2007.



[Deputy Noel Dempsey.]

I understand from the NRA that, in common with similar such systems around the world, there have inevitably been some initial difficulties with the M50 system. These include difficulties getting through to the customer service call centre and errors where the wrong person has been billed for a toll.

However, it is important to put these problems into context. The volume of calls to the call centre has far exceeded all predictions and the number of billing errors is less than one half of one per cent of all traffic. The NRA and its toll operator, eFlow, are working hard to put in place measures that will correct these problems.

With the system in operation for only a short period, it is still too early to comment with any degree of certainty on many aspects of its implementation. However, early indications are that overall it is operating successfully. Take-up on the electronic registration system has exceeded expectations and traffic flow has improved significantly on the route, thus making a positive contribution towards the easing of congestion for all road users.

I am assured by the NRA that the initial difficulties are being addressed and that within a matter of weeks the NRA expects these difficulties to have been, if not entirely eliminated — which would be somewhat of a miracle — substantially alleviated. My officials will continue to monitor the situation as we have done since it started operation.

In those circumstances, I do not propose to use my powers under section 41 of the Roads Act 1993 to make a direction to the NRA in this matter.

**Deputy Thomas P. Broughan:** The first question I asked was the number of motorists who have been inaccurately charged or fined. Is the Minister saying it is 500 a day? Is that the Minister's information? A report in today's newspapers indicates that approximately 10,000 motorists a day are being inaccurately recorded or pursued for a fine. From the volume of letters and e-mails I get, it appears the situation is chaotic for many motorists. I have an e-mail from an angry motorist who was at home asleep in bed at 6 o'clock when his mother's car was recorded on the M50 and incurred a toll. It is a car he occasionally drives but on that occasion it was parked in the front yard. I have correspondence from many others in the same situation, including somebody who went through with a tag but then got a letter saying he had not paid. He rang the customer care call centre and was told they would get back to him within 48 hours. They did not get back to him. For a significant number of drivers — 200 a day or even 500 a day, which the company is saying to some of the media — that is outrageous.

There is also the ongoing chaos that transport companies and many other firms are having to endure. We hear of companies who have had to put a number of their staff working on problems to do with the M50 toll and nothing else. The cost-benefit of this system would appear to be quite bad for some business in some respects. The barrier should not have been put there in the first place. It should have been lifted, particularly given the dark history of the setting up of the toll.

Has the Minister spoken to Fred Barry and the National Roads Authority about this matter? How many people have been put through such grave inconvenience and are the many horror stories coming to myself and other public representatives and spokespersons not the norm for many people using the system?

Does the Minister understand the sense of injustice people feel that at least 5%, and possibly a much higher number, of the 100,000 users per day will not be able to be fined or charged because they are foreign drivers, due to the difficulty of tracing them? We know that from the penalty points system, where one third of penalty points are issued to foreigners. Is this not a

mess and is it not time the Minister called in the NRA representatives and reported in detail to this House on the way the M50 toll is operating?

There is no use hiding behind this nonsense and saying he cannot report on huge elements in a transport portfolio. The same response was given to the last question put by my Fine Gael colleague. It is complete nonsense. The Deputy is the Minister for Transport and he should be able to give us the full details of any major transport development, including this important road for the whole of the central Leinster region.

**Deputy Fergus O'Dowd:** Hear, hear.

**Deputy Noel Dempsey:** There is nothing to stop the Deputy, who is a member of the Joint Committee on Transport, from inviting——

**Deputy Thomas P. Broughan:** Will the Minister give me a break? The Chairman is Deputy Frank Fahey.

**Deputy Noel Dempsey:** ——in Fred Barry or the NRA. I am sure they would be delighted to come in.

**Deputy Thomas P. Broughan:** I have done that.

**Deputy Noel Dempsey:** To inform the Deputy, 2.8 million journeys have now been transacted through that barrier free tolling system. It has cut half an hour off the southbound journey for motorists, which is a major plus. Approximately 95,000 to 105,000 vehicles per day use the system. A total of 66% of the journeys are by registered vehicles with either a tag or a video account. One third of the journeys in the system are “pay as you go”. The read inaccuracy figure is 0.2% according to the NRA. Therefore, it is achieving a read rate of 99.8%.

**Deputy Thomas P. Broughan:** Is the Minister saying 200 drivers——

**Deputy Noel Dempsey:** There is a difficulty in terms of people not having their tags fitted properly or having damaged registration plates and so on. There is also a difficulty where people have not updated their registration numbers on to the eFlow or other systems in place.

*3 o'clock* The NRA has engaged with all the companies and cross-checking is being carried out. Some people's cars have not been updated on the national vehicle and driver file, NVDF, for one reason or another. I know of one instance where a car that was scrapped apparently went through the system because there was a problem with the garage completion certificate.

There are problems. In fairness to the NRA, it made it clear at the outset that there would be teething problems with the system. The initial problems with the call centre caused the public the greatest amount of aggravation. People had to wait for a long time to talk to someone — some people had to hang up and try again — because a substantial number of calls were being received. The call centre was handling approximately 12,000 calls a day. I understand that the response rate has been improved to the extent that 71% of calls are now answered within 20 seconds. Just 2.4% of calls are not answered.

**Deputy Thomas P. Broughan:** My colleague, Senator Hannigan, has suggested that the Minister should introduce a regulation whereby a fine of €50 is imposed on the NRA and the relevant tag company every time a mistake of this nature is made. Does the Minister agree that drivers and businesses which are treated badly should be able to avail of some form of recompense? Does he agree that the imposition of a fine of €50 on the NRA in such circumstances would be appropriate?

[Deputy Thomas P. Broughan.]

I understand that the total revenue from the toll is approximately €80 million a year. In that context, does the Minister agree with Mr. Conor Faughnan of the AA that up to one third of that revenue will be used to meet the costs associated with the frenetic activity needed to try to get the tags through? The staff in the back office will have to be paid, for example. Will almost €30 million be spent on running the system? If that is the case, barely €50 million will be left over as a result of the shabby deal that was done with NTR when the toll was bought out.

**Deputy Noel Dempsey:** I do not agree with the proposal to impose a fine of €50 when a mistake is made. In many cases, people are sent letters informing them they owe money because the tag on their car has been fitted incorrectly. It would be grossly unfair to blame the operator for people's inability to follow the instructions which are supplied with all tags. I agree we need to minimise the number of misreads. People can help themselves by ensuring that the information they give the various companies is accurate and up to date. They should ensure that their car number plates are clean and the system is up to date. An appeals system is available and people should use it if necessary. I agree with the Deputy that action is needed in this regard.

**Deputy Thomas P. Broughan:** What is the cost of administration?

**Deputy Noel Dempsey:** I do not have that figure to hand. If the €50 million figure is accurate, I will not turn my nose up at it. In the current climate, I would be delighted to get it.

#### **Driver Licensing Regulations.**

11. **Deputy Shane McEntee** asked the Minister for Transport his views on the large number of learner drivers being caught without an accompanying driver; the contact he has had with the Road Safety Authority to explore policy proposals in this regard; and if he will make a statement on the matter. [32958/08]

**Minister of State at the Department of Transport (Deputy Noel Ahern):** The driver licensing regulations, which were made in October 2007, represented the first step in the fundamental reform of the arrangements for the formation and licensing of learner drivers. The replacement of the provisional licence with the learner permit was designed to emphasise the fact that extra caution and supervision are required when drivers are in the learning phase of driving. The regulations apply consistent rules to learner drivers in so far as all such drivers must now be accompanied by holders of full licences while driving. Since 30 June last, all learner drivers must be accompanied by a person who has held a full driving licence for at least two years. Prior to that, holders of a second provisional licence were in the unique position of being allowed to drive unaccompanied. Provisional licence holders on their first, third and subsequent licences had to be accompanied by a person with a full driving licence, with no minimum period specified. The reform of the accompanying rule for learner drivers is an important element of the 2007-12 road safety strategy. The enforcement of the accompanying rule, like all road safety regulations, is a matter for the Garda Síochána. In recent weeks, the force has indicated that the rule is being actively enforced. I have not discussed this issue with the Road Safety Authority recently. I do not have any additional policy proposals on the matter.

The recent changes which were made to the learner driver licensing rules are beneficial for road safety. I am pleased that the law is being enforced and that the number of road deaths is continuing to fall. There have been 219 fatalities so far this year, sadly. That figure is 32 lower than the figure for the first nine months of last year, however. The number of fatalities in the

three months since I introduced the new provisions is 74, which represents a dramatic decrease. There were 87 fatalities in the corresponding period last year.

**Deputy Shane McEntee:** In the period between 1 January 2001 and 31 December 2007, there was just one month in which the number of road fatalities was lower than 20. There have already been four such months in 2008. As Fine Gael's spokesman on road safety, I congratulate everyone, including the Ministers and Ministers of State and the officials from the Road Safety Authority, who contributed to this decrease. Long may it continue. I hope there will be fewer than 20 road fatalities every month by the time the Minister for Transport leaves office. I am sure he is not going to Europe and that he will stay with us for the next four years. I do not believe what I see in the newspapers in that regard. I congratulate everyone involved in the welcome decline in road deaths throughout the country. It has not happened by chance. Decisions had to be made and laws had to be implemented. While the figures are decreasing, there is further room for improvement.

There were 18 fatalities on our roads in September. I visited the home of one of those victims before I came to the House this morning and it brought me back down to earth after last night's events. A 23 year old man, Mr. Galligan, was killed. His two week old child was sitting beside his coffin before it left the house. That brought me down to earth and back to my own brief. I am not too worried about other things.

I reiterate that while we are moving in the right direction, there is room for improvement. I would like the Minister to consider a few proposals. The Joint Committee on Transport is proposing a joint approach in this regard. It has asked Mr. Noel Brett of the Road Safety Authority to pursue the possibility of developing off-road training centres throughout the country. As Fine Gael's spokesman on road safety, I brought this idea to the schools three years ago and it has become a reality in County Kildare. I have met Mr. Brett and several other people from counties like Kerry, Wexford and Galway, and some of them do not seem to want to take the steps necessary to develop this idea. Motorcyclists and lorry drivers are legally required to go to training centres, but ordinary motorists do not have to do so, for some unknown reason. I ask the Minister and the Ministers of State to attend the meeting of the joint committee at which this matter will be discussed.

**Deputy Noel Ahern:** I thank Deputy McEntee for his favourable comments. I am sure those in the Road Safety Authority and the Department who have been dealing with this matter for some years will be heartened by the Deputy's comments. While a single fatality is one too many, the reduction of 32 in this year's number of fatalities is great. We would like to think we could achieve a similar reduction every year, but we know that these figures tend to go up and down. The important thing is to try to secure a consistent trend. As I have not been in the Department a wet day, I cannot claim any of the credit for the recent improvement in this area.

**Deputy Fergus O'Dowd:** The Minister of State has been asleep for a few weeks.

**Deputy Noel Ahern:** Having said that, I am heartened by Deputy McEntee's comments. I agree that there is still huge room for improvement in the number of fatalities. As the five-year strategy is implemented, I hope we can meet our target of having fewer than 20 fatalities every month. I accept that the Deputy wishes to raise certain issue with Mr. Noel Brett. Perhaps it will be appropriate to do so when Mr. Brett attends a meeting of the joint committee.

**Deputy Shane McEntee:** Full-time road safety officers have been appointed in just four or five counties. The appointment of more officers would be helpful. I am sure the Minister, Deputy Dempsey, will agree that the appointment of Mr. Michael Finnegan as the road safety officer for County Meath has had a serious impact throughout the county. He has made it his

[Deputy Shane McEntee.]

business to visit every school throughout the county and he has changed the speed limits outside them. Traffic calming measures have been put in place and if possible lights have also been put in place. Will the Government make it a priority to insist that in every county a person is appointed full time and not part time as a road safety officer?

**Deputy Noel Ahern:** We will encourage local authorities to do so. I agree that education is a major part of the strategy dealing with young people. It may not do much for short-term figures but if young people can be reached and made aware of the dangers it is beneficial. I support all of Deputy McEntee's suggestions.

### Other Questions.

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#### Road Safety.

12. **Deputy Emmet Stagg** asked the Minister for Transport if he has reviewed the new Danish road safety camera initiative; if he has been briefed by the Road Safety Authority on the new Danish programme; the position regarding the roll-out of the national speed camera network; when tendering documents will be signed; and if he will make a statement on the matter.  
[32527/08]

**Deputy Noel Ahern:** My officials are aware, from ongoing contacts with the Road Safety Authority, of the recent initiative on road safety cameras by the Danish authorities. My understanding is that those authorities have decided to launch an experiment with fixed safety cameras on selected roads to deter speeding.

Inappropriate speeding has been identified as one of the primary causes of death and injuries on Irish roads. The introduction of the safety camera network to provide 6,000 hours of enforcement per month is a specific action identified in the road safety strategy. However, the implementation of the project is a matter for the Department of Justice, Equality and Law Reform and An Garda Síochána. I understand that, following an open tender process, negotiations with a preferred bidder will take place.

**Deputy Thomas P. Broughan:** I also welcome the downward trend in fatalities and injuries on the roads. However, the number of people and their families who suffer is still astonishing and a grave problem. Approximately three to five years ago, we heard from the brother of the Minister of State, the former Taoiseach, that a fixed network of 6,000 hours of speed cameras at 600 locations would be put in place. Five years later we still do not have this.

We have heard about the tendering process, six bidders, a preferred bidder and that negotiations will take place. I know the Department of Justice, Equality and Law Reform is responsible for the deployment of speed cameras. However, I understand the Department of Justice, Equality and Law Reform has signed up to cuts of at least 3% in 2009. Some people suggest these will be cuts of up to 10%. Will these include the speed camera network?

Last week the Minister for Justice, Equality and Law Reform, Deputy Dermot Ahern, made a big play of the launch of the new GATSO vans. However, this is a tiny network of eight vans for the entire country. We know from international experience, such as that of the state of Victoria in Australia which is approximately the size of our country, that every vehicle must be checked at least once every two months. The Victorian authorities in Melbourne have the ambition of checking 60% of the vehicles in the state every month. It seems we are nowhere



near this while Denmark, where the number of road fatalities had been declining but which suddenly increased, responded vigorously.

I am informed by the Road Safety Authority that the Danish model is one we should adopt as soon as possible. It is a dismal prospect that we seem to be postponing the deployment of speed cameras when we know that speed kills. Speed is directly or indirectly responsible for 40% or 50% of accidents. Perhaps it is a problem in every collision and crash. We have seen this from international experience. It is time the Minister for Transport or the Minister for Justice, Equality and Law Reform stopped shilly-shallying on this and deployed the cameras. Let us really reduce the horrendous casualty rates.

**Deputy Noel Ahern:** I agree with the Deputy that speed is a major cause of accidents and fatalities. As Deputy Broughan stated, the preferred bidder has been selected but the entire road safety strategy is covered by a number of Departments and agencies. Having the 6,000 hours is a key part of the strategy but the Garda Síochána and the Department of Justice, Equality and Law Reform are responsible for this. We have occasional meetings with all of the agencies involved where everyone answers for progress on the strategy. If an agency or Department is falling behind it is an issue to be discussed among ourselves.

I hope the Department of Justice, Equality and Law Reform and the Garda Síochána are soon in a position to move forward and carry out what is in the strategy. Intensive meetings and discussions are taking place in all Departments about Estimates for next year. I hope it is included. I cannot say one way or another at present. It is an important part of the strategy and I hope we can tackle it.

**Deputy Denis Naughten:** With regard to the roll-out of the GATSO vans, does the Minister of State agree that in order for the eight cameras at 700 locations throughout the country to be effective there needs to be permanent signage erected on the 700 sections of road? Will the Minister of State put this signage in place? It does not involve a significant cost but it has a major impact.

With regard to the roll-out of the Danish model, which is the way we should go, if it is to be effective we cannot have a situation where one third of the driving public is exempt from penalty points. Does the Department have any plans to introduce a system like that in place in the UK whereby ghost driving licences are used for non-UK citizens so they can accumulate penalty points and be put off the road? This would ensure that everyone who drives on Irish roads must adhere to the laws of this country.

**Deputy Noel Ahern:** It is the intention to have signage where we have speed traps. Last week it was highlighted that the Garda Síochána stated gardaí are not hiding and that their preference is for people to see them, take note and stop speeding. The aim is to stop speeding and not necessarily to catch people.

**Deputy Denis Naughten:** The Garda Síochána also stated it was the responsibility of the Department of Transport to put it in place.

**Deputy Noel Ahern:** With regard to foreign drivers or drivers from the North, a number of months ago the Minister for Transport, Deputy Dempsey, and I attended a meeting with representatives from the North and Britain where we discussed doing this. It will be dealt with in two phases, bringing together and recognising disqualifications from one another's administrative area and further down the road recognising penalty points. Next March or April has been mentioned with regard to the introduction of the disqualification regime. However, having

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a system to recognise one another's penalty points will take a couple of years because the three administrations have different rules and regulations.

**An Leas-Cheann Comhairle:** We are over time on this question and a number of Deputies have indicated.

**Deputy Denis Naughten:** What about a virtual licence?

**Deputy Noel Ahern:** I believe we have that.

**Deputy Billy Timmins:** When the Minister of State is overseeing the roll-out of the cameras will he ensure it is more successful than eFlow? A number of constituents have contacted me——

**An Leas-Cheann Comhairle:** We have already discussed this matter.

**Deputy Billy Timmins:** Many constituents have contacted me——

**An Leas-Cheann Comhairle:** It is not relevant.

**Deputy Billy Timmins:** Yesterday, I was horrified to open my post to discover a fine for going through——

**An Leas-Cheann Comhairle:** This is about speed cameras.

**Deputy Billy Timmins:** Well, speed cameras, cameras, traffic, it is——

**An Leas-Cheann Comhairle:** It is not photography either.

**Deputy Billy Timmins:** I ask the Leas-Cheann Comhairle for a little leeway. Will the Minister of State take up the issue with eFlow and have it put its house in order? I will not be paying this fine because I did not travel and neither did my car.

**Deputy Fergus O'Dowd:** The credibility of speed limits is necessary for the credibility of speed cameras. A number of speed limits throughout the country must be examined. There is a variation of speed limits in places and outside some schools it is 80 km/h and outside others it is 60 km/h or 100 km/h. We need lower speeds in certain areas. I have been told by a county council official that the lowest speed limit possible on a road is 80 km/h. However, some roads or lanes which are public roads should have a speed limit less than 80 km/h. An issue arises with regard to this and I call on the Minister of State to examine it.

**Deputy Noel Ahern:** I heard what Deputy Timmins stated and new infrastructure and technology sometimes have teething problems. It does not take from the fact that they are well worthwhile and we will get there. I heard what Deputy O'Dowd stated about the inconsistency of speed limits on various roads. That needs to be put right and is being done, but there can be differences where sections of roads are built. In urban areas, local authorities currently have power to introduce lower speed limits than those mentioned by the Deputy. When I was a member of a local authority, we often talked about the need to have lower speed levels than the standard ones. That power now exists, but I suppose it depends on where a school is located. One may not be able to do it if a school is on a main road. However, the power to introduce lower speed limits is now available for local authorities to pursue.

### **Dublin Port Tunnel.**

13. **Deputy Bernard Allen** asked the Minister for Transport the cost to the Exchequer of the Dublin Port tunnel; and if he will make a statement on the matter. [32596/08]

**Deputy Noel Dempsey:** As Minister for Transport, I have responsibility for overall policy and funding concerning the national roads programme element of Transport 21. The construction of the Dublin Port tunnel project was procured by Dublin City Council and funded through the NRA. I understand from the NRA that the estimated final outturn cost of the tunnel remains at €751 million.

The completion estimate for the Dublin Port tunnel is significantly higher than some earlier cost estimates frequently quoted. Many of the latter figures relate to earlier tunnel proposals, which are radically different from the tunnel as constructed. The tunnel was lengthened for environmental reasons, changed to double-bore to double capacity, and changed in design otherwise to reflect current safety requirements.

The twofold purpose of the port tunnel and the HGV management strategy, which goes with it, is to improve the flow of goods to and from Dublin Port and to remove heavy goods vehicles from the city streets. To date, the operation of both the tunnel and the strategy has made good progress in terms of both these objectives.

**Deputy Fergus O'Dowd:** The key point about cost is the question of accountability for safety. The SCADA operating system has been deemed unsafe in the context of its design, architecture and every other part of it. Earlier, the Minister said he had sent a report to Brussels on the safety of the tunnel but he has refused to publish it. The report should be available and to that end the Minister should lay it before the House in the interests of transparency, openness and accountability. If the Minister is telling Europe that the tunnel is safe, he should lay the report before the House.

**Deputy Noel Dempsey:** We have had to submit this report to the European Commission and the etiquette in that case is that it becomes a matter for the Commission as to whether it decides to publish it. I will check it out and if the situation is any different, I will revert to the Deputy concerning that matter.

**Deputy Fergus O'Dowd:** As Minister for Transport, the document issued from his Department concerns a serious basic policy — the safety of the tunnel — yet he is not committed to publishing it for the Oireachtas. It does not make sense that it can go to Europe but cannot be read here.

**Deputy Thomas P. Broughan:** Is the Minister denying reports that the final cost might be in the order of €1.25 billion? Can he provide us with any update? I understand that the NRA and Dublin City Council are in a legal action against Nishimatsu Mowlem Irishenco. What is the current state of play on that matter? What consequences could the outcome of that legal action have for the NRA, Dublin City Council and, above all, the Exchequer?

I wish to support my colleague, Deputy O'Dowd, concerning safety matters. It is time the Minister either published the report or got his Department to undertake a swift, independent report on safety issues, given the grave public concerns. Following the "Prime Time" programme, for example, people said they would not travel through the tunnel as they did not feel it was safe. The NRA's chief executive, Mr. Fred Barry, has reassured me that all the news on "Prime Time" was old news, but is it old news? Can we be absolutely certain that the tunnel is safe?

**Deputy Noel Dempsey:** I am told by the NRA that it is, but I do not know how many times it must be said for people to accept it. The report was commissioned by Aegis, which is a subsidiary company of Transeur, the operator.

**Deputy Thomas P. Broughan:** It is a subsidiary of the operator but it is not independent.

**Deputy Noel Dempsey:** They highlighted deficiencies which were remedied but people do not want to accept the word of those who drew up the report. On the afternoon before the “Prime Time” programme was broadcast, they indicated that the tunnel was safe. There is not much more I can do to convince people.

As regards the cost of the tunnel, I am not saying anything other than that the estimated final outturn cost to the Exchequer is €751 million. As the Deputy will be aware, for many years there was a practice in this country whereby people put in tenders for particular projects, yet the minute their tender was accepted they appointed batteries of lawyers and quantity surveyors to see how much more money they could get from the taxpayer. I do not think this project was any different in that respect. There are processes in place but I will not be deciding the final outcome and neither will the Department nor the Government. It will presumably go through the legal or arbitration system and a final decision will be made. Suffice it to say that as far as the Department and the NRA are concerned, the costs should be €751 million and the NRA will contest anything over and above that.

**Deputy James Reilly:** I thank the Minister for his endeavours to protect the taxpayer. I wish to comment on the question posed by my colleague, Deputy O’Dowd, about the report and the Minister’s reply concerning etiquette. This matter goes far beyond etiquette. Over the past year we have had a number of situations where reports have been held back or delayed. Despite mounting public concern, there has been a reluctance to have independent inquiries into various events, although that is all that would satisfy the concerns. As regards this specific request, I fail to see why the Minister cannot make the report public.

**Deputy Fergus O’Dowd:** Absolutely.

**Deputy James Reilly:** I cannot understand how the Minister feels he can be doing his duty to the public who have a concern about using the tunnel.

**An Leas-Cheann Comhairle:** A question, Deputy.

**Deputy James Reilly:** The question is why will the Minister not publish it? The answer he has given to date, concerning etiquette, is not satisfactory. People need to see the report and I would like to know why the Minister will not release it.

**An Leas-Cheann Comhairle:** That question has now been asked twice.

**Deputy Noel Dempsey:** Yes. If there was anything in the report concerning the safety of the tunnel, the tunnel would be closed at this stage.

**Deputy James Reilly:** Then why not release it?

### **Road Network.**

14. **Deputy Mary Upton** asked the Minister for Transport the progress made on developing the Leinster outer orbital route; if he has reviewed and accepted the National Roads Authority’s feasibility study on this project; and if he will make a statement on the matter.

[32533/08]

**Deputy Noel Dempsey:** While I have responsibility for overall policy and funding in respect of the national roads programme element of Transport 21, the implementation of individual projects is a matter for the National Roads Authority. In 2007, the NRA completed an updated feasibility study, based on an earlier 2001 study, which considered in particular the costs and benefits of what has become known as the Leinster outer orbital route.

The updated NRA study, a copy of which was forwarded to my Department in March 2007, concluded that the Leinster orbital route linking Drogheda, Navan, Trim and Naas, is strategically beneficial for the region in terms of strengthening the links between key development centres, assisting the economic development of these centres and improving the overall regional transport network.

Neither Transport 21 nor the national development plan provides any funding for such a scheme to be constructed in the period to 2015. The Government has already made it clear, under Transport 21, that priorities for the roads investment programme after the completion of the major interurban network in 2010 will be the Atlantic road corridor as well as the improvement of other key national primary routes and the targeted improvement of certain national secondary routes.

The Leinster orbital route proposal remains an important potential element of our longer-term infrastructure development. My Department will continue to liaise with the roads and planning authorities concerned to ensure that route options are preserved free of impediment for this potential project.

**Deputy Thomas P. Broughan:** In terms of the economic development of the whole province, many citizens throughout Leinster would think there is great merit in the road project from Drogheda through Navan and down to the Leas-Cheann Comhairle's constituency. Is the Minister saying the NRA feasibility study could be published so we would know the cost benefit analysis of proceeding with the road? Does he agree with Fred Barry of the NRA that the Leinster outer orbital should be its key priority after the completion of the inter urban routes in 2010?

The last time the Minister discussed the Leinster orbital in this House, the next day the Green Party rubbished what he said and stated the party would never sign up to the orbital. Is that still the case and is there a complete division of opinion on this issue within the Government?

**Deputy Noel Dempsey:** I try not to be parochial, but I have always said that I see great merit in the potential for this particular route. It would be economically and environmentally a very positive move. It would certainly help to free up the M50 even further and would be of great benefit economically, especially as it would link all the major radial routes. I see great potential in this, but it was not included in the NDP because the work was not done on it. The programme for Government states we will continue to leave it open as an option, and it certainly will have to be considered when we are reviewing the road projects after this NDP expires.

It is not a great secret that the Green Party does not favour any kind of road development. Its members feel we currently have a sufficient amount of roads, and they are entitled to that particular belief. The Government decision on this will be made at the appropriate time and based on the wider economic and environmental issues that give rise to it.

**Deputy Fergus O'Dowd:** I accept the Minister's personal commitment to this. He is introducing the Harbours (Amendment) Bill 2008 in the Seanad on Thursday which will convert Bremore Port near Drogheda into a major national port. There is a commitment in the Government programme to have greater infrastructure along this route for port access. The road is



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absolutely critical to it. The Green Party is opposed to this, including its Minister of State, Deputy Sargent, even though it is in his constituency. He is opposed to a road which would bring great benefits to his community and to the economy in the area. Does the Minister not think it is a disgrace the Green Party is opposed to this critical piece of infrastructure which is part of the programme for Government?

**Deputy Noel Dempsey:** Everybody is entitled to their own beliefs and I can disagree with them.

**Deputy Fergus O'Dowd:** Tell them to get lost.

**Deputy Noel Dempsey:** I do not necessarily think it is a disgrace that they have a view contrary to my own in a couple of areas, as it is a healthy part of democracy.

**Deputy Thomas P. Broughan:** Is the Green Party sending the Minister to Brussels?

**Deputy James Reilly:** I have a couple of comments before I put my question to the Minister.

**An Leas-Cheann Comhairle:** The Deputy should ask the question. If he is going to make a comment, he should make it without announcing it.

**Deputy James Reilly:** I will always take instruction from you.

**Deputy Denis Naughten:** He is learning fast.

**Deputy James Reilly:** Having been so well advised, I shall proceed. The report today in the *Fingal Independent* shows that the port in Drogheda will have a capacity of 50 million tonnes. Currently, Dublin Port takes 30 million tonnes, while the port at Drogheda only takes 10 million tonnes. There will load on and load off facilities, which means many extra lorries.

**An Leas-Cheann Comhairle:** Will the Deputy ask a question?

**Deputy James Reilly:** I asked the Minister before about the M50. Are we wasting our time with these upgrades and all the hassle we have caused people? If we do not build an outer route, it will be chock-a-block again in five years. Deputy Varadkar told me that such a study has been carried out and that in five or six years the road will be chock-a-block again. I do not question the Minister's commitment to it, but it is not part of Transport 21 and as this port at Bremore is going ahead, does he not agree it is totally unfair to the people of Balbriggan to be subjected to the amount of traffic that will be involved? I support this port and I recognise there is a tremendous opportunity for development in the community if it goes ahead, but the road is an integral part of it. One part cannot go ahead without the other. Will the Minister use his influence to ensure this becomes a priority project?

**Deputy Noel Dempsey:** I agree with the Deputy that the potential development at Bremore will be beneficial to the whole region, and not just his constituency, as well as the whole country. This offers us further port capacity, so I would not disagree with the Deputy's point. If the port is to be developed in Bremore, part of that development will have to take into account the necessary road infrastructure being put in place as well. That will obviously form part of the consideration of the project. If the port is operational, that will become a factor in the review of roads policy and the development of roads in the future.

All the indicators suggest that this would be a good road project. The addition of the port would add to that potential. It will be kept under review, but it is not under the current phase of the national development plan.

### **Appointments to State Boards.**

15. **Deputy Paul Kehoe** asked the Minister for Transport the vacancies which exist on State boards or organisations which he can fill; when they first arose; and if he will make a statement on the matter. [32649/08]

25. **Deputy Tom Hayes** asked the Minister for Transport the appointments made by him to State boards since he came to office, including remuneration and other details; and if he will make a statement on the matter. [32645/08]

**Deputy Noel Dempsey:** I propose to take Questions Nos. 15 and 25 together. I will circulate a table listing the appointments I have made in the period since I took office as Minister for Transport on 14 June 2007. I have made these appointments with a view to the skills and expertise relevant to each particular position, specific arrangements pertaining to certain boards such as the appointment of worker directors, as well as recognising the need to consider gender balance on State boards. The following vacancies have arisen in recent months. A vacancy arose in August 2008 at the Galway Harbour Company, and two vacancies arose at the Dublin Airport Authority in the same month. Three vacancies exist at the Cork Airport Authority, two of which arose in July and August 2008, while one arose in August 2007. The Irish Aviation Authority has one vacancy, which arose in April 2008.

The position regarding the boards of different agencies can vary depending on the statutes which govern their existence. Under the terms of the Roads Act 1993, the board of the National Roads Authority shall consist of not less than ten and not more than 14 members. The board of the NRA has remained constant at 11 members for the past number of years and I am confident this is sufficient in numbers, experience and competence to discharge its statutory functions effectively. The legislation governing appointments to Córas Iompair Éireann and its subsidiaries provides for not more than 12 members on the board of CIE itself, and for not more than nine on the boards of the three subsidiaries. As has been the case with the NRA, not all positions have been filled all of the time.

**Deputy Thomas P. Broughan:** On a point of order, would it be of assistance to someone being considered for boards if he or she was chairperson of a Fianna Fáil cumann?

**An Leas-Cheann Comhairle:** That is not a point of order. The Minister should complete his answer.

**Deputy Fergus O'Dowd:** It is a point of fact.

**Deputy Noel Dempsey:** It certainly would not disqualify them. In the case of the CIE subsidiaries, the legislation historically provided that powers for the appointment of directors to the boards of Bus Átha Cliath, Bus Éireann and Iarnród Éireann remained with the chairperson of the board of CIE itself, who made appointments with the consent of the Minister. This position changed very recently with the enactment of the Dublin Transport Authority Act 2008, so the power for appointments to the subsidiary boards resides with me only since August 2008. In light of the recent enactment of the Dublin Transport Authority Act and its provisions for the planned absorption of the Dublin transportation office into the new authority, I have not yet made an appointment to fill one vacancy, which arose on the steering committee of the Dublin transportation office in January this year.

[Deputy Noel Dempsey.]

One vacancy arose on the board of the Railway Procurement Agency in January last year and one on the advisory council to the Commission for Taxi Regulation in November 2006. As has been my practice to date, I will identify candidates for these and other vacancies with a view to ensuring appropriate experience and competence at board level in our agencies, as well as with appropriate regard to gender balance.

I made two appointments to Drogheda Port Company some time in the past five or six months and I recently appointed people to the Shannon-Foynes Port Company. Being a member of a Fianna Fáil cumann does not disqualify people from being appointed to a board and neither does being a former adviser to a former Tánaiste from the Labour Party.

Agency	Number of Vacancies	Date Vacancy arose
Galway Harbour Company	One	August 2008
Dublin Airport Authority	Two	Both arose in August 2008
Cork Airport Authority	Three	Two arose in August 2008 and July 2008 respectively and one in August 2007
Irish Aviation Authority	One	April 2008

Table 1: Appointments

Agency	Date Person Appointed to Board	Date Appointed	Remuneration and other details
Cork Airport Authority	Mary O'Halloran	01/01/2008	€ p.a. 14,000
	Tom O'Neill	01/01/2008	14,000
	Tony O'Connell	01/01/2008	14,000.
	Sean MacSuibhne	01/01/2008	14,000
	Bill Daly (Mr Daly is a Non statutory additional worker representative)	24/04/2008	0.00
Shannon Airport Authority	Joe Buckley	01/01/2008	14,000
	John McCarthy	01/01/2008	14,000
	Linda Keane	01/01/2008	14,000
	Audrey Costello	01/2008	14,000
	Paul Dagger (Mr. Dagger is a Non statutory additional worker representative)	01/01/2008	0.00
Irish Aviation Authority	Eamonn Brennan	26/07/2007	14,000
	Claire O'Donoghue	10/01/2008	14,000
Railway Procurement Agency	Mr. Ciarán MacSamhráin	27/11/2007	14,000
National Roads Authority	Eugene Moore	10/05/2008	9,000
Medical Bureau of Road Safety	Professor Denis Cusack	01/07/2007	Principal Officer (Higher Scale) plus an additional 20% in lieu of superannuation

Agency	Date Person Appointed to Board	Date Appointed	Remuneration and other details
Advisory Council to the Commission for Taxi Regulation	Brian Killeen	24/07/2007	€ p.a. 0.00
	Declan Coburn	08/04/2008	0.00
Port of Cork Company	Paul Millard	05/10/2007	14,000
	David Doolan	05/10/2007	14,000
Dublin Port Company	Pat Magner	25/07/2007	14,000
	Charles Rochfort	19/09/2007	14,000
	John Moore	19/09/2007	14,000
Dun Laoghaire Harbour Company	Seighlin Lennon	01/12/2007	14,000
Drogheda Port Company	Martin Farrelly	20/06/2008	7,000
	Nino Binns	20/06/2008	7,000
Shannon/Foynes Port Company	Kay McGuinness	25/09/2008	14,000
	Rita McInerney	10/10/2007	9,000
	Edmund Jennings	10/10/2007	9,000
	Michael Adams	25/09/2008	9,000
	John Carr	25/09/2008	9,000
	Dick Sadlier	25/09/2008	9,000
Port of Waterford Company	Cllr. Thomas Cunningham	29/04/2008	9,000
Galway Harbour Company	Bobby Molloy	04/03/2008	7,000
Dundalk Port Company	Noel Lennon	18/07/2007	1,750
Wicklow Port Company	Cllr. Seamus Keelan	23/07/2007	1,750
	Cllr. Denis Teevan	25/10/2007	1,750

**Deputy Simon Coveney:** Was the Minister's reference at the end of his contribution an olive branch to the Labour Party?

**Deputy Noel Dempsey:** I am keeping my options open.

**Deputy Simon Coveney:** That is always sensible in uncertain times.

I wish to address the specific issue of Cork Airport and the Cork Airport Authority. The Minister will be aware that Cork Airport is currently rudderless in its leadership. Due to deep divisions in the board of Cork Airport before the summer, the chair of the board stepped down and as a result there has been a vacancy since the beginning of June. The Minister knows in some detail the complicated situation that has resulted in stagnation at Cork Airport as a result of this lack of leadership. Cork Airport is expected to compete independently with Dublin Airport yet the manager of Cork Airport is an employee of the Dublin Airport Authority. This is an untenable situation in terms of a viable ambitious future for Cork Airport. The first requirement is a new chair for the existing Cork Airport board so that there can be some discussion and leadership about the way to take Cork Airport forward and implement what is Government policy agreed to by Fine Gael to have three separately run and owned airports in Dublin, Cork and Shannon. I ask the Minister to give the House an indication as to the reason

[Deputy Simon Coveney.]

he is continuing to delay the appointment of a new chairman for the Cork Airport Authority and when he plans to address that issue.

**Deputy Noel Dempsey:** I intend to address the issue as soon as possible. I have a number of people in mind and some individuals have been approached. Cork Airport has had a very stormy 12 or 18 months and I want to ensure that the people who are appointed to the board will be effective so that the board will work effectively as a result. I will try to resolve the issue as quickly as possible but I will also try to appoint the best possible people so that there is not a repeat of what happened over the past 12 months.

**Deputy Thomas P. Broughan:** Does the Minister receive regular reports from the directors appointed by him? I refer specifically to the board of Aer Lingus. Has the Minister received reports in recent weeks about the massive cost cutting and job cutting programme on which the current chief executive seems to be embarking?

**An Leas-Cheann Comhairle:** I will allow a final supplementary question from Deputy Coveney.

**Deputy Simon Coveney:** I appreciate it is not easy to find the best and most suitable person for what is a difficult job at Cork Airport but this is all the more reason we need somebody in place. Leaving politics aside, I appeal to the Minister to treat this issue as a priority. This is a huge issue in Cork city and county because the airport is an important gateway to that region of Ireland. There is a significant doubt about Cork Airport's ability to make decisions for itself and compete in the ambitious way it wants to. I appeal to the Minister to deal with this issue as a priority and get the right people in charge.

**Deputy Noel Dempsey:** The Government is a shareholder in Aer Lingus and the relationship between myself and the directors would therefore be very different from the relationship I have with those I have appointed to other organisations. Information cannot be freely passed from the directors to me as a shareholder because the company is quoted on the Stock Exchange. The Deputy will be aware of the previous difficulty. However I am generally informed from what the chief executive has said publicly and discussions between my officials and the chief executive about the Aer Lingus half-yearly report on which, as a shareholder, I received a briefing. There are various contacts but the ins and outs of such contacts are not the same with regard to Aer Lingus as they might be with some of the other companies and boards where I have made appointments.

I did not think Deputy Coveney was making a political point. I accept his question and I hope he will accept my answer in the same spirit. I want to do this in the right way and as quickly as possible.

*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 James Bannon — the need for the Minister for Education and Science to provide an update on the new school building for Loughgar national school, County Westmeath — the original building dating back to 1872 — which has been delayed without any explanation being issued from his Department, and the school now faces the prospect of having to go back to tender regarding this urgent matter, due to the risk of losing the builder, whose



tender has been accepted; (2) Deputy Kieran O'Donnell — the need for the Taoiseach, Deputy Brian Cowen and the Tánaiste and Minister for Enterprise, Trade and Employment, Deputy Mary Coughlan, in light of ongoing concerns and uncertainty with Dell in Limerick and other multinationals in Ireland, to urgently arrange an immediate meeting with the CEOs of Dell and other leading multinational companies to listen to their concerns to ensure the security of the 3,000 direct jobs in Dell Limerick and of the other 150,000 plus direct jobs and the thousands of other jobs linked to the overall multinational sector; (3) Deputy Joe Costello — the need for the Minister for Health and Children to fund the Irish Family Planning Association adequately so that it is able to provide a full range of services; (4) Deputy Joe McHugh — the need to ask the Minister for the Environment, Heritage and Local Government if he will review the Wildlife Act 1997 and the Wildlife (Amendment) Act 2000, given that those Acts focus exclusively on scientific requirements and do not take into account the 1992 EU habitats directive's commitment to "economic, social, cultural, and regional requirements"; (5) Deputy Dan Neville — the flooding of Newcastle West and surrounding areas on 1 August 2008; (6) Deputy Simon Coveney — the debt and ongoing operation of Cork Airport; (7) Deputy Alan Shatter — the provision of a permanent school building for Holy Trinity national school, Glencairn, Leopardstown, Dublin 18; (8) Deputy Paul Connaughton -the designation of boglands under the EU habitats directive and the cessation of turf cutting on those bogs; (9) Deputy Lucinda Creighton — the delay in local authority implementation of tenant purchase schemes and in particular the lack of any scheme for the sale of council flats which discriminates between the tenants of council houses and council flats; and (10) Deputy Mary Upton -the need for reform of the law so that planning enforcement by local authorities can be executed promptly and proportionately where breaches occur with particular reference to the recent District Court decision to impose a fine of €1,000 for demolition of a building — Presentation Convent, Terenure — purchased for approximately €15 million.

The matters raised by Deputies Neville, Coveney, Connaughton and Shatter have been selected for discussion.

### **Credit Institutions (Financial Support) Bill 2008: Committee Stage (Resumed).**

#### NEW SECTION.

Debate resumed on amendment No. 1:

In page 1, before section 1, to insert the following new section:

"1.—This Act (other than section 7) shall not come into operation until the Minister has published and laid before each House of the Oireachtas for its approval full particulars of the terms and conditions under section 6(4) including the terms and conditions of any scheme."

—(Deputy Joan Burton.)

**Deputy Kieran O'Donnell:** I wish to keep this argument on a practical level because this scheme has to work and failure of this scheme cannot be countenanced. Three elements are necessary for the success of the scheme. It must be transparent, have accountability and the taxpayer must be protected. The Bill as it stands fails on all these three accounts.

**Deputy Brian Lenihan:** The Deputy voted for it last night.

**Deputy Kieran O'Donnell:** The Minister has pre-empted what I was going to say.

**Deputy Brian Lenihan:** I apologise.

**Deputy Kieran O'Donnell:** If the public are to trust that this Bill will work, it is incumbent on the Minister to take into account the amendments being tabled by the Opposition. If those amendments have validity, the Government must take them on board. We agree with the main proposals but the devil is in the detail. If this Bill and this scheme is to work, those three elements of transparency, accountability and protection for the taxpayer, must be in place.

Fine Gael has proposed three amendments, Nos. 21 to 23, inclusive, to section 6(5). These propose that the scheme would be debated by both Houses of the Oireachtas within three days of it being available. I have asked the Minister to inform us when the scheme will be brought before the House. The Government is proposing to lay the scheme before the House but not to debate it. We agree with the thrust of Deputy Joan Burton's amendment. We accept the financial markets need confidence but this amendment must be accepted.

The Government must obtain EU approval for the scheme. The Minister must consider allowing the guarantee to apply to all UK and other foreign banks operating branches in the State. There has already been a flow of funds from these banks. If he does not extend this, it may jeopardise EU approval for the guarantee.

Protection must be provided for the taxpayer. Last night the Taoiseach gave a commitment in the House to levy the bank sector for any loss incurred by an individual bank. Will the Minister give his view on this commitment? Will he include it in section 6(4)? Fine Gael will decide later if an amendment is required for that section.

**An Leas-Cheann Comhairle:** I remind the Deputy we are dealing with amendment No. 1.

**Deputy Kieran O'Donnell:** I am dealing with terms and conditions which the Leas-Cheann Comhairle spoke about earlier.

**An Leas-Cheann Comhairle:** I did indeed.

**Deputy Richard Bruton:** Every word he said was in order.

**Deputy Kieran O'Donnell:** I am sticking to the terms and conditions.

**An Leas-Cheann Comhairle:** It is regarding the amendment.

**Deputy Kieran O'Donnell:** This month an extra 10,000 people are on the live register with unemployment at 6.3%. Many of these people's houses are in negative equity, yet they are watching the banks getting a deal from the Government in which they do not have to worry about repaying their debts. Any loan advanced from the guarantee must be at a premium rate. An oversight board must be put in place as outlined in amendment No. 13.

It is important that for any bank that receives funding under this scheme, a due diligence process is carried out on its loan book. A procedure must then be put in place for the bank to clean up its loan book. It is important conditions are laid down for banks to build up their reserves. Spain did not have these problems because its central bank imposed stricter capital ratio requirements. Ireland must now do the same. Restrictions on dividend payments and directors' bonuses must be introduced to help build up banks' reserves.

How does the Government propose to deal with a bank defaulting on loans? Has the Minister considered other measures such as mergers? The banks must be charged for the guarantee.

This is an historic occasion for the Dáil and the country. The Taoiseach and the Minister for Finance last night spoke about all parties working together on this issue. Going by this, the Minister must accept our amendments if they are of benefit in making the scheme viable. I hope the Minister will take this on board.

**Deputy Paul Connaughton:** There is no question that we are living in sensational times. I will vote for the principle of the Credit Institutions (Financial Support) Bill to help ordinary people stay in work, to protect their savings and to ensure the economy recovers. I will not, however, be stampeded into voting for a Bill about which I, and the people, are not sure.

Several times today a certain question has been asked of the Minister for Finance. I will put it a different way. When the bankers crawled into the Minister's office on Monday night, what did they actually say to him? Did they say international bankers would no longer give them any more loans or that they had become insolvent and could no longer continue operating? There is a difference in the world between the two. The Minister has not yet made it clear to the House as to why the bankers were in his office on Monday night.

While we accept the Bill's principle, the Minister cannot expect us to be ecstatic about this scheme with its many restrictions on information. In the past few days the Minister spoke about the exposure of €400 billion. Last week, the US Congress debated a package of \$700 billion for its financial sector. The US population stands at over 300 million people while Ireland's stands at 4 million. When one considers the difference between the two packages and population sizes, it appears Ireland has a much larger problem than America.

The Taoiseach claims there is no exposure for the taxpayer which I cannot understand. The Minister said on television recently that we can talk about regulation later on. In 30 years as a Member, I always regarded the Central Bank as a sacred cow that no Member or Minister could criticise. Any criticism was taboo. One would be considered a traitor  
4 o'clock undermining the confidence of the State if one made any derogatory statement made about the Central Bank or the Financial Regulator. However, much of the blame for the current situation must be placed on the Central Bank for the way it did business with the constituent banks. Who else could control a situation in which banks would vie with each other to give out more money in loans to people for houses that were overvalued by 300%? In what democracy would that be allowed to happen? The number of personal credit cards held by people in this country is a world record. Many people are in debt up to their ears.

In order to allow Members to be relatively certain that the taxpayer will have some say in the future of the guarantee, the Minister cannot stampede us into a situation similar to that of the establishment of the HSE. Members cannot even raise the matter of a medical card in the House because the HSE is considered by legislation to be an autonomous body. The banks are even more autonomous.

I agree with the Leas-Cheann Comhairle when he said we have been told in the past 20 years to have less of the Government's heavy hand in our lives.

**Deputy Ruairí Quinn:** The Labour Party never said that.

**Deputy Paul Connaughton:** I accept that. I meant to say in the past ten years.

**Deputy Ruairí Quinn:** The road to Damascus is long but fruitful.

**Deputy Paul Connaughton:** It is and Deputy Ruairí Quinn did his best with the banks when he was Minister for Finance. I recall when the levy on the banks was introduced some years ago in a budget. It was to touch their social conscience. While the levy came to between €5 million and €10 million at the time, it was like pulling teeth from a goose to get it from them.

There was not a single person in public relations in the country who did not come in here and tell us why the levy should not be charged. That culture is still alive and well. Where will the taxpayer, *via* the Minister, be represented? The culture still persists — those blooming

[Deputy Paul Connaughton.]

politicians in Kildare Street, how dare they become involved in the financial affairs of the State. How dare they.

**Deputy Brian Lenihan:** We are rightly involved now.

**Deputy Paul Connaughton:** Can the Minister guarantee that he is making arrangements that will make things different? If he is able to tell us that today, many people in this country will sleep easy in their beds tonight.

I must make a pitch, as many of my colleagues will do and have done, for the Ulster Bank, which has many customers in the area I represent. I cannot see why it should be disadvantaged to the degree to which it appears it is. I ask the Minister to clarify that issue.

**Deputy Billy Timmins:** In response to the point made by Deputy Broughan, it is possible to differentiate between criticism of the banks and the intention of this Bill. While many Fine Gael speakers criticised the banks, justifiably, they support the intention of the Bill.

The issue raised by Deputy Burton in her amendment is very important and must be addressed because certainty is needed. However, it could possibly be addressed in the Minister's response or somewhere else in the Bill.

We have placed enormous emphasis on the banks but from the time of Cain and Abel we have had greed, fear and euphoria. From the South Sea bubble to today we have had all the ingredients necessary to create the difficulties we are in today. I am sure that in 100 or 200 years' time the same scenario will repeat itself because it has done so throughout history. I do not see any reason it will not do so again. We talk about historical times and lessons to be learned but I am sure if we checked through the records of the House of Commons over a number of centuries we would find the same script somewhere.

With respect to the amendment itself——

**An Ceann Comhairle:** I was hoping the Deputy might come to that.

**Deputy Billy Timmins:** The kernel of the issue, as referred to by Deputy O'Donnell, is when the Minister expects the scheme to be made. That is what we need to know. It is important that the scheme is approved by the House. The fundamental importance of this Bill lies in the scheme but we are like a pig in a poke, giving approval to the Government, without seeing the actual contents of the scheme. It is important that the House sees the detail of the scheme and has an opportunity to amend it, should that be necessary. I do not like the emphasis on the negative — it is possible that 90% of the scheme will be fine but parties in the House might wish, by agreement, to change 10% of it.

I ask the Minister to clarify when the scheme will come into operation. The Bill refers to the scheme being made and "laid before each House of the Oireachtas as soon as may be after it is made". It can then be annulled within the next 21 days. Can the scheme be in operation before it is laid before the House? Can the Government implement the scheme before laying it before the Oireachtas? I ask for clarification on that point.

Section 6(5) contains the phrase "without prejudice to the validity of anything previously done under the scheme". Does that just refer to when the scheme is laid before the House until it is annulled, if it is annulled, or does it refer to when the scheme is actually made by the Government?

I agree with many of the points made by speakers today. I hope the Minister will accept the proposal in amendment No.12 for an oversight board. The remit of such a board should include carrying out an analysis of the errors made by the banks——

**An Ceann Comhairle:** The Deputy can address that issue when we reach amendment No.12.

**Deputy Billy Timmins:** I raise it now in case I do not get an opportunity to speak later. Any oversight committee must conduct an examination of what led us to this point. There is no point in simply moving on and starting anew. We must try to learn from the errors of the past, notwithstanding the fact that history will show that such errors will be repeated, time and again, due to the greed, euphoria and fear in all of us. It was aided and abetted by the banks, admittedly, but we partook too.

**An Ceann Comhairle:** The net issue of amendment No.1 is that the terms and conditions of the scheme should be published before the Bill comes into operation. I am not singling out Deputy Timmins, but the debate has become very broad-ranging and has gone way beyond that. Were we to continue like that, we would never get to the end of the Bill. I ask that Members confine their contributions to the amendment we are discussing. There are many amendments to be discussed.

**Deputy Alan Shatter:** I will endeavour to stay within the parameters laid down by the Ceann Comhairle.

I am glad to have the opportunity to speak on this amendment. Some of what I will say is as relevant to amendment No.1 as it is to other amendments tabled. What encapsulates the concern of Members of this House is that the Bill is essentially a skeleton that must be fleshed out. Other speakers have correctly described it as an “enabling measure”. The meat in the measure is in the context of the supports to be provided to banks in circumstances in which we hope liquidity is restored, depositors feel they are no longer at risk and, to use the strange term that is applied to markets, “sentiment” improves, whatever that means.

Deputy Burton’s amendment proposes that the legislation will not come into operation “until the Minister has published and laid before each House of the Oireachtas for its approval full particulars of the terms and conditions under section 6(4)”. The problem with this legislation is that this House is not party to what terms or conditions the Minister might specify. We are told that a scheme will be laid before each of the Houses and will come into operation, if it is not annulled, within 21 days.

Section 6(6) reads as follows:

Without prejudice to *subsection (4)*, the conditions under which the Minister provides financial support under this section may include conditions regulating the commercial conduct of the credit institution or subsidiary to which the support is provided, and in particular may include conditions to regulate the competitive behaviour of that credit institution or subsidiary.

The difficulty is that the conditions which the Minister can specify are entirely at large and entirely within his discretion. They may be very well advised conditions to protect the taxpayer or to ensure the continued economic good health of a particular banking institution. They may be conditions that relate to the terms under which an institution is entitled to borrow. Indeed, to refer back to an issue raised earlier, they could be terms and conditions which restrain the circumstances in which banks can foreclose on those who owe them money. I do not know the parameters of the terms and conditions.



[Deputy Alan Shatter.]

We should approach this legislation in a responsible manner to try to bring some degree of sanity to what is happening in the markets and to release liquidity to businesses that need it. I do not have any principled objection to this legislation and, like my colleagues, I am prepared to rely on the fact that the Minister has received the best advice possible and that he recommends this legislation to the House. What I am not prepared to do, however, and what is not constitutionally appropriate is to write a blank cheque for the Minister. In circumstances in which a Minister can specify terms and conditions, it is appropriate that the legislation prescribes the parameters within which those terms and conditions may be set out——

**Deputy Ruairí Quinn:** Exactly.

**Deputy Alan Shatter:** ——or at least delineates what might be better referred to as factors or principles that are applicable to the terms and conditions so that this House exercises some degree of control.

In fairness to the Minister, Deputy Brian Lenihan, he is a fairly rounded and sane individual. If, for example, this legislation must be extended and there is another Minister for Finance who loses his marbles in two or three years' time or is scarified by the board of directors of a bank, I do not know what insane conditions might be laid down. This House is entitled to have some control over that. The amendment tabled by Deputy Burton has given us the opportunity to raise this issue.

I do not think it is correct that we should say the Act should not come into force until the particular scheme is laid before the House. I would have a different view. If this House had the time to do it, there should be a new section put into this Bill which prescribes the factors and principles applicable to the terms and conditions. As a minimum, instead of there being what I describe as the negative procedure applicable to statutory instruments where one is made and is law unless it is annulled, we should have the positive prescriptive provision which is in section 5, which only allows for a statutory instrument, or, in this instance, a scheme, to come into operation when approved by the House. At least then this House, as the Parliament of this State, would exercise some democratic input into it.

Indeed, I would go so far as to suggest that the legislation should include a provision whereby if the scheme, as laid, is not appropriate or is defective, instead of it simply being accepted or rejected, there should be a methodology to allow its amendment.

This is a particularly serious issue and I have some specific questions for the Minister about it. What is the advice of the Attorney General? There is a plethora of case law about the extent to which this House can delegate functions to outside agencies or, indeed, to Ministers which essentially allow Ministers to legislate as opposed to simply make regulations or administrative procedures. I will not delay the House, Sir, by going through all of it, but there are two or three principles which are particularly relevant.

There is a well-known judgment delivered by the Supreme Court in a case called *Laurentiu v. the Minister for Justice, Equality and Law Reform*. In that case the issue arose regarding the extent to which the Oireachtas could delegate its law-making powers to a Minister or to other subordinate agencies.

**Deputy Pat Rabbitte:** The same Minister, former Deputy McDowell.

**Deputy Alan Shatter:** Effectively, the court, in referring to the *Cityview Press Limited* case of 1980, stated:

[I]t was agreed by the parties that under the Constitution (in particular Article 6, s.2, and Article 15, s.2, sub-s.1) there is a limit upon the extent to which legislative power may be delegated to subordinate agencies by the Oireachtas, and that it is not competent for the Oireachtas by such delegation to abdicate its legislative function.

The judgment of Laurentiu goes on to state:

Both sides appear to have been agreed that one way of reconciling the powers of legislature with those of the executive was if the legislature formulated policy and the executive implemented it.

Further down, the court recites:

One of the tasks of legislation is to strike a balance between the rights of individual citizens and the exigencies of the common good. If the legislature can strike a definitive balance in its legislation so much the better. But the problem which confronted the Court in the Cityview Press case is that the facts of modern society are often so complex that the legislature cannot always give a definitive answer to all problems in its legislation. In such a situation the legislature may have to leave complex problems to be worked out on a case by case basis by the executive.

The following is the key point:

But even in such a situation the legislature should not abdicate its position by simply handing over an absolute discretion to the executive. It should set out standards or guidelines to control the executive discretion and should leave to the executive only a residual discretion to deal with matters which the legislature cannot foresee.

This is constitutional guidance from the Supreme Court. I particularly emphasise the need to set out standards or guidelines. There are no standards or guidelines prescribed within this legislation. This is not some sort of lone isolated judgment delivered by the Supreme Court many years ago; this is a decision of May 1999.

More recently, we had the Bupa case on 16 July 2008 in which it was alleged that unconstitutional delegation of powers had taken place. The court never had to determine that because of other technical issues that arose.

**An Ceann Comhairle:** I do not like to interrupt Deputy Shatter, but the question of the regulation making authority of the Minister arises under section 5 of the Bill. The net effect of amendment No. 1 relates to the question of the terms and conditions being published prior to the implementation of the legislation and the role of the Oireachtas.

My difficulty is that I have allowed a considerable amount of latitude — I am not just picking on Deputy Shatter — because we are discussing the first amendment. I must point out at this stage that this is amendment No. 1 of 28 amendments. The way we are going, it will take a very long time unless we stay with the parameters, which we are supposed to do.

**Deputy Alan Shatter:** I am addressing specifically the issue of the terms and conditions, no other issue.

**An Ceann Comhairle:** I know that. The question of the nature of the terms and conditions, and what they should or should not contain, is an entirely separate issue to the publication of terms and conditions.

**Deputy Alan Shatter:** As you will see, Sir, it will not be when I get to the point I am about to make. I have a genuine concern and am not trying to make a point for the sake of it. This is far-reaching legislation. At present, we see ourselves addressing an immediate issue concerning the functioning of the banks in this State and their capacity to conduct business on a normal basis. We, in this House, need to accept that this legislation gives the banks in this State a substantial competitive advantage over all banks in Europe and over other subsidiaries operating within this State that are not being covered by this legislation. This legislation does not cover Ulster Bank. It does not cover First Active.

**Deputy Brian Lenihan:** It can.

**Deputy Alan Shatter:** It can but, according to the Minister's announcement to date, it will not. If he intends to extend it, as he can, to subsidiaries of banks operating outside the State, there is an even greater reason that we should know what the terms and conditions of that should be to ensure the Irish taxpayer is not left at risk by lending outside this State by banks associated with subsidiaries.

My point is that if we accept that, on a European-wide basis, this gives our banks a competitive advantage, and even within this State it gives the banks, to whom the Minister has expressly stated he will extend this legislation, a competitive advantage over others operating within this State, who is to say in the context of the enactment of this legislation that a bank excluded from its application will not launch a constitutional challenge to it——

**Deputy Ruairí Quinn:** Exactly.

**Deputy Alan Shatter:** ——on the basis that it has been substantially disadvantaged in the market, that it has been discriminated against, that Article 43 of the Constitution has been violated and, more particularly in this instance, that any scheme the Minister makes goes so far beyond the powers of delegated legislation as to render the legislation invalid or *ultra vires*.

This is an important issue and it is directly relevant to Deputy Burton's amendment. I already stated I am not an enthusiast of her form of amendment, but I am an enthusiast of ensuring that if the Minister has given the correct advice, and if this legislation will solve the difficulties with which we are confronted, we have a duty to ensure it will not be immediately constitutionally challenged. Although I am not an enthusiast of the amendment, I believe it at least ensures that the scheme will be presented to the House and approved thereby before it comes into operation. This might help to regularise any constitutional infirmity that could arise.

**Deputy Pat Rabbitte:** In what year was the Laurentiu case?

**Deputy Alan Shatter:** It was in 1999.

I have a preference for doing what the Laurentiu ruling suggested we do, that is, set out specific guidelines and principles that to an extent direct and constrain, on a legislative basis, the manner in which the Minister might exercise his discretion. This is a very important issue and goes to the root of this legislation.

This is legislation produced in haste. Such legislation, no matter how well intended, has a horrible habit of bouncing back into this House and, on occasion, proving to be disastrous. What detailed consideration has been given to this aspect of the legislation? This is relevant to the amendment. What attention has the Office of the Attorney General given to the constitutionality of this legislation? Can we tell the House whether there is a likelihood, in the opinion of the Attorney General or the Government, that it may be challenged? If it is challenged, will the Minister have addressed the possible impact on our banking system of the

interregnum between the challenge being launched and the outcome of a court case? Has the Minister considered the possibility of the legislation being referred by the President to the Supreme Court? If so, what are the implications of this? There is no point in our enacting the legislation and waking up on Friday morning to discover a meeting of the Council of State has been called to consider its constitutionality and that no one has prepared for this eventuality.

I am conscious of time and do not want to subject the House to a legal treatise but I have not contributed on this legislation thus far. There is a vast array of case law in this area. One particular case of relevance, *O'Neill v. the Minister for Agriculture and Food*, dates from 1998. Somewhat esoterically or exotically in the context of this Bill, it dealt with an entirely different area, namely, controlling the practice of artificial insemination of animals.

**Deputy Pat Rabbitte:** I have heard of equity injections but this is a new approach.

**Deputy Finian McGrath:** We are really going around the Houses here now.

**Deputy Joan Burton:** The bulls and the bears.

**Deputy Alan Shatter:** It is the bulls that have caused some of the problem, it is the bears that are now taking over and we are all in difficulty because of it.

In the context of the 1998 case, the scheme developed by the then Minister for Agriculture and Food by way of delegated legislation, that is, dividing the country into particular regions with regard to the artificial insemination of cows, an area in which I have no particular expertise, was found to be beyond his powers. During the case, the *Laurentiu* case was quoted: "The increasing recourse to delegated legislation throughout this century in this and the neighbouring jurisdictions has given rise to an understandable concern that parliamentary democracy is being stealthily subverted and crucial decision-making powers vested in un-elected officials." The Minister is of course an elected official but the court struck down the scheme developed by the Minister for Agriculture and Food because the legislation under which he operated did not expressly permit him to do what he was doing.

I would not personally cast any aspersions on the probity or decency of the Minister for Finance but have considerable doubts about the Government's capacity to make the correct decisions in the context of the terms and conditions. This is so because, in so far as the Government will now have to impose terms and conditions on banks, it is as clear as crystal that in the past 11 years the Minister and his colleagues in Government failed utterly to ensure that the banks were properly regulated and that the terms and conditions that should have been imposed were imposed.

A litany of warnings came from respected financial institutions across the world, as well as from our own Central Bank, which bleated every so often about the extent of borrowing but, as a regulatory force, went back to sleep until the next report was published. Regardless of the terms and conditions, the taxpayer and economy must be protected. The Minister should ensure that banks do not go off on the insane adventures in which they have engaged for far too long under the benign eye of the Government.

The Government, the banks and the construction industry have been engaged in the most startling example of pyramid selling ever seen in this State. Banks have been lending excessive sums of money to first-time home buyers and so-called investors to purchase grossly overpriced properties. In many instances, the properties were being purchased from developers to whom the same banks had originally lent money. The Government did absolutely nothing about it because of what it was accruing through stamp duty.

[Deputy Alan Shatter.]

The Government is not guilt-free in respect of where we now find ourselves in so far as the problem derives from concerns about the banks' lending practices and the value of the assets they retain by way of security. The Government does not come to this House with clean hands in respect of this issue; until this week, it had shown itself to be incapable of addressing the issue of conditions and regulation with regard to bank expenditure. I am not confident, despite my personal liking for the Minister, that he and his Government colleagues will get it right. This House should be approving and not simply sitting back with the possibility of nullifying any scheme produced to ensure it will achieve what we require it to do. While I accept the principle of this legislation, I am not satisfied it properly implements that principle. There are no parameters laid down or principles enunciated in it to determine the types of conditions that might be imposed by the Minister by way of a scheme under section 6.

**Deputy Beverley Flynn:** On Deputy Shatter's point on the action of the Government at a time of global turmoil in all financial markets, the one Government that has taken very decisive action that has had a favourable impact on the markets is our own. When one compares this action with the piecemeal action being taken in other countries throughout Europe, and particularly in the United States, one realises it is a clear and decisive measure. It has met with approval and has steadied the ship in so far as our own financial institutions are concerned.

I commend the Minister on this action, particularly because it is for the protection of the taxpayer. This point must be laboured. Particularly at a time when people are talking about bailing out banks, it is important that it be recognised that it is the individual taxpayer and deposit holder we want to protect, in addition to businesses. Many businesses in Ireland are very viable but have experienced a shortage of working capital and overdraft facilities to enable them to operate. It was the lack of liquidity in the market that forced the Minister to take action in the first place.

On section 6(4), I welcome the fact that the Minister stated clearly that guarantees will be paid for on commercial terms and that they are not free. He said he will ensure value for the taxpayer is achieved. It is extremely important to comply with EU state aid and competition law requirements. Will the Minister clarify whether we are in compliance with these and whether any concerns have been raised about the Bill at EU level?

**An Ceann Comhairle:** We must deal with amendment No. 1.

**Deputy Beverley Flynn:** On Deputy Burton's amendment, I understand the call for certainty. Of course, everybody wants to see certainty in these difficult times. It would be desirable for us to know the extent of our liability and the precise nature of the guarantee and the terms and conditions. However, we are looking for certainty in a very uncertain environment.

We have seen the reaction of the markets yesterday and today and it is impossible to predict what this will be in the days and weeks ahead. It is also impossible to predict how the guarantee applies to the six individual institutions for which it is being provided in the first instance. Unfortunately, one solution does not suit all. Some institutions may be in a position to pay immediately and some may not, and the measures whereby some institutions may be in a position to pay commercially will vary. Moreover, we cannot be certain with regard to the existence of the individual institutions going forward.

While I compliment the Minister for Finance and know exactly where he is going in regard to the issue of certainty, I do not believe it is possible to provide the necessary certainty in these uncertain times. It is important that the Minister would be given the necessary flexibility to deal with this matter, particularly as he is giving us the assurances that this will be done on



competitive terms and in the best interest of creating stability, which is badly needed in this country at this time.

I have a question for the Minister with regard to our level of exposure and the level of assets in the banks, particularly when he refers to the buffer of €80 billion. The Minister gives a figure of €500 billion for present assets. How was this asset value arrived at? I am concerned with regard to the review and recategorisation of debt that is taking place in some of the financial institutions throughout the country. I would like to know if this asset value has been verified by the Financial Regulator and the Central Bank.

**An Ceann Comhairle:** That does not come within the ambit of amendment No. 1.

**Deputy Beverley Flynn:** It is relevant because the implication of seeking certainty with regard to the terms and conditions is relevant in the context of the level of our exposure. While I might be stretching a point, it is important we would clarify the exact level of our exposure, which hopefully will not ultimately amount to much, as has already been confirmed by the Minister. There is an element of uncertainty with regard to the banks' assets and it would be helpful if we received clarification.

**Deputy John Perry:** I am delighted to speak on this very important issue. When one considers the partnership between the Government and the banks for the past ten years, for every €100 million provided by the banks, the State benefited indirectly through taxation by up to €40 million.

**An Ceann Comhairle:** We are dealing with amendment No. 1.

**Deputy John Perry:** The amendment concerns regulation. It is important to ascertain where the €400 billion came from. It was a unique partnership. Personal debt was huge and indebtedness rose because the more money that was given out, the more revenue came to the State.

Like most of my Oireachtas colleagues, I must accept on trust the argument that the immediate liquidity problems of the banking sector require decisive action by Government. Given the complex nature of the problem facing the country and the short time available to frame a response, the legislation has been drafted under emergency circumstances. As we all know from past experience, even the most carefully drafted legislation can unravel over time. Rushed legislation, such as we are now debating, carries risk that it will unravel quickly and in serious and unforeseen directions.

As for the immediate problem with liquidity, I hope the guarantee system will address this without any cost implication to the taxpayer. This week is about solving the liquidity problem. I hope this move will secure the stability of the financial sector and that the banks can again go to the international markets and raise funds, which would be welcome.

**An Ceann Comhairle:** I must ask the Deputy to address amendment No. 1.

**Deputy John Perry:** I am addressing the issue. Other Members have spoken on this. It is very much about regulation.

**An Ceann Comhairle:** The Deputy's point must bear some relation to the amendment.

**Deputy John Perry:** My point is on regulation.

**An Ceann Comhairle:** The Deputy has had a lot of latitude which cannot be available for other amendments or we will never get to the end of the Bill.

**Deputy John Perry:** I have only been speaking for 30 seconds. Other Members spoke for minutes.

**An Ceann Comhairle:** I am not criticising the Deputy but——

**Deputy John Perry:** There may be a problem with bank solvency in the medium term. There are conflicting opinions about this. The message from the Central Bank and the Financial Regulator is that the banking institutions have assets that exceed their liabilities, which certainly concerns regulation. Only time will clarify this situation. Other independent commentators are more pessimistic, so it is important to clarify this issue.

My main concern with the proposed legislation is that it has a potentially serious risk for the taxpayer in the medium to long term. Given the banks have a Government guarantee, I worry that we might be setting ourselves up for a crisis like that which happened in the US over 20 years ago. The history of the savings and loan crisis in the US of the 1980s and 1990s had its origins in a federal guarantee system to a section of the US banking sector. It is important to put on record that the ultimate cost of this disaster was approximately \$150 billion.

The federally chartered savings and loan banks were originally only allowed to make a narrowly limited range of loans. They were tightly regulated and there was a ceiling on the interest rates they could offer depositors. Under various economic and competitive pressures, the financial performance of savings and loan banks began to suffer. The US Government's response was to increase the federally guaranteed insurance amounts, raise various caps on mortgages and deposits and ease regulation. The savings and loan banks were permitted to engage in new business lines and were generally allowed to take greater risks to work their way out of their financial troubles, including taking on the ownership of assets.

A key message that comes out of the savings and loan scandal was that regulatory structures were inadequately resourced and lacked adequate legal powers, and the staff lacked the cutting edge market knowledge, experience and skills. This is an important point which we must clarify in the context of regulation in this country. The regulators were always working from a position of being several steps behind the banks, which is an issue here at present. Where was the Central Bank and the Financial Regulator for the past six months or the past number of years? All of these problems resulted in fatal delays and indecision in the examination and supervision processes. Many institutions which ultimately closed with big losses were known as problem cases for a year or more, and it sometimes appeared political considerations delayed necessary supervisory action.

My concern with this guarantee system for Irish banks is that the more pessimistic picture of bank solvency may turn out to be closer to the truth. Then, as the financial pressure mounts up for Irish banks, there will be a very strong temptation for them to engage in fancy footwork that will see the taxpayer eventually having to pick up the bill.

A simple point is that regulation is not enough in this situation. With so much taxpayers' money at risk, Fine Gael proposes that the Government would insist on appointing officials to the risk management committees of the banks involved. I remind the Minister of the cynic's definition of a good information and reporting system, namely, that it can take a disaster at the bottom of the organisation and change it into triumph by the time it reaches the top. If the Government is to have adequate control of these guarantees to the banks, it must have its people on the inside. I would go further and propose that the Government appoint officials to the main bank boards for as long as the taxpayer is providing a guarantee.

**An Ceann Comhairle:** Members are raising a number of issues which are relevant to different sections.

**Deputy John Perry:** This is on amendment No. 1, which concerns regulation.

**An Ceann Comhairle:** I have explained on numerous occasions the import of amendment No. 1. My difficulty from here on is that while the amount of time available is in theory limitless, nonetheless, nobody will be around for eternity. In those circumstances, from here on and certainly when we come to the next amendment, I must insist that Members speak to the amendment.

**Deputy John Perry:** My further comments directly concern regulation. I will finish on this point, which it is important to put on record. As every other speaker got the privilege to do so, I intend to continue.

**An Ceann Comhairle:** Every other speaker did not get the privilege to do so. When Members spoke, they spoke to the amendment.

**Deputy John Perry:** I am speaking on amendment No. 1, which concerns regulation. I made the point on increased regulation and the banks——

**An Ceann Comhairle:** The net point of the amendment relates to the question of the publication of the terms and conditions prior to the commencement of the legislation.

**Deputy John Perry:** The Taoiseach stated it is his intention that the taxpayer would not be liable for any shortfall down the road. He stated he is not handing over any money to the banks. All he has done, he suggested, is that he has lent the name of this country so the banks could access liquidity. I very much endorse the point made by the Fine Gael Party leader, Deputy Kenny, that we do not want to see a situation where bank gains were privatised and losses socialised, which is an important point.

The Taoiseach also stated that the facility would come at a price and that a fee reflecting commercial reality would have to be paid by any banks that sought to make use of the guarantee. There is no reassurance to taxpayers that this charge will not be just another stealth charge on bank customers. One way or another, the public will end up paying for this guarantee. It would be preferable if the proposed fee was a levy on bank profits. Banks have made in excess of €2 million a day in recent years and have made profits of up to €1 billion. I would be much happier if the levy was on bank profits.

I welcome the guarantee put in place by the Minister that has helped the banks to date. That is all very well for the banks but this is a two-way process and people are entitled to be treated fairly and justly by the banks. I address my remarks especially to those people who are currently unable to pay the mortgage on their family home. Between now and Christmas the number of families affected could be in excess of 100,000 nationally.

**An Ceann Comhairle:** That is a Second Stage speech.

**Deputy John Perry:** This is important. When those people approach the banks and request that they be allowed to pay interest only or make an alteration to their original agreement with the bank, they use the opportunity to increase the rate of interest being charged to homeowners. This is important. If we are underwriting the banks, they should help people. Many of those people are on ECB tracker mortgages, which are favourable, and banks are deliberately trying to move people on to less favourable rates to increase their profits. I must put that point on the record. Given that we are introducing a guarantee for the banks, I call on the Minister to ensure that this practice ceases immediately and that banks make every effort to help people over their difficulties. We are helping the banks without crucifying them.

[Deputy John Perry.]

If people require to have repayments reduced to interest only over a 12 to 24 month period, it should be granted to help them get over the difficulties. It is imperative that we keep people in their homes and that we do not enter the downward cycle being experienced in America. This is a two-way partnership. People have donated generously in this instance and it is imperative that the financial community responds by treating them decently and correctly.

We must examine the role of the Financial Regulator, the Central Bank and the banking institutions. Deputy Shatter referred to the legal case for banks that are excluded, the privatisation of banks and the partnership with Government in the past ten years when in excess of €160 billion has benefited the Exchequer through value added tax, other taxes and legal charges. That is a significant amount of money. It is important that we bring financial stability to the economy but it is equally important that we look after borrowers and small business people who are being penalised by banks.

I am dismayed that none of the banks has made any comment on the announcement by the Minister yesterday. That is appalling. I thank the Ceann Comhairle for his forbearance but it is important that I put on record my feelings on the matter.

**An Ceann Comhairle:** I appreciate that but the difficulty is that there are 28 amendments. Once we have disposed of amendment No. 1 we will have to tighten things up. I will have to burst a few bubbles of my own because if I do not we will never get the legislation passed.

**Deputy Edward O’Keeffe:** We must ask why we are here this evening. We are here simply because of greed throughout the western world and events in the world financial services. I compliment the Minister on drafting legislation and taking a fire brigade approach to the matter so quickly to address the crisis.

I have been a member of the Oireachtas Joint Committee on Finance and the Public Service for approximately seven years and many of the questions we asked of the Financial Regulator and the Central Bank were left unanswered. There was a failure on the part of the committee also because all it was interested in doing was discussing bank charges and getting more competition into the system. Competition creates its own difficulties. The Minister is supporting six Irish financial institutions that have been to the forefront of Irish financial services for generations. The introduction of financial institutions from abroad caused the crisis in our financial services because the competition was unreal. Competition is fine if it is properly regulated but a small number of banks were not able to meet the competition.

I am quite critical of the operations of the Central Bank because for as long as I can remember every quarter it has warned Governments of all persuasions of the dangers of over-borrowing and an over-heated economy but we heard nothing from it in the past three or four years. One bank in Ireland was offering more interest on small and large deposits than it was getting on its loan book in repayments. That could not work and it is the role of the Central Bank to regulate as it should and put on the warning lights.

**An Ceann Comhairle:** Deputy O’Keeffe must discuss amendment No. 1.

**Deputy Edward O’Keeffe:** I apologise to the Ceann Comhairle because this is an important matter and finance is an important issue to the economy. I beg his pardon to give me an opportunity to say a few words. The Minister is aware of my concerns as I questioned him on what will happen to the banks that are not included in the scheme. Who will support their depositors? We hear Rabobank and Danske Bank have a triple A rating but what will happen to customers of Ulster Bank that is tied in to the Royal Bank of Scotland? We read in the financial newspapers and business sections that, as an institution, the Royal Bank of Scotland

has difficulties across the world. Fortis bank in Belgium and Holland took over ABN AMRO a few years ago, which was bid for then by Royal Bank of Scotland, and it was unable to meet the targets and the price. We fail in that situation. The issue is a much greater one than we are discussing here. I hope the approach we are taking will work and that we do not have to come back in six months to deal with a new crisis. What can the Minister do to control the institutions that lend money? One of them is shovelling out money indiscriminately to developers and property owners. There is a need for regulation.

**An Ceann Comhairle:** There has to be, but I ask Deputy O’Keeffe to return to amendment No. 1. I will have to insist on this from now on today.

**Deputy Edward O’Keeffe:** I am concerned about all the amendments.

**An Ceann Comhairle:** The Deputy might be but he can stay here until all the amendments are disposed of. He cannot speak about amendment No. 28 while amendment No. 1 is being discussed.

**Deputy Edward O’Keeffe:** I am sympathetic to the position of the Ceann Comhairle but we are dealing with the money of depositors and shareholders, people who are watching what is happening in the House today who are really worried about the situation. I welcome the decision of the Minister to rescue them in some form. Is there a role for credit unions in the Bill?

**An Ceann Comhairle:** For goodness sake.

**Deputy Edward O’Keeffe:** Credit unions are part of the system.

**An Ceann Comhairle:** No. We must deal with amendment No. 1.

**Deputy Edward O’Keeffe:** I am being asked those questions.

**An Ceann Comhairle:** Deputy O’Keeffe has enough experience to know he must discuss amendment No. 1 only.

**Deputy Edward O’Keeffe:** Many issues have to be clarified for the pundit on the street and investors and borrowers who are concerned. The insurance industry is also tied into the matter. We must look at the big picture. I sympathise with the Minister on what he is trying to do. The role of the Central Bank has to be strengthened in future and that may require more legislation. Either the system is weak or there is not enough power to do what is required. These things should not happen if a financial system is properly regulated. Finance is a delicate business and we have seen recently how much that is the case.

The Minister has a big job on his hands. He has handled the crisis very well since it began last Wednesday. We would be facing an even greater crisis were it not for the action that has been taken. While it is being lauded across the world, that does not mean it will be successful. We saw what happened in America, in one of the biggest financial markets in the world, and in many places in Europe. I urge the Minister to pick up the bits and pieces.

I asked for clarification on deposits for people in institutions other than the six being covered by the Minister. If that issue is not addressed there will be a crisis. E-mails have been sent by banks urging the removal of deposits from banks outside the scheme. The move has already started. The financial institutions are already using the legislation. I received a telephone call in the past hour on the issue. The situation is serious for those who do not know what security there is to protect the money they have on deposit.



**An Ceann Comhairle:** I serve notice that we have 28 amendments and once we move on to the next amendment we will have to strictly enforce Standing Orders. I will do so without fear or favour. I understand the frustrations of Members and their need to express their views. I am trying to be as fair as I can but when we move on to the next amendment I serve notice that we will have to deal strictly with the amendments.

**Deputy Dinny McGinley:** I have two points to make on this important Bill, one of which is general and the other is specific. The fact that we are discussing this emergency legislation in the House is proof that we are in a monetary, banking and economic crisis. This crisis was manufactured at home and three parties contributed to it — the banks, the Government and builders. The Government is guilty because it completely failed to enforce any regulations or controls on the banks in recent years. The banks were grossly negligent in offering huge mortgages to customers, often in excess of 100% and with additional funds for cars and other items. The builders are culpable for the manner in which they used the money that was given out like confetti. These three parties have contributed in no small way to the situation in which we find ourselves and which necessitates this legislation.

I am conscious of the number of speakers who have gone before me and those who are waiting their turn but I wish to make some important points. There are several financial institutions in my own and other counties which are not covered by this legislation. In County Donegal, for example, there are nine branches of Ulster Bank. I do not seek to differentiate between the various institutions but merely wish to draw this to the Minister's attention. As recently as this afternoon, I met with a deputation from the Irish Farmers Association.

**An Ceann Comhairle:** I am sure the IFA representatives did not mention amendment No. 1.

**Deputy Dinny McGinley:** I told them I would raise this issue under amendment No. 1, with the Ceann Comhairle's permission. These are decent and hard-working people, the backbone of the farming community in Donegal. However, as customers of Ulster Bank, their banking concerns are not covered by this Bill.

There are three banks in the village in which I live — Bank of Ireland, Allied Irish Banks and National Irish Bank. Only customers of the first two will be covered by the terms of this legislation. What we seek is a level playing field. I do not know how that will be achieved but I urge that there be some ring fencing so that depositors in banks other than the designated six will receive the same protection. If people withdraw their money from the other institutions, the people working there will be in a precarious situation. I ask the Minister to set people's minds at rest in this regard.

**Deputy Ruairí Quinn:** I sympathise with the Ceann Comhairle's difficulties in managing this debate and will be as brief as possible. I have listened to the debate all morning and am pleased to be associated with the points made by my Labour Party colleagues. The Minister was not in the Chamber when my party leader, Deputy Gilmore, reiterated the conditions and provisions we seek to have included in the Bill before we are in a position to support it. I endorse those comments.

Amendment No. 1, in the name of my colleague, Deputy Burton, is central to our objectives. We wish to improve the Bill, not to oppose it. We want to be in a position where we can support it, but we cannot do so in its current form. Addressing amendment No. 1 will reach to the core of our concerns. For reasons already stated, including the constitutional issue and the competition argument, as addressed by Deputy McGinley, giving effect to this amendment would strengthen the Bill against any legal or constitutional challenge, in respect of which much speculation is abroad.

The Minister should adopt the mechanism for the adaptation and ratification of regulations as set out in section 5, which provides that the regulations be published in draft form, laid before the House and endorsed by it before coming into effect. The Minister has not explained why he reversed the procedure and reverted to the normal one. In regard to the constitutional cases to which Deputy Shatter referred, the responsibility of scrutiny placed on this House under the Constitution means that if the draft regulations were laid before this House, debated in a substantial way and subsequently ratified or amended, they would have a legitimacy that would not apply if the procedure proposed in section 6 is adopted.

For these reasons, I urge the Minister to consider my party's amendments. We want to be able to support the Bill but cannot do so as it currently stands. The markets have been reassured to a certain extent. Deputy Burton's amendment will allow this Bill to be included in the Statute Book, which is sufficient for now to provide the comfort factor we all know is necessary. I urge the Minister to be flexible. We do not necessarily expect him or his departmental officials to provide all the necessary regulations immediately. It may be the case that additional regulations are required as we move forward. We seek substantial regulations to give effect to these measures but they do not have to be the whole nine yards. We are in uncharted waters and new regulations may be necessary at a later date. However, the Minister must move some way to meet us on this issue.

**Deputy Michael Mulcahy:** I will join in the spirit of the last several contributions by refraining from the temptation of making a Second Stage speech. Instead, I will address myself strictly to Deputy Burton's proposed amendment. The Minister and Taoiseach have already said that the Opposition has been generous in its support for the principle of the Bill. It is never easy for an Opposition to take a Government at face value——

**Deputy Denis Naughten:** That is especially so in the case of this Government.

**Deputy Michael Mulcahy:** ——when the former is given little time to examine a document. This is the case no matter which party is in opposition. In fairness, we only received this document at approximately 9 p.m. last night. None of us has had much time to consider it. All parties supporting the principle of the Bill are to be congratulated on engaging with the spirit of this endeavour. That is essential. Anybody who watched the news on Monday night knew something had to be done and that Tuesday would not be a pretty day.

Amendment No. 1 is not feasible in any sense. Section 6(4) refers to two elements — an individual agreement and a scheme. I understand the former refers to an individual agreement with an individual financial institution, whereas a scheme would be a general scheme applicable to all financial institutions. One speaker referred to the Bill as a skeleton. If the skeleton is not there, one cannot put the flesh on the body. There is a logical flaw at the centre of the amendment. One cannot simply say that the Act, excepting section 7, will not come into operation until the Minister has devised a particular scheme. This simply does not make sense. However, I understand Deputy Burton's intention in this area. Deputy Shatter acknowledged the same before expressing his lack of enthusiasm for the amendment.

As I said, section 6(4) makes reference to an individual agreement and a scheme. Given an individual agreement, is it being suggested that in a situation where a credit institution was in financial difficulty the Minister would have confidential discussions dealing with its core viability and would then lay the details before the House for adoption or otherwise? Again, that is not a runner. No commercial organisation could afford to bare its soul in the public gaze

[Deputy Michael Mulcahy.]

in such a way until agreement was reached with the Minister. The same argument goes for the scheme.

I refer to the comments of Deputy Shatter concerning the delegation of legislative powers. I believe his views on this matter are incorrect, because he was referring to the delegation to subsidiary bodies of legislative powers. However, this copperfastens and underlines the Minister's executive powers. In so far as the Minister for Finance performs functions under this Bill he is performing executive powers. It is the case that his powers are being increased. However, I cannot see any constitutional bar to this Bill indicating that the Minister shall have new powers x, y and z under this Bill, yet completely within the constitutional circle of the Minister for Finance, who gets specific recognition in the Constitution. Deputy Shatter's argument is simply erroneous. The Minister for Finance must be accountable to the House and this is only proper.

By the way, it should be noted that section 6(5) only necessitates that the scheme be laid before the House. It does not specify that the individual agreement referred to in section 6(4) be laid before the House, which is an important distinction.

**Deputy Joan Burton:** That bears out our amendment No. 1.

**Deputy Michael Mulcahy:** I have not——

**Deputy Joan Burton:** Our amendment No. 1 refers as well to the scheme.

**Deputy Michael Mulcahy:** Let me finish. This is very important legislation and the Government must be generous and listen to the words of wisdom when they arise from the Opposition with regard to proposed amendments in this Bill, as the Minister is asking the nation to assume a very large responsibility.

**Deputy Michael Creed:** How patronising can one get?

**Deputy Michael Mulcahy:** Given the content of section 6(5), it would be a better idea that there should be a requirement on the Minister to have such a scheme passed by the House, rather than put the onus on the House to bring a motion to annul such a scheme. I mean this in a positive sense.

**Deputy Joan Burton:** I thank the Deputy. That is what we have suggested in amendment No. 1.

**Deputy Michael Mulcahy:** I will be totally open and honest with all good suggestions.

**Deputy Joan Burton:** I thank the Deputy.

**Deputy Michael Mulcahy:** This is going a little away from the matter of the amendment but I fully support the notion. As for constitutional responsibility, that is the purpose of our Ministers. It is the job of the Minister to come to the House, to be fully accountable and to say "I have made this scheme", or "I have made this financial arrangement, I am standing here, I am proud of it and I am prepared to be accountable." That is the spirit of the Bill.

I commend the Minister for the annulment provision. It is putting the cart before the horse to say the Bill could not come into being until a scheme is published. I hope we have a constructive debate. I urge the Minister to take on board any amendments from the Opposition in so far as they improve the Bill and I believe he will do this. Many financial commentators throughout the world have said that what we have done over the past day or two is a model that can

and will be followed by other nation states. It is imperative we pass this Bill in the next few days. This is not just for the banks, but for the entire Irish economy and its stability. We must pass this Bill as quickly as possible.

**Deputy Denis Naughten:** I will be brief. The last speaker discussed allowing several days to go through this Bill, but I will not delay the House to any great extent. Last night during his Second Stage contribution, Deputy Richard Bruton explained with what we are dealing very succinctly for the public. He said:

We must all understand that a sound financial system is like the oil running through an engine. If that oil is drained away by a loss of confidence, then suddenly that engine seizes.

We must ensure that does not happen in this country. Without a sound financial system everything would seize up, not only the banks in this country but the day-to-day lives of ordinary individuals. The principle concern I have regarding the terms and conditions is for provision to be made to ensure the taxpayer is protected. In his contribution last night, Deputy Bruton made the point that we do not wish to see a situation where the banks are going to gamble their money on the basis they have an AAA rating supported by the Government. That situation cannot and should not arise and I do not wish to see such an eventuality.

At present, viable proposals put forward by individuals or small businesses in this country are being shot down. The banks have the additional protection to ensure flexibility can be provided. I know of one small company in the past few days which had to go to six financial institutions to get a loan of €200,000 from each institution. It succeeded in getting approval in five of those six financial institutions, even though the company provided a fully audited business plan. However, because the sixth institution turned the request down, the company went to the wall. At present, banks are being far too conservative in issuing loans. One bank manager put it to me yesterday that the only applicants being approved for loans are those that do not require them.

It is critically important that we see the terms and conditions stitched into this legislation and the flesh on it. The terms and conditions stitched into the agreements with the banks must ensure there is liquidity and credit available to those that have a well-founded business plan. We must not facilitate the banks in this country so they may gamble on the derivatives trading market. Irish taxpayers are putting their necks on the line to protect the banking sector in this country and there needs to be a benefit from that, not only in terms of equity but also in terms of getting the economy running again.

The proposals of Deputy Bruton and Fine Gael dealing with appointing personnel to the risk management committees of each of those banks is a fundamental request that must be facilitated. They also deal with the issue of excessive bonuses, top-ups, dividends and payments made. Such outcomes cannot be allowed to happen with the protections we are now providing to the banks.

**Deputy Michael D'Arcy:** I will try to be as brief as possible. The Minister's speech yesterday was based exclusively on liquidity. I am concerned, along with several economists which whom I have been speaking in the past few hours, that we are trying to ignore the other major aspect of this, namely, solvency. While the Wall Street problems are affecting liquidity, the Wall Street issue has nothing to do with the solvency of several of the institutions we are preparing to guarantee. The solvency of those institutions will be based upon the extent to which the bad debts will be problematic for them and, potentially, for us as representatives of the taxpayers. The Minister said last night that according to the numbers available to him there is an excess of €80 billion of assets over liabilities. The problem is that is an aggregate figure and those

[Deputy Michael D'Arcy.]

numbers are most likely based on two of the larger institutions. The concern is that, more likely than not, the two larger institutions have some form of a liquidity problem but the two smallest institutions have a solvency problem. Those solvency problems potentially could lead to a massive exposure on the part of taxpayers.

There is a €400 billion guarantee but we do not know the percentage of those numbers that are likely to be bad debts. We have spoken about transparency, and other speakers referred to the banks coming in following the DIRT inquiries, moneys in the Cayman Islands, and representatives coming in here some weeks ago, including the body over the banks, stating that everything in the garden was rosy and all of our banks are safe and sound. If that was the case, the Minister did not have to be up all night last Monday. We cannot ignore the solvency issue and the Minister is trying to pretend there is not concern about solvency. There is a serious problem with solvency in a number of the institutions the Minister is now guaranteeing.

On the terms and conditions, I support the Fine Gael finance spokesperson 100%. It will be a matter for him and I am happy to take instruction from him, as I have no doubt would the rest of the Fine Gael Parliamentary Party in terms of our support for this Bill, depending on how the Minister is prepared to satisfy what is a fair and reasonable requirement in respect of oversight. We are expected to buy a pig in a bag but, to quote a phrase that caused much consternation in the United States, the Minister cannot put lipstick on a pig and pretend it is anything other than a pig. That is the reality.

If another crisis arises overnight and the Minister has to move immediately to nationalise a bank, this legislation will give him the power to do that. That is welcome and is the reason many people on this side of the House are prepared to support the issue.

As a commercial farmer who trades on the land, I am aware of the dearth of land available to local authorities and to the State. If it turns out to be the case that the Minister for Finance, with the authority, must intervene and nationalise a bank, the land bank should be held on behalf of the State to reinstate the diminishing land stock.

In the past decade the banks never had it so good. They have provided the seller of property or lands with a place to invest their money. They provided the developers who purchased that land funds to build on the land and then provided first-time buyers money to buy that property. They then took the proceeds of profits from the developers and reinvested it. On each occasion they got a slice of the case and did very well. We have seen that in the profits that have been reported in the past number of years. Outside of the State there is no other institution that has profited as much.

I am concerned about buying a pig in a bag but on this occasion we are like the Democrats supporting the Republicans who went to war on the information that was placed in front of them. We do not have enough information and that is the reason I support Deputy Burton's amendment. The Minister should put the terms and conditions on the table and allow those on this side of the House, who have been generous to the Minister, make a fully informed decision rather than buying a pig in a bag.

**Deputy Seymour Crawford:** I agree with my party leader and our spokesman on finance that we must support the Bill in general because we face a difficult situation. The proposal from the Minister and the Government will at least ease some of the pressure in the marketplace. That was vital for those of us who watched the situation unfold on Monday evening and night.

There is a need for fair play and competition. The issue is extremely important as far as those of us living in the Border region are concerned. In Donegal, which was mentioned previously, and in my own constituency of Cavan-Monaghan, a sizeable number of banks are not



covered under this ruling from the Minister. The Minister said he “can do”. I am saying to him that he must do; “can do” is not good enough. I appreciate that the other banks are foreign based in the United Kingdom, Denmark and elsewhere but some system must be found to ring-fence the business they are doing here to ensure fair competition. From our point of view, Ulster Bank, National Irish Bank and ACC Bank are extremely important and must have regulation put in place.

We must have a clearer indication of the way this scheme will work and whether the taxpayers can be given a guarantee that they will not have a major cost to bear in the future. That is vital. My main reason for speaking, however, is to ask the Minister to indicate clearly that fair play and competition will be allowed within the current banking structures and that the other banks will have some comfort, in whatever way the Minister does that. “Can do” is not enough. I want to hear the Minister say he will do it.

**Deputy Michael Kennedy:** I will endeavour to speak to Deputy Burton’s amendment, much as I might like to give a state of the nation speech, as many other speakers have done.

While I recognise the reason Deputy Burton put forward the amendment, and it is well intentioned in its own right, I am concerned about any delay in bringing this Bill into being. We saw the reaction of the market yesterday morning when the Minister, Deputy Lenihan, and the Government announced they were providing these guarantees for the six banks. It stabilised the market and staved off problems a number of our banks were experiencing on Monday. I have no doubt that without it we would have had people queuing up outside different banks to take out their money and put it under the mattress. That measure was necessary. It is vital we pass this legislation without delay and that we can come back at a later stage with recommendations in terms of putting terms and conditions etc. before the House. I am confident the Minister, Deputy Brian Lenihan, and the Government will operate the scheme in a professional and business-like fashion. The Bill clearly states that commercial rates will apply.

I do not believe a “one size fits all” approach is possible, as each of the six institutions is different. They are different sizes and engage in different forms of business. I do not think it is possible to reach agreement on a set of regulations that would apply to each of them. I accept it would be desirable for the regulations to be laid before the Oireachtas at the earliest possible opportunity. I have suggested to the Minister for Finance that we should consider the position of other banks like National Irish Bank and Ulster Bank after this legislation has been passed. I hope we can do something to protect the business such banks have in this country. I do not expect the Government to underwrite British business, just as I do not expect the UK Government to underwrite the potential losses of Irish banks. This Bill needs to be passed as a matter of urgency.

Deputy Burton is proposing that the regulations be introduced first. If we took such an approach, the market would immediately seize on it. The problem we tried to resolve yesterday would come back to haunt us tomorrow. If this Bill is not passed tonight, the vultures in the marketplace will cause further problems. While I accept that Deputy Burton’s amendment is well intentioned, I urge her to leave it off the table for the moment. We can come back to it at a later stage, if necessary. If regulations have to be brought in, this Bill will be delayed by two days, a week or a month. That would cause major problems. We do not want this House to act like the US Congress did on Monday, when it failed to agree a bail-out package. We are familiar with the problems which have ensued there since then. I hope the US Congress passes the legislation in question, because its failure to do so on Monday is causing problems here. Similarly, this House has to deal with the legislation before it if this country’s immediate problem is to be solved. We should pass the Bill quickly and analyse the various aspects of it at a later stage, when we have the facility to do so.

**Deputy James Reilly:** The problems in the international money market and the uncertainty in the US are having a detrimental effect on Ireland's economic climate and exacerbating the Taoiseach's recession. There is a need to take action. Fine Gael has made it clear that it will support action taken to protect our financial institutions, which are of integral importance to our economic system. Such action will ultimately determine whether Irish business flourishes or fails. We want to ensure we do not have to endure even greater levels of unemployment than those we are currently experiencing.

In the past, perfectly good concepts have come unstuck as a consequence of a lack of attention to detail. The manner in which the Health Service Executive was established is a prime example of that. Equally, legislation that was originally rushed often has to be brought back to this House, having caused unexpected and serious problems. This specific initiative lacks detail. What are the facts? Where are the figures? We need to know how much money each bank covered by this scheme owes. How much does each bank have in borrowings, bad loans, bad debts and assets?

Deputy Olivia Mitchell told this House earlier that 40 borrowers are responsible for 50% of all commercial development loans. Can the Minister for Finance give the House details of the spread of such exposure? Are the loans concentrated in a single bank? If so, can the Minister give us the name of that bank? We need individual figures for each bank, rather than the amalgamated and homogenised figures the Minister gave us last night. We need clarity so we can legislate clearly for the difficult times we find ourselves in. We do not have that clarity at the moment. Which bank is in the most trouble? Which bank is the bad apple that could rot the entire barrel? We need such detail if we are to protect taxpayers.

I am concerned that we are not taking this opportunity to beef up the power of the regulator, thereby ensuring that borrowings and lendings are carried out in a safe and reasonable fashion in the future. I do not doubt that this measure will have cost implications for taxpayers. The banking system will get some value from it. The Taoiseach intervened during Deputy Bruton's speech last night to intimate that if there were a shortfall and a bank were to go into liquidation, the Government would seek to make up the shortfall to the taxpayer by imposing a levy on banks. There is no specific mention of an arrangement of that nature in this legislation. Such detail is needed. The full facts need to be laid before the House. The regulator needs to be beefed up. We need proper oversight of any bank that takes up this facility. We need regulations in respect of borrowing and lending. The legislation should contain a clear reference to the mechanism for imposing a levy on the banks to recoup any shortfall that might arise. We should be able to control the salary and bonus arrangements of CEOs by having a presence on bank boards and risk assessment boards. The banks involved should acknowledge that they have been offered a taxpayers' guarantee. They should not try to recoup the losses they incurred by lending to developers by imposing additional levies on householders and other smaller customers.

The proposals I have made are hugely important. If this goes wrong, the barn will be empty. There is no plan B. There is no further capacity in our economy to consider this matter a second time. A country as small as Ireland cannot afford to lose €400 billion. To do so would be to become indebted, to the tune of €250,000 per person, for generations to come. What percentage of the exposure of the banks is represented by the figure of €80 billion? In other words, how much cover do we have? It may be the case that we have just 20% cover, given that €80 billion is just 20% of €400 billion. I do not know the answer. I would like to have the facts. It was clear throughout the document we were given last night that this measure involves giving the Minister a blank cheque to use as he sees fit. The trust that is needed to take such

a step has to be earned and maintained. That can be achieved if regular reports are issued by the regulator and the Minister to the Committee of Public Accounts on a quarterly basis.

**Deputy Enda Kenny:** We need to reflect on the structure of Committee Stage debates in this House. It might have been better to have had a longer Second Stage debate last night.

**Deputy Joan Burton:** Yes.

**Deputy Enda Kenny:** We are supposed to be considering section 1 of the Bill on Committee Stage, but this has instead become a Second Stage debate by default. We have heard a series of Second Stage speeches. Perhaps we can examine how we will structure future discussions on Bills.

I asked the Tánaiste this morning about the consequences of the Government's decision in the context of fair competition. I have been contacted by officials from a number of financial institutions which are regulated in Ireland but are not covered by this guarantee. They told me they have evidence of substantial outflows from their institutions to other institutions which are guaranteed under this scheme. When the Minister for Finance responds, he might confirm whether the Government has been contacted by representatives of these financial institutions. Is the Government monitoring what is going on in this regard?

I realise that certain complications are associated with the essential issue I raised with the Tánaiste. Is it possible to ring-fence the activities of institutions which are regulated here in terms of liability, capital and solvency, but which have parent bodies abroad? We do not want to encourage financial institutions to transfer international liabilities to other institutions which are regulated here in the expectation that, by default, they will be guaranteed by Irish taxpayers. I am not sure whether it is possible for the Department of Finance and the Government to ring-fence the activities in this jurisdiction of institutions which are regulated here, but owned by institutions in other countries, while at the same time maintaining a competitive and level playing field. Perhaps the Minister, Deputy Brian Lenihan, will comment on this matter when he gets a chance to do so. I am not sure whether he will respond this evening or in the early hours of the morning.

I would like the Minister to give the House details of the guarantee the Attorney General has given him, in so far as that is possible, that this measure will comply with EU directives and our domestic competition legislation. I would not expect the Attorney General to say anything other than that he believes this proposal complies fully with the requirements of the EU. Concern is being expressed by some of our European partners in this regard. I hope the Minister can deal with that conclusively and comprehensively when he responds to this amendment.

Progress reported; Committee to sit again.

### **Private Members' Business.**

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### **Energy Poverty: Motion.**

**Deputy Simon Coveney:** I move:

That Dáil Éireann,

— recognises that Ireland does not have a national strategy to combat energy poverty;

[Deputy Simon Coveney.]

- notes that a total of 227,000 households experience some degree of energy poverty;
- notes the worrying incidence of winter mortality in Ireland; and
- notes that:
  - from June 2000 to September 2008 household electricity prices have increased by 134%;
  - Ireland has among the highest energy prices in the EU, added to by the recent rise of 17.5% (September 2008) in electricity costs and a 20% rise in gas prices (September 2008);
  - the Commission for Energy Regulation is actively considering further electricity and gas price increases for January 2009; and
  - the price of home heating oil has risen dramatically in recent years;
- notes with concern that the fuel allowance granted by the Government has not risen to take account of unprecedented rises in energy prices;
- recognises that low income housing, in particular, is often sub-standard, poorly insulated and energy inefficient, and therefore requires significant upgrading of insulation as a priority measure;
- notes the positive impact that increased energy conservation would have on reducing Ireland's green house gas emissions in addition to taking families out of fuel poverty; and
- notes with concern that Ireland's unit network cost is approximately double that in the UK;

calls on the Government to:

- develop and publish a national strategy to address energy poverty, with a specific focus on conservation, pricing and income support with a targeted approach and a timeframe for delivery; and
- to consider the following initiatives when developing a national strategy on energy poverty:
  - develop a joint energy market with the UK with further integration with France and mainland Europe;
  - amend legislation to allow the Commission for Energy Regulation to set the maximum price as opposed to the set price;
  - reform the public consultation process of the Commission for Energy Regulation in advance of any future price hikes to include public hearings and Oireachtas Committee hearings at which consumers, representatives of vulnerable citizens and the energy companies can debate the issues surrounding a price increase;
  - order an independent revaluation of energy transmission assets;

- reform the methodology used to calculate the price of gas in advance of the Corrib gas field and the liquefied natural gas (LNG) plant in Shannon coming on-stream; and
- allow the Government to recoup unearned windfall profits of up to €1.5 billion from energy generators (2008-2012) raised from their free allocation of carbon allowances and use this fund to alleviate fuel poverty.

I wish to share time with Deputies Olwyn Enright, Paul Connaughton, Tom Hayes, Lucinda Creighton and Catherine Byrne.

Prior to addressing the motion I will set the context as to why this debate is necessary. In the past year we have seen international gas prices increase by 130%, international oil prices increase by 85% although they have increased and decreased a great deal recently, and international coal prices increase by 100%. Recently, domestic gas prices increased by 20% while domestic electricity prices have increased by 17.5% plus VAT, which is the largest increase in the history of the State. In real terms, what this means is that every average bill received by households on a bimonthly basis will increase by between €30 and €45. The average yearly ESB bill will increase from €870 to €1,020.

Last month alone, 10,000 people lost their jobs and become unemployed. We have seen a dramatic increase in the numbers accessing mortgage interest support and a rapid deterioration in consumer confidence and the ability to pay and spend money. On top of all this, September 2008 was the coldest September in 15 years. At a time when people do not have income to spend, energy prices are rocketing. At a time when people are uncertain about their future they must spend more and more money paying for basic heating and power in their homes.

This motion asks for something very straightforward. It is not complex or overly demanding on the Government. It calls for a national strategy to address energy or fuel poverty. It calls for a timeframe for costings and a targeted approach that we can see in writing so we can judge the Government against the commitments it makes.

Instead, what we get from the Government is a counter motion which claps the Government on the back and congratulates it on its great performance in this area. It shows no recognition whatsoever that there is a problem and that further Government action is needed to address energy poverty in people's homes or businesses. The Government motion opens by taking a defeatist approach, essentially stating there is nothing it can do in terms of energy pricing because of international factors. Where have we heard that recently? Domestically, there are plenty of actions we can finance and take to improve the lot of people who are struggling due to the dramatic increases in the cost of their basic energy requirements.

To be fair to the Government, it has taken a number of constructive and positive actions in the energy sector in recent times. Unsurprisingly, it outlines all of them in detail in its motion. Items such as smart meters, ongoing investment in energy infrastructure, opening the gas and electricity markets to competition, schemes such as the warmer homes scheme and developing a national energy efficiency plan are examples of a Government doing its job, for God's sake. Why should we congratulate and commend it on that?

At present, the cost of electricity is a specific problem and families and homeowners need immediate assistance. The Minister for Communications, Energy and Natural Resources has the correct vision of where we need to go in terms of diversifying our energy market and making the shift away from carbon-based fuels towards more sustainable ways of powering our homes, businesses, cars and country. However, this does not solve the immediate problems of a family that must spend €50 more on its next ESB bill.



[Deputy Simon Coveney.]

This is what we are discussing this evening. This is a fuel poverty debate and not a debate on energy, greenhouse gas emissions or climate change. This is the problem with the Government at present. We have an obsession with discussing climate change despite the fact that we are performing appallingly in the area. We need to have that discussion but we also need to have a discussion on more basic levels as to how we can support low-income families at a time when they simply do not have the money to heat their homes.

In some areas, the Government has made a positive impact, such as the fuel allowance which has increased by 16%, and that is welcome. However, the number of people who can access it is limited. The reality is that the greener homes scheme is no use to a person living in a low-income house trying to provide for his or her family because one must spend €7,000, €8,000 or €9,000 to be able to access €2,000 from the SEI.

More than likely, one will not qualify for the warmer homes scheme. Today, my office rang the Department to establish the criteria for successfully applying for the warmer homes scheme. We were told one must be either on a disability benefit or be a lone parent. What about the rest of the population who are not in those categories and who want to reduce energy requirements and improve energy conservation in their homes? Where do they stand? It is not much good to a person in that category that the Government is securing investment in a future electricity infrastructure or that it is promoting wind farms in the west. All those are necessary and correct but they do not impact on the debate we are having this evening.

The Government motion continues to discuss the role of the CER, which has a crucial role in energy pricing. I will make some suggestions because I know the Minister likes to hear positive suggestions rather than political criticism in debates such as this and I do not want to disappoint him. The main point made with regard to the CER effectively congratulates it for securing a rebate for consumers of €300 million from the ESB this year to try to make a positive impact on their electricity bills — big deal. This is money given by the consumer to the ESB and other energy generators for no return.

At the start of January, the Government introduced a system through regulation whereby every household in the country pays approximately 10% extra on top of its electricity bill to pay for the cost of carbon because this is the policy we are following. However, energy generators are given carbon allowances for free so they are making a windfall they have not earned. Most energy generators are pocketing it. In fairness to the ESB, at least it is giving something back. This is not how it should be structured. This is not leadership from the Government.

If companies make windfall profits on the back of consumers who are already hard-pressed to meet their electricity expenses, the Government should take that money back and pump it into alleviating fuel poverty and other schemes, which I know the Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan, is so keen to promote in terms of reducing greenhouse gas emissions and making a positive impact on meeting our targets on climate change, on which I will support him. Let us not pretend that there is no money there, however. One of the great scams at the moment is that people around the country have no idea that they are paying 10% extra on their electricity bills because of the cost of carbon. They think it is because of the international cost of oil and gas, but it is not entirely due to that. Some 10% of those bills, which in the next four years will amount to approximately €1.6 billion, will be spent by consumers in paying for the cost of carbon and to pay for allowances that generators get for free.

**Deputy Eamon Ryan:** Would the Deputy not put on the cost of carbon?

**Deputy Simon Coveney:** I would. I agree with that policy but I would take it back.

**Deputy Eamon Ryan:** Which is what we have done.

**Deputy Simon Coveney:** After 2012 companies will have to purchase their own carbon allowances on the open market and then the consumer should pay. Look at what they are doing in this sector in the United Kingdom. In recent weeks it has been announced that they are providing free cavity-wall and loft insulation for pensioners and other poor households, 50% off insulation for all households and a freeze on this year's bills for 500,000 poor consumers. In addition, they are reversing a cut in an allowance that was previously paid to provide free central heating for the poorest pensioners. A special cold weather payment is being provided if the temperature falls below zero degrees for more than seven consecutive days. The UK has a targeted approach to alleviating the pain of those who are suffering the most, including those who must switch off heaters because they cannot pay their electricity bills and other energy costs. All we are asking for is what most other European countries have already done, which is to produce a co-ordinated, structured energy poverty document so that we can judge the Minister on her commitments.

**Deputy Olwyn Enright:** I welcome the opportunity to bring this motion before the House together with Deputy Coveney and my other Fine Gael colleagues. In the current climate this debate is both appropriate and necessary and I hope that, if nothing else, it will concentrate the Government's mind on the anxiety being faced by people across the country, particularly those on low incomes. The motion has been worded in a non-confrontational manner and in that regard it is disappointing that the Government could not accept it.

There is a serious lack of current Government statistics available on this topic, as well as a complete lack of any coherent Government strategy to deal with energy poverty. This point is clearly illustrated in the Government's amendment to the motion, which refers to the small initiatives taken to date while effectively ignoring the scale of the problem we are facing.

The Government claims to have established an interdepartmental agency or energy utilities group earlier this year. However, we have received no further information about what Departments, agencies or groups are represented on the group, when it has met, what its targets and objectives are or within what timeframe it hopes to make changes. It is probably as close to a real strategy that we are likely to get from this Government, but it is most unusual for the Minister, Deputy Hanafin, to establish anything of this nature without massive fanfare. There was no mention of this group in any of the Minister's statements over the summer. In the one somewhat relevant statement issued, she said she was working with the Minister for Finance and the Minister for Communications, Energy and Natural Resources. It will be interesting to see what her work with the Minister for Finance reveals, but the lack of co-ordination is evident from the exclusion — or at least the non-inclusion — of the Minister for the Environment, Heritage and Local Government and the Minister of State with responsibility for housing.

If ever there was an opportunity for the Government to attempt to justify the proliferation of junior Ministers by putting someone in charge of this area, this was it. Earlier today, we received an e-mail at the Committee for Social and Family Affairs stating that this group was set up on 11 July. I can only question why in the intervening period no communication of any kind has been made with the Combat Poverty Agency, which is currently evaluating the impact of the Sustainable Energy Ireland's warmer homes scheme. Perhaps this says more about the Minister's view of that agency than her views on tackling energy poverty; it is certainly one or the other.

[Deputy Olwyn Enright.]

The Combat Poverty Agency has made some valuable recommendations: improving and increasing the fuel allowance scheme; including all its recipients in the warmer homes scheme; the provision of smart electricity and gas meters; and adopting national energy efficiency standards for all social rented housing.

At its simplest, fuel or energy poverty means not being able to heat and fuel one's home adequately. Age Action Ireland, which has done good work in this area, has said that this winter many elderly people will have to choose between food and fuel. To put it even more starkly, they are making the choice between heating and eating. That is a terrible indictment of the Government.

The United Kingdom's definition of fuel poverty is drawn from the World Health Organisation's health analysis. According to that definition, a substantial number of households are actually suffering some form of fuel poverty. We quote the statistics in the motion. The World Health Organisation has stated that some 17% of households in Ireland are fuel poor. One can pick whichever statistics one wishes to use because the Government has no figures of its own. Whatever statistics are chosen, however, they constitute an indictment of the Government.

The Institute of Public Health, which published the most recent work on this area last December, reported that the level of fuel poverty on the island of Ireland remains unacceptably high. The lack of action by the Government in tackling this issue is demonstrated by the fact that it does not even have a definition of fuel poverty.

There are both direct and indirect effects of living in fuel poverty. The direct effects include colder indoor temperatures placing a thermal stress on the body, thus affecting the immune system and the blood and cardiovascular system, as well as cold, damp houses harbouring mould and aggravating respiratory and allergy problems. It is also believed that living in cold, damp housing can have negative effects on mental health. Members of this House regularly come across examples of such problems from their constituents. The indirect effects of living in fuel poverty include cutting back on spending across other areas such as food, clothing and transport. This clearly leads to further social exclusion for those who are most vulnerable.

When I raised these issues with the Minister for Social and Family Affairs in June, I quoted the statistics from the institute's study on winter mortality rates and the clear effects of fuel poverty. The Minister attempted to disagree but then admitted that "some 40% of those deaths relate to housing". That is a clear admission of failure in this regard. This is exactly the point that Fine Gael is making in this motion. We wish to see the matter addressed, yet we have no evidence that the Minister has even involved the Minister for the Environment, Heritage and Local Government or the Minister of State with responsibility for housing.

Each time the issue was raised here, Opposition Deputies have received similar responses both from the current Minister and her predecessor. In many cases, the ministerial replies are identical, whether oral or written. It is quite clear that there is no national strategy to deal with this issue. Each Department is doing a small amount in its own way but there is no real cohesion.

The Minister, Deputy Hanafin, has admitted herself that "it should not just be a case of giving pensioners money to heat houses if that heat is going straight out the window". Nonetheless, we have seen no response from the Government to deal with that. Her admission is contradicted when she constantly claims credit for increases in the fuel allowance that bear little or no relation to the dramatic increases in energy costs. In the vast majority of instances — to take the Minister's comments to their logical conclusion — that heat is still going straight out the window, door or roof.

We have heard enough from individual Ministers who say it is important for Departments to work together, while there is no evidence of any action plan, targets or timescales for delivery. By contrast, as Deputy Coveney said, the United Kingdom has clear and costed plan of action, with targets and timescales for delivery.

I disagree with the Minister when she says that a primary contributor to fuel poverty is not the absence of money to pay for fuel, but the inefficiency of household heating systems. The two are inextricably linked, not separate. Over the course of the past year, however, the huge rise in fuel costs has meant that there is an absence of money to pay for fuel and this is causing anxiety for thousands of people. The Minister's response a number of months ago also ignored the issue of insulation and how poorly insulated much of our housing stock remains.

The Government's amendment to this motion also adopts some creative licence, and that is putting it politely. This is particularly so in commending its commitment to the 358,000 households which benefited from increases to the fuel allowance and the smokeless fuel supplement. In the latest statistics given to me by the Department, there are in fact only 299,327 households receiving these allowances and not 358,000, as suggested in this motion. The Government should amend this inaccuracy, which tries to paint a prettier picture than is actually the case.

There is no doubt that energy poverty is complex and the solutions will not be found in any single Department, which is why the need for action is all the more urgent. The issue of an adequate household income is a matter for the Minister for Social and Family Affairs. The issue of high cost energy for household users is a matter for the Minister for Communications, Energy and Natural Resources and the issue of high rate consumption linked to energy inefficient housing and appliances falls between the Minister for Communications, Energy and Natural Resources and the Minister for the Environment, Heritage and Local Government and the Minister of State with responsibility for housing. The European Anti-Poverty Network has also pointed out that people on lower incomes spend proportionately more of their wages on energy than those on higher incomes, which is how they fall into the realm of fuel poverty, but many of these people spend more time at home because of their age, sickness, lack of money for socialising, unemployment, young families or disabilities. With prices rising so dramatically, these people are hardest hit. It is frequently people under these same categories who have poor quality housing and inefficient heating appliances.

We are likely to hear plenty of self-congratulatory speeches for schemes that have been initiated. I think we need to look behind self congratulation and evaluate the adequacy with which these schemes are dealing with the issue at hand. Let us look at the warmer homes scheme, which received €2.5 million funding this year and which I welcome. The number of low income households expected to be assisted this year is 4,000, yet the most up-to-date independent analysis states that approximately 227,000 households are experiencing some degree of energy poverty. At this rate it will be over 56 years before the problems in every household are addressed and that will be 56 more years of Irish taxpayers' money, to quote the Minister for Social and Family Affairs, going out the window. Nonetheless, the Government is putting down an amendment congratulating itself on this.

The central heating scheme provided by the Department of the Environment, Heritage and Local Government has been quite effective. However, the issue of wall cavity insulation has still not been addressed and is still contributing to inefficiency. In addition to this, it again ignores the many thousands of people on low incomes who are not in local authority housing or who have purchased their houses but are on low incomes and are not able to provide central heating and insulation for themselves. The only effective method of dealing with this, both from a cost and conservation point of view, is for all relevant Departments to come together

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and develop an adequate strategy so that we see real investment. This is an opportune time to do so.

I also believe that the Minister should give people the option of receiving their fuel allowance in two lump sums rather than on a weekly basis. This would be particularly important for those with oil-fired central heating systems. It might cause a little bit of angst for a few days in the Department of Social and Family Affairs while its officials work out the detail, but that is nothing compared to the angst being felt by elderly people and lone parents with young children at home all day in cold, damp accommodation, struggling to stay warm this winter.

**Deputy Paul Connaughton:** I congratulate Deputy Coveney and Deputy Enright on bringing this to the floor of the House. When we talk about fuel poverty or energy poverty, we must mention the sham that is going on in this country as far as elderly people are concerned. They are certainly not likely to get the same attention as the bankers are getting in the House this week.

I wish to provide a graphic outline to the House about how crazy this bureaucracy can go. The Minister for the Environment, Heritage and Local Government announced a new grant scheme for older people which we all welcomed a few months ago. This scheme was supposed to ensure that people continued in their own house in slightly better conditions than they were used to until the end of their days. Every public representative is fully aware of those schemes. The local authority provided an essential repair grant and the disabled persons grant, while the local health board, as it then was, had something similar running in conjunction with these grants. We were told that the schemes would be rationalised and that the local authority would take over everything. The grants were increased a small bit and we were told that this was the right way to do things.

Since then, I do not think that a single grant has been drawn down under the new scheme, for no other reason than the fact that the county councils and the health boards were starved of cash. I know several elderly people aged between 75 and 80 who are waiting three and four years to replace their window or door, the very things that would save the energy we are talking about today. How can there be any sort of reasonable comfort for people if the basic parts of a house are damaged? If the roof is leaking or the door is falling down, how can we expect to conserve energy, no matter what scheme is in place? It simply will not happen.

There was a meeting last week of the HSE West and Galway County Council. It was hoped that agreement would be reached that the 365 applicants who were two years or more on the health board list would be transferred to Galway County Council, even though they were in arrears. When the meeting took place, the health board claimed it had received an extra 400 applicants for 2008, so it decided simply to hand them all over to the council. The council informed HSE West that it could not look after its own existing applicants, some of whom had applied three or four years ago. There are now almost 1,000 people in Galway who cannot get their windows or doors fixed, yet we talk tonight about a heating policy for the elderly.

There was a sort of increase in the fuel allowance when it was extended by a week. However, the cost of home heating oil has increased by 47% in the 12 months up to May 2008. How is it that if this increase was implemented when oil cost \$147 per barrel, there has been no reduction since it dropped to \$96 per barrel? I cannot understand how the regulator works this out. Surely one price would track the other. There is much work to be done, and the elderly need a great more of attention than they are getting.

**Deputy Tom Hayes:** I am glad to have the opportunity to speak on this important issue. Our motion notes that 227,000 households experienced some degree of energy poverty, which is



considered to be almost one in five people living in this country. This is a level of fuel poverty that is deeply distressing and is simply not acceptable. We need to tackle it as a priority.

So much of our low income housing is without central heating and is poorly insulated. This area has been neglected by budgets in recent years. Now those vulnerable members of society who are most affected by the rising prices in energy provision need help to get through this tough period. A tough period for many means going cold, getting ill and endangering their health. Oil costs a great deal more now when compared to this time last year. One constituent of mine told me he spent the same amount of money in recent weeks for 550 litres of oil less in his tank. That is the reality. People can no longer afford to fill their tanks with oil. The warmer homes scheme which is currently only patchily available is invaluable and is recommended by Government and many agencies. I remind the Minister for Social and Family Affairs, Deputy Hanafin, that the scheme is not available in County Tipperary even though it is urgently needed to allow older people and those living alone in colder and older houses to make their homes warmer. The scheme should be extended. Deputy Enright quoted the number of homes in the scheme. An increase is required in the fuel allowance scheme if even as a temporary measure to cover the phenomenal increase in energy prices in the past 18 months. Urgent measures are required from the inter-departmental group on fuel poverty.

I recently visited a wood pellet burning factory in Tipperary town. Older people are unable to avail of this fuel. I suggest that smaller packs of renewable energy fuel should be available in local shops so that older people can buy them at a modest cost of €8 or €10 per week.

**Deputy Lucinda Creighton:** I too commend the work of both Deputy Coveney and Deputy Enright in this area and for proposing this evening's motion. I find it amusing to read the Government amendment to the motion in which it commends itself for its commitment to improving the quality of local authority housing through the provision of €71.4 million towards the operation of the housing adaptation grants scheme for older people and people with disabilities. We all know that a tiny fraction of this amount is related to the reduction of fuel poverty and it is disingenuous of the Government to include it in the amendment in the hope of diminishing the seriousness and gravity of our motion.

I am astonished at the rise in the cost of fuel in the past few months. The Government sanctioned a 17% increase in the cost of electricity in August. We are heading into a cold winter following a cold and wet summer. This is a serious shock to the system for vulnerable members of society, those struggling to meet their electricity bills in the first place and, as has been outlined by previous speakers, for the elderly who require greater warmth and insulation than others in society. In addition, the cost of gas has increased by 20%. These increases must be considered in the context of an economic downturn, widespread job losses at a rate of almost 350 a day and severe economic conditions. The impact of these increases on the lives of ordinary people cannot be underestimated and should not be glossed over by the Government.

The Commission for Energy Regulation is something of a disaster and is another example of the Government devolving responsibility to a State agency in the context of the many quangos established in the past number of years since Fianna Fáil has been the lead party in various Governments. I want the Government to accept responsibility for the hardship being experienced by people as a result of fuel poverty. I predict we will see a serious level of fuel poverty this winter. Older people in my constituency are much more concerned about fuel poverty than was noticeable in previous years.

The national fuel scheme allows for an allowance valued at €18 per week for a mere 30 weeks. This is not even the tip of the iceberg in terms of the costs being faced by people. The

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Government's warmer homes scheme only applies to 4,000 households across the country. It is not making an impact. These are good and meritorious schemes but they are not widespread enough and they do not provide adequate assistance to the people who really need it.

Deputy Enright spoke about the choices people will be forced to make this winter between food and fuel. This is a stark choice which nobody on the Government benches, indeed nobody in these Houses, will have to make. People who are on the poverty line and those who are subsisting face these stark choices. I ask the Minister to outline the Government's plans to deal with this issue. If these choices are juxtaposed with the increase in the cost of the grocery bill for an average family this year, it will be seen that the cost of buying basic food supplies for a household has increased beyond inflation. The annual household expenditure on energy in 2006 was just over €1,700, a 70% increase on the figure for 1990.

I commend the proposals outlined by Deputy Coveney and Deputy Enright. It is my firm view that the monopolies should be broken up and there should be access to the east-west interconnector. Energy costs must be reduced and there must be security of energy supplies for the future.

**Deputy Catherine Byrne:** I congratulate Fine Gael Deputies on tabling this motion and I thank the two Ministers who are here. I will speak about charitable organisations. During my term as Lord Mayor of Dublin I became aware of the coal fund. This fund was started in the 18th century by a Lord Mayor at the time. The people of the city donated small sums of money to help those people who could not afford to buy coal, which was the main fuel in those days. This fund is still in existence and it is administered by a voluntary group. Last year alone, more than €100,000 worth of vouchers were distributed to people below the poverty line living in the Dublin area. Recently, the Society of St. Vincent de Paul gave a stark reminder that last year it spent €3.4 million helping people to heat their homes. In its pre-budget submission the society states it is concerned that this cost will rise out of control. It is not good enough to ask people to rely on charitable organisations to provide basic necessities such as fuel. The Government has a responsibility in particular to the 227,000 people living below the poverty line, as stated this afternoon by the Combat Poverty Agency at one of our meetings.

Dublin City Council built the fabulous senior citizen housing complex, Memorial Court. Last year, however, the council decided the heating for the complex would be turned on at 7 a.m. and turned off at 11 p.m. Many of the older people living there wake up in the middle of the night due to the cold and have to turn on an alternative source of heating, often just a two-bar electric fire. We know from the work of Willie Bermingham and ALONE of the many older people who have died from hypothermia in poor living conditions. We must reflect on these stark figures and ensure that in the forthcoming budget the Minister makes enough funding available to the Department of Social and Family Affairs to adequately cover fuel and heating allowances.

**Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan):** I move amendment No. 1:

To delete all words after 'Dáil Éireann' and substitute the following:

recognising that:

- ongoing volatility in energy prices is an EU wide problem with the EU being the largest importer and second largest consumer of energy in the world and that some Member States have substantial indigenous energy resources unlike Ireland;

- natural gas and oil are internationally traded commodities and Ireland is essentially a price taker;
- global fuel costs are the single greatest cost component in determining electricity and gas prices in Ireland;
- improving energy efficiency has been widely agreed internationally as a key mechanism to offset energy price rises, enhance security of supply and reduce greenhouse gas emissions;
- increasing the contribution of renewable energy in the Irish fuel mix is the best protection against further fossil fuel price rises; and
- rising energy prices further underline the imperative for the Government's range of targeted measures to mitigate potential impacts for those on low incomes;

commends the Government for:

- its commitment to delivering on energy policy priorities, including ongoing investment in energy infrastructure, ambitious targets for renewable energy, a substantive increase in energy efficiency, the national roll-out of smart meters and the continued opening up of gas and electricity markets to competition, with resultant benefits to business and domestic consumers;
- its commitment to a cohesive and co-ordinated approach to energy affordability issues overseen by an interdepartmental/Agency/Energy Utilities Group established earlier this summer;
- its commitment to 358,000 pensioners and other households by providing over €170 million via improvements to the fuel allowance and smokeless fuel supplement in 2008 which help towards their heating, light and cooking costs throughout the year;
- its continued commitment to the warmer homes scheme, which has supported community-based organisations to provide nearly 18,000 energy efficiency improvements in low-income households over the past eight years and the doubling of the grant award this year;
- its commitment towards improving the quality of local authority housing through the initial provision of €71.4 million in 2008 towards the operation of the housing adaptation grant schemes for older people and people with a disability;
- committing €100 million in the Programme for Government to domestic energy efficiency and launching the home energy saving pilot programme in 2008 ahead of a wider roll-out in 2009;
- the power of one national energy efficiency awareness campaign which has demonstrably raised consumer and business awareness and educated consumers since 2006 about the financial and environmental benefits of energy savings;
- setting ambitious targets in electricity, transport and energy efficiency reflecting European Union targets;
- its commitment to the development of European regional energy markets, underpinned by the ongoing delivery to schedule of the east-west and North-South electricity inter-

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connectors, and building on the successful introduction, in partnership with the Northern Ireland authorities, of the all-island single electricity market and current development of common arrangements for gas;

- its policy of mitigating our exposure to volatile international fuel prices through enhanced fuel diversity, including new supports for renewable generation and indigenous supply sources;
- support to householders of more than €45 million to date to fund the installation of renewable heating projects in over 30,000 homes under the greener homes scheme; and
- amending the building regulations to ensure that all new domestic dwellings are 40% more energy efficient;

notes the:

- Commission for Energy Regulation's (CER) wide-ranging mandate which includes protecting the interests of energy consumers, particularly vulnerable customers, as well as ensuring security of energy supply and developing competition in electricity and gas markets;
- actions taken by the CER to cushion the impact on consumers of unprecedented volatility in international fuel price increases, including the agreement by the CER with the ESB, in the context of the interim price increase from 1 September, on the provision of a rebate of €300 million for all electricity customers, thereby reducing the impact of the next round of price increases and largely addressing the question of windfall gains;
- CER's approach to cost reflective tariff setting which is designed to ensure the short and long-term financial viability of the energy sector and to ensure adequate investment in energy infrastructure;
- CER's stated intention to hold a public forum as part of the public consultation process on the next round of the ESB and Bord Gáis Éireann (BGE) tariff decisions and its ongoing attendance at Oireachtas Committee hearings, including a scheduled appearance before the Joint Committee on Communications, Energy and Natural Resources on September 30th to discuss energy prices;
- major investments in critical energy infrastructure being undertaken or planned by the ESB in electricity distribution, by EirGrid in electricity transmission and by BGE in gas transportation networks, all of which are designed to ensure security of energy supply, underpin economic growth and enhance the delivery of renewable energy, and which are subject to regulatory review by the CER to ensure cost efficient delivery; and
- intention to review the non-domestic building regulations in 2010, which will help drive energy efficiencies in the commercial sector.

I wish to share time with the Minister for Social and Family Affairs, Deputy Mary Hanafin.

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

**Deputy Eamon Ryan:** I commend Fine Gael on putting down a motion on this crucial matter which is the most important and fundamental social issue facing the country in the coming

winter. It is recognised as such on this side of the House and it calls for action and consideration as to what additional measures we can take to help people through that difficult time.

Earlier this year I attended a presentation by an environmental colleague from the United Kingdom, Jonathon Porritt, who argued the central point in sustainability is social sustainability, as part of a wider environmental picture. That measure should set our work in the Departments of Communications, Energy and Natural Resources and Social and Family Affairs.

Regarding forces at play with the crisis in energy and fuel affordability, one central issue is that we are facing into a fundamental geological reality that will mean this is an ongoing problem. There will be an imminent peak in global oil production which, as one American commentator said, is a down escalator we will have to get up. We are facing a peak in global oil production followed by contraction. It is a real problem in a world in which our use of oil has expanded each year. It is one of the main factors behind the energy price increases cited by Deputy Simon Coveney. It has a knock-on effect on gas and coal prices because energy resources are interrelated. Gas, for example, can be used as a substitute for oil in certain circumstances coal can be used as a substitute for gas. A fundamental energy price shift has occurred due to the supply constraints that are becoming evident in the oil market.

There has been a welcome reduction in recent months from the highs in the summer of \$145 a barrel. I believe such volatility in oil prices will continue. While not pretending to be exact, my fundamental analysis is that we are unlikely to see the price of oil below \$100 a barrel for a prolonged period. We may see further spikes and increased volatility as we come to that point of real conflict when it is difficult for supply to expand to meet contracting supplies.

The International Energy Agency has done useful work in recent years in setting out that reality. Previously it was a cautious agency with regard to supply issues but it is now increasingly alarmist with regard to the fundamental analysis on availability. This autumn it will produce a further 2008 world energy outlook which will include, crucially for the first time, a field-by-field analysis of 700 of the largest oilfields around the world. We should heed with interest the advice the agency gives and take it into account in our policies across a range of Departments.

It is important that people understand some of the fundamentals behind the energy price rises we are facing and that we must deal with. Our approach to energy price rises must be twofold. The first and most important approach is in the provision of social welfare protection in schemes, such as the fuel allowance, paid under the household benefits package. The Minister for Social and Family Affairs, Deputy Hanafin, will outline the details of the Government's response in targeting low-income households and providing protection for them. As well as providing support to cover the cost of fuel, we must also examine how we help recipients to use energy in a more effective and efficient manner and reduce their need to purchase fuels. Evidence shows that such behavioural changes, which may seem less significant than some of the physical changes that can be made, are central to cutting fuel bills. That requires concentration on a number of key areas. We must increase the level of energy efficiency in residential buildings, particularly for those on low incomes.

I accept Deputy Simon Coveney's point that sometimes it appears these changes are long term and do not affect people's everyday lives. The reality Ireland faces consists of vulnerability to oil supply shocks and our geographical location at the end of gas pipelines from Russia. We must change our fundamental energy infrastructure so we are not reliant on fossil fuels which will become increasingly expensive. Instead we must have local and renewable supplies which will create jobs, cut our fuel import bill and keep money in the country.

Deputy Allright asked about the interdepartmental and inter-agency group——



**Deputy Liz McManus:** I think the Minister is referring to Deputy Olwyn Enright but she is all right to us.

**Deputy Simon Coveney:** She is a bit of all right too.

**Deputy Mary Hanafin:** One could be arrested for less.

**Deputy Eamon Ryan:** I will leave that to others.

**Deputy Mary Hanafin:** Deputy Enright could be called worse.

**Deputy Eamon Ryan:** Deputy Olwyn Enright asked about the committee's membership. It has a wide membership, including representatives from the Departments of the Taoiseach, Finance, Social and Family Affairs, the Environment, Heritage and Local Government and Health and Children. It also comprises representatives from the Office for Social Inclusion, the Commission for Energy Regulation and Sustainable Energy Ireland, and crucially the ESB and Bord Gáis which have an active role in how they help their customers on low incomes to cope with what will be difficult times due to the price increases in gas and electricity.

**Deputy Olwyn Enright:** Will the Minister outline the timelines for the committee to make recommendations?

**Deputy Eamon Ryan:** We have an urgent timeline on it. It will feed into our budget thinking.

**Deputy Simon Coveney:** The Minister should forget about calling it an urgent timeline. Can we have an actual timeline?

**Deputy Eamon Ryan:** The budget is in two weeks time and the work it is doing must feed into that process. It will continue to meet over the autumn and report to the Cabinet committees on social inclusion, climate change and energy security.

One of the first areas that must be tackled is the legacy of older buildings with poor energy efficiency standards. Sustainable Energy Ireland's low-income housing programme was established to address this problem. Its primary focus is the warmer home scheme providing attic insulation, draft-proofing, lagging jackets, energy efficiency lighting, cavity wall insulation and energy use advice at little or no cost to eligible householders. These can have a significant effect on people's fuel bills.

The scheme is targeted at householders in receipt of fuel allowance, disability or invalidity benefits. It is provided free of charge or for a nominal fee of less than €100 to a target audience of 300,000 households suffering from fuel poverty. The houses are identified by community-based installers who work with the Society of St. Vincent de Paul, the HSE and local GP networks. It is a good example of how we can target investment at low income housing.

I doubled the allocation to the low income housing scheme, bringing the total allocation for this year up to €5 million, allowing the SEI to fund energy upgrades for some 5,000 vulnerable householders. At the end of this year the scheme will have delivered energy improvements and energy efficiency measures to some 18,000 households in total.

My colleague, the Minister for the Environment, Heritage and Local Government, Deputy John Gormley, introduced a housing aid for older people scheme on 1 November 2007, with the similar aim of providing targeted support to improve conditions in existing households of older people. The scheme assists with works that can improve the energy efficiency of homes, such as insulation, the provision of central heating and the repair or replacement of windows and doors.

The central heating scheme has been allocated some €26 million in 2008 and provides funding to housing authorities to upgrade their rental homes, including providing attic insulation to building regulation standards and draught-proofing windows and doors. It is estimated that an additional 5,000 local authority households will benefit from improved conditions and lower energy bills as a result of this year's investment in that scheme.

The Commission for Energy Regulation, CER, has a crucial role in protecting vulnerable customers in the energy markets. Under the European Communities (Internal Market in Electricity) Regulations 2005 the CER was charged with ensuring that adequate standards to protect vulnerable customers are in place, including measures to help customers avoid disconnection. The CER sets out the guidelines for the protection of household electricity and natural gas customers, particularly the elderly, customers relying on life support equipment and those with disabilities.

Another innovative development in the building area which this Government introduced is the new home energy saving scheme which we piloted this year. It is aimed at improving existing housing stock by introducing either wall, roof or attic insulation or other measures, which are assessed by an energy advisor. Such advisors are supported by the Government to assess a building, arrange a contractor to do the work and then to return to carry out a further energy assessment so the householder has a clear knowledge of what is possible. I am glad to say that while this is a complex scheme that requires a lot of collaboration between local energy agencies, energy assessors and local authorities, it is proving both popular and effective. During this pilot phase of the scheme, we are seeing energy savings of approximately €500 per year on typical energy bills. These figures do not take into account recent rises in oil prices. The pilot scheme is working and I hope to expand it to a wider range of existing housing stock.

The above mentioned changes relate to the built housing stock but we need to go beyond that. One of the key areas in which we will arrange such a policy of extending our work is the new national energy efficiency action plan, which is designed to deliver on the Government's target of a 20% improvement in energy efficiency by 2020, which fits in with our overall European commitments in the energy area. The national energy efficiency action plan was put out to consultation in October last year. I expect to bring it to Government shortly and then bring it into action because action is needed in a whole range of areas to enable us to cut back on our fuel bills.

We have already taken action in the behavioural area, which is crucial, and we have been successful in that regard. The power of one campaign contained a series of different advertisements aimed at the householder, people on the street and businesses with very simple examples of ways to help people to save money on their fuel bills.

**Deputy Olwyn Enright:** It did not keep people any warmer.

**Deputy Eamon Ryan:** That behavioural approach, while not as high profile or well recognised as some of the other physical measures, is acknowledged by those with an interest in this area as being crucial.

There are a number of other schemes in operation but I do not intend to go into all of the details on them now. I appreciate that Deputy Coveney recognises certain measures, including the introduction of smart meters. Such meters will go out to 20,000 householders this autumn and eventually to all householders to help them to cut down their electricity bills. I intend to go further with the introduction of energy efficiency obligations on electricity and gas supply companies, similar to those that exist in other jurisdictions. An obligation will be placed on companies to invest in energy efficiency measures that will assist their customers. That has proved hugely successful in other countries and has directed investment from the companies

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to their customers to help them to save money. I am currently working on this issue with the energy companies.

All of the aforementioned measures are part of the response we need. However, it is not just the Government which has a role in this regard. The CER has a regulatory role to play in terms of how customers, and particularly those on lower incomes, are treated. It also has a crucial role in terms of price regulation. It has a statutory responsibility for setting ESB electricity and BGE gas prices. The CER informed me that its decision to raise prices this year was a direct result of the sharp and sustained increase in international fuel prices. At the time of its decision, the price of gas had increased by over 130%, oil by 85%, while the price of coal had doubled.

The CER has a statutory responsibility to consider the impact of its tariff decisions on consumers. Given the difficult economic situation and the severe impact of fuel price increases on Irish consumers, the CER decided it was responsible and appropriate, in the circumstances, to adopt a two-phase approach to price increases. Hence, despite the unprecedented rise in global fossil fuel prices in 2008, ESB tariffs for domestic and small business consumers increased by an average of just 17.5% from 1 August. BGE tariffs for domestic consumers are increasing by an average of 20% from 1 October.

Under the two-phase approach, the ESB and BGE will make further submissions to the commission in late October. These submissions will be published for consultation on 3 November. This will be followed shortly thereafter by a public forum where interested parties will have an opportunity to engage directly with the ESB and BGE on their price submissions. The CER will publish its final decision at the start of December and the new tariff rates will apply from 1 January 2009.

In addition, the CER has proactively engaged with the ESB to identify mechanisms by which it will be possible to mitigate the price impact for customers. In this regard, the House will be aware that the ESB will provide a rebate of €300 million, applicable to all electricity customers, irrespective of their supplier, which will reduce the impact of any price increases by approximately 8% and largely address the windfall gains earned by the ESB in 2009.

**Deputy Simon Coveney:** What about the other generators? Will they be making a contribution? The ESB only supplies 50% of our power.

**Deputy Eamon Ryan:** That is a matter for the other generators. Deputy Coveney's motion calls for a €1.5 billion rebate to apply over the five year period, which amounts to €300 million per year. I agree with the Deputy that it is still important for us to put the cost of carbon through the market, even though that is a difficult decision. That will change after 2012, as the Deputy pointed out, when auctions will apply and the companies will have to bear the cost. In the interim, the CER and the ESB have taken a very responsible position in at least mitigating that rise, where possible, to the extent of bringing about an 8% lower rise in electricity prices than would otherwise have applied. I commend the CER and the ESB for their actions in that regard.

The CER carries out extensive consultations on all its tariff decisions. The tariffs are designed to be fully reflective of the actual cost of supplying electricity and gas in the Irish market. Cost reflective tariffs eliminate cross subsidisation, facilitate competition and ensure that vital investment in critical energy infrastructure can be delivered to ensure security of supply and underpin economic growth. The CER is completely independent in the performance of its statutory functions.

In terms of the wider picture, this must be examined in the context of price increases in the European Union during the same period, which have been up to 38% in certain countries. In the United Kingdom, suppliers have increased end-user electricity tariffs by over 26% on average and gas tariffs by over 40% on average in 2008 and further price increases are probable over the winter months. This clearly indicates that this is a crisis. Northern Ireland has also seen similar price increases, with a 14% increase in electricity tariffs announced on 1 July, followed by a further 33% increase in September. Gas prices in Northern Ireland rose by 28% in May and a further 19.2% increase was announced in September.

I commend one detail in the motion tabled by Fine Gael, namely the recognition that tackling this problem requires institutional investment so we have a diversity of supplies. We will need to switch to renewable generation if we are to avoid the volatile fossil fuel price increases that are the likely scenario in any energy future.

I again commend the ESB on the decision it made earlier this year in terms of setting its course in a €22 billion strategic plan aimed at making it a zero emissions low-fossil fuel company which will protect the Irish public in the long run from fossil fuel price increases. I hope we all can commend and work with our transmission company, EirGrid, to deliver some of the infrastructure — east-west interconnectors, North-South interconnectors and other interconnection and grid developments — which will be the crucial mechanism by which we reduce our reliance on those fossil fuels——

**Deputy Simon Coveney:** Will the Minister give control of the grid?

**Deputy Eamon Ryan:** ——and helping us to reduce our electricity price through the introduction of better competition and a more diverse range of supplies.

The success last year in the setting up of the single electricity market was of fundamental importance in this regard. It is a change from which we can get real efficiencies as we start to operate on an all-island basis in a truly effective manner. That, for people on the lowest incomes, will be important. Anything that brings down our prices in the long run is of benefit to those people.

It is that task that I set as my key goal in Government, to protect the Irish people from what I see as an uncertain and highly volatile energy future by improving the affordability of energy, by improving the efficiency by which they use energy and increasing the diversity of supply so that we are not exposed to further price increases.

**Deputy Simon Coveney:** Could we have a copy of the speech made by the Minister, Deputy Ryan? Is that possible? If it is not available, so be it. It would be helpful.

**Deputy Eamon Ryan:** I will have it distributed. It may be slightly different from what I said.

**Deputy Olwyn Enright:** It might be interesting to compare the two.

**Deputy Liz McManus:** Yes.

**Deputy Seán Power:** We will organise a hardback.

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** I, too, thank the Deputies for putting down this motion. It is particularly opportune, not only on the day where we heard that September was the coldest month for a number of years, as Deputy Coveney stated, but also as we prepare for the budget. Deputy Enright asked the point of talking to the Minister for Finance.

**Deputy Olwyn Enright:** I did not ask what was the point; I said I would like to see the conclusions.

**Deputy Mary Hanafin:** When one is two weeks out from a budget, there is every point in talking to him, particularly when everything that we do on the payments in my Department is directly related to what will happen on 14 October.

I share many of the concerns about the impact of rising fuel and energy costs. No doubt they have impacted on the people who are most vulnerable. My priority, as Minister for Social and Family Affairs, is to ensure that Government assistance is available to those who most need our help. They are older people, those with disabilities or serious illnesses, and people on low incomes.

Over the past number of years, people will be aware that quite substantial increases have been given at budget time on the various payments. The concentration, based on the best advice, was to increase the primary social welfare rates so that people would be able to meet their basic living costs, including their heating costs throughout the year. That is why, rather than increasing some of the additional benefits, increases of €10, €12 and €14 a week were given on the primary payments. Unfortunately, with the way the finances are at present, there is no prospect of being able to give increases of that level, but I am conscious that fuel is a particular problem for people this year.

There has been some debate here about inflation and the rising costs. It is important to record the increases in the payments over that period. Since December 2001, overall inflation has increased by 28%, but energy product prices have increased by 74%. However, increases in social welfare payments have been between 71% and 88% in the same period. The increases were quite significant and designed to help people meet all their basic living costs, including heating costs.

In addition, the fuel allowance is paid to approximately 300,000 people. Some 358,000 people receive electricity or gas allowances — that is the figure in the amendment to the motion.

**Deputy Olwyn Enright:** It is not the figure in the amendment, if one reads the wording in it.

**Deputy Mary Hanafin:** For pensions and other households, it refers to the fuel. I read it.

**Deputy Olwyn Enright:** No, it is specific.

**An Leas-Cheann Comhairle:** The Minister without interruption.

**Deputy Mary Hanafin:** It refers, on pensioners and other household, to improvements to the fuel allowance and smokeless fuel supplement.

**Deputy Olwyn Enright:** It states: “via improvements to the fuel allowance and smokeless fuel supplement”.

**An Leas-Cheann Comhairle:** The Minister without interruption.

**Deputy Mary Hanafin:** Yes, “which help towards their heating, light and cooking costs” and the electricity or the gas allowances. In fact, the amendment is correct.

Included in those numbers would be approximately 100,000 pensioners, 43,000 widows, 55,000 one-parent families, 40,000 persons with disabilities and 31,000 long-term unemployed. The total cost is approximately €340 million a year. That is an additional cost, over and above the primary payments. Quite a number of people are benefiting from it. Some of them are getting the fuel allowance directly and others, those over 70, are getting it through the house-



hold packages. Some €340 million is a very significant amount. However, I accept that this is a particular pressure on people, particularly given the prices this year.

We have also responded to the prices in the improvements that have been made. The value of the fuel allowance has been doubled since 2005 to €18 per week or €21.90 for recipients living in designated smokeless areas.

**Deputy Olwyn Enright:** It is £25 in the UK.

**Deputy Mary Hanafin:** The number of weeks for which the fuel allowance is paid has been extended to 30, and in January 2007, the number of units covered by the electricity allowance was increased from 1,800 to 2,400.

Even more significantly, from 1 August 2008, the value of the electricity allowance per household increased from €465 to €540 per annum in line with electricity price increases. In order to continue to maintain the value of the electricity and gas allowances at the same level, the value of the gas allowance was also increased to €540 per annum from the same date. I increased the value of these allowances to ensure that vulnerable customers would continue to receive the same amount of energy under the household benefit scheme. In reality, where we saw that the price of electricity and gas went up over the summer, those on various schemes under household benefit did not suffer in that they did not have to pay any extra.

**Deputy Olwyn Enright:** The widows who cannot get it suffered.

**Deputy Mary Hanafin:** The State bore the cost of the increased units. Because we give people units rather than an amount of money, all of those on the household benefit scheme continue to get that but the State quite rightly bore the extra cost for them. While the fuel allowance is intended as a contribution to heating costs for part of the year, the electricity and gas allowances help people with their heating, light and cooking costs all year round. In addition, about 4,000 people who have specific heating needs due to infirmity or a particular medical condition are currently receiving a heat supplement through the supplementary welfare allowance scheme, which is administered by community welfare officers nationwide.

Deputy Enright will also be aware that the Money Advice and Budgeting Service which is funded by the Government provides practical help to people who are experiencing difficulties paying their bills. There has been quite a demand for its service this year and it has provided valuable assistance.

As has been stated by a number of speakers throughout the debate — indeed, Deputy Enright was quick to quote me — income support and advice, while important, are only part of the answer in terms of reducing fuel poverty. Proper household insulation is absolutely vital. Initiatives, as outlined by the Minister, Deputy Eamon Ryan, such as the warmer homes scheme, operated by Sustainable Energy Ireland under the aegis of his Department, have a valuable role to play in that regard, as does funding from the Department of the Environment, Heritage and Local Government through the pilot central heating scheme, for example. Co-ordination of the work of the relevant Departments and agencies is crucial to ensuring the effective delivery of a comprehensive approach to tackling fuel poverty. While various bodies have significantly increased the resources they are directing at fuel poverty initiatives in recent years, the establishment of an interdepartmental group on energy affordability has helped to ensure that we are working closer together to maximise the potential of our collective efforts.

The Minister, Deputy Ryan, has already outlined meetings that have taken place. There have been discussions, at both a formal and informal level, with the various Ministers to see how we can improve on the schemes that are likely to help with insulation, windows and heating. That

[Deputy Mary Hanafin.]

has also included the Minister for Finance in the context of the budget and the Minister for the Environment, Heritage and Local Government. There has been a good deal of research done on this which is also feeding into work that we are doing. Sustainable Energy Ireland has been responsible for some research in this area because everything we do must be evidence based.

We are trying to tackle fuel poverty from a number of different angles. Income support is a valuable part of that. The significant increases in payment rates have helped. Further improvements in payments will obviously be a priority for me should funding be available. Unfortunately, everything must be looked at in the current budgetary context. Of all of the demands that are being made by the various groups, energy is one of those that keeps coming to the fore. It came to the fore at the pre-budget forum I held only last week, which was attended by approximately 30 organisations representing different strands of society, particularly the most disadvantaged and the vulnerable. While each group was seeking increases in its own area of interest, the need to which most attention was drawn was the need to support people in paying the cost of their fuel this year. That will be my major priority this year.

**Deputy Liz McManus:** I wish to share my time with Deputies Arthur Morgan and Róisín Shortall.

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

**Deputy Liz McManus:** The Minister for Social and Family Affairs stated this is a good day to raise this issue, with which I agree. Today I received a letter from her stating an old age pensioner in my county was being refused a fuel allowance because his pension exceeded €100 per week. Today is also the day on which the Government has proposed to change the law to protect the wealthiest in our society, bankers who recklessly pandered to greedy property developers. In this motion, Fine Gael, with our support, seeks to protect and safeguard the poorest and the elderly, such as my constituent who cannot afford to keep warm this winter. The policy of Fianna Fáil and the Green Party is clear.

**Deputy Seán Power:** The Deputy supported Second Stage last night. Is she changing her mind?

**An Leas-Cheann Comhairle:** Will the Minister of State allow Deputy McManus to make her contribution without interruption?

**Deputy Liz McManus:** Since the Government of the Minister of State, Deputy Seán Power, got us into this situation, we must support a measure to protect the public interest. That does not mean that what the Government has done or the manner in which it has done it is commendable. The reality of the decisions made today and last night is that multimillionaires in this country are being looked after.

**Deputy Seán Power:** The country is being looked after.

**Deputy Mary Hanafin:** Every depositor——

**An Leas-Cheann Comhairle:** I ask the Minister and the Minister of State, neither of whom was interrupted during their contributions, to allow Deputy McManus to make——

**Deputy Mary Hanafin:** We spoke on the motion.

**An Leas-Cheann Comhairle:** Allow the Chairman to be the arbiter of what is in order and allow Deputy McManus to make her contribution without interruption.

**Deputy Liz McManus:** The policy of Fianna Fáil and the Green Party is clear. Powerful multimillionaires get what they want but the poor and the elderly are denied what they need. If there was doubt about the need for change in Irish politics, we have proof positive of the need today.

Many people hoped that, with the new configuration of parties in the Government, we might see a fairer and more compassionate kind of politics but I imagine they are now disillusioned. Sheltering the rich while leaving the poor out in the cold may be an acceptable policy to the Green Party and Fianna Fáil but it is not acceptable to us. I welcome and fully support, on behalf of the Labour Party, this timely motion. I had hoped the Minister for Communications, Energy and Natural Resources would ensure acceptance of its content by the Government. Instead, the Government has tabled an amendment. Rarely have I seen such a self-serving and shameful litany of statements that ignore the issue that needs to be addressed; I am not surprised.

The Minister has an extraordinary ability to cocoon himself away from the reality of the daily struggles of many people. He does not see the thousands of people about whom we are talking who simply cannot pay their bills. He does not seem to understand the stress and anxiety they experience. These are the people who go to the Money Advice and Budgeting Service, the Society of St. Vincent de Paul and the community welfare officer in an effort to manage. However, they are faced with a tsunami of household bills and their problems are becoming more acute.

We know and understand charges for electricity and gas will escalate, as the Minister reminded us again tonight, but this is why we need to see a real response. This winter will be a significant challenge for thousands of people. The Minister's response today was revealing. He spoke about renewables, interconnectors and changing behaviour but did not speak about cutbacks or Government schemes that have collapsed. The Government amendment to the motion congratulates itself on the funding of the local authority adaptation grants for those with disability. In my county and, I believe, others, there is no longer any scheme; it ran out of money months ago. Regrettably and shamefully, in some instances people had grants approved but when they got the relevant work done they discovered the grant simply would not be paid. This is the responsibility of the Minister for the Environment, Heritage and Local Government.

Let me outline one case in this regard. A grant was approved for an elderly woman in hospital and €30,000 was spent to adapt her house to enable her to go home. When the work was carried out, she asked for the grant to be paid but the cupboard was bare. This is the reality and the Minister for the Environment, Heritage and Local Government is responsible. This is the fuel strategy in place at present. A stressed old lady in hospital in a bed that should be vacated and a small builder on the threat of bankruptcy comprise the reality of fuel poverty in Ireland and the reality of adaptation grants that the Government cites as part of the solution in its counter-motion.

These issues do matter, as do the people affected. It is the responsibility of the Government to assist and support them and not just its responsibility to bail out the banks. In terms of the motion before us, there are practical measures that must be adopted if there is to be real improvement. There have been massive increases in electricity and gas bills and fuel prices are an issue for us all.

[Deputy Liz McManus.]

The problem of fuel costs is much more serious for some than for others. From the Government's point of view, rising costs have made a significant difference. In four years alone, VAT returns on energy have leapt by 50%, from €611 million in 2003 to €970 million in 2007. The figure has increased significantly even since then. The impact on those with low incomes has been disastrous and we therefore must have change and recognise the realities. We must hear the truth from the Minister.

I noted with great interest the Minister's statement today on the role of the energy regulator. Last weekend, I heard him say on radio that he was responsible for ensuring the €300 million the ESB had would be used as a cushion to protect people against escalating costs. I thank the Minister for putting the record straight tonight. The hubris he showed on that programme only feeds people's cynicism and it is to his credit that he has come to the House and set the record straight. The more honesty, the better.

The Labour Party saw we had to do something and last May it published its own legislation, the Fuel Poverty and Energy Conservation Bill. Its purpose is to require the Minister for Communications, Energy and Natural Resources to implement a strategy and be accountable to the House for both the setting and implementation of the targets. This is the way to proceed because it is important that there be a statutory basis for the strategy to protect the most vulnerable and ensure they achieve their basic rights.

It is important to state that Age Action Ireland has run a campaign on this issue. It has not done so for the good of its health but for the good of the health of those it represents. It desires a significantly increased fuel allowance, proper insulation schemes and the targeting of those who need to be looked after and supported.

Ireland's level of debt in winter is significantly higher than that in many other European countries. This debt can be related to fuel poverty. We either disregard this and simply suggest that it be addressed as part of all the other measures to save the planet or else we recognise that the citizens concerned, who have contributed to society over their lives and have grown old, are not now looked after and protected although we have the resources to do so despite all the economic turmoil.

**Deputy Arthur Morgan:** I thank the Labour Party for sharing time and for giving me the opportunity to address this important and tragic issue which, like most public representatives, I see first-hand among my most vulnerable constituents on almost a weekly basis at this time of year.

It is apparent that low and average income households use a greater proportion of their income on daily necessities such as food, heating, housing and transport. The poor spend on average twice as much on fuel as a proportion of their income and inflation hits these households hardest. Fuel poverty is the inability to afford adequate warmth in a home or the inability to achieve adequate warmth because of energy inefficiency in a home. It is exacerbated by poor energy efficiency in housing stock, poor insulation and inefficient heating systems. Many of the fuel problems faced by pensioners and lower income families could have been avoided if the Government had decided long ago to build social housing that was energy efficient instead of allowing developers to cut cheap corners. We are paying for this now.

In the 12 months leading to May 2008, liquid fuels such as domestic heating oil rose in price by 47%. Oil is the most common type of fuel used by older people and, while its price has fluctuated in recent times, very few of the decreases have been passed on to customers, or were passed on slowly, whereas fuel providers are always quick off the mark to pass on increases.

Bord Gáis has applied to the Commission for Energy Regulation for a 17% to 19% price rise from October and the ESB is also believed to be seeking a double digit increase.

Groups such as Age Action and other organisations working with older people are concerned that thousands of older people will suffer unnecessarily this winter because they will be unable to afford to heat their homes properly. The cost of all types of fuels has surpassed the means-tested fuel allowance which the poorest receive. Considering the inflated cost of living in this State, many older people, social welfare recipients and people on low incomes could face this winter with a choice of either food or fuel.

All of this we know. It makes this motion timely and I commend Fine Gael for bringing it forward. However, we are debating this against a surreal background. On Monday, the Taoiseach told the public he would not increase taxes to cope with the soaring budget deficit. I might add that the decision yesterday to underwrite the banks for such a large amount will have come as a shock to the most vulnerable people in society who are being told there is no money to help them. None of us should kid ourselves about the Government's intention to deal with fuel poverty. If it had wanted to do so, it could have dealt with it and sorted out the problem when the Exchequer was in surplus.

Despite prices rising at a soaring rate, no significant increases in the means-tested fuel allowance were made over the past two years. Budget 2007 gave pensioners an extra €4 per week, bringing the fuel allowance to €18 per week for the 29-week period of the payment. Budget 2008 left the fuel allowance unchanged but extended the payment period by one week, which equates to a 60 cent increase per week for the 30-week period of the payment. The fuel allowance currently covers just 42% of the cost of fuel for pensioners during the 30-week period it is paid. Over 52 weeks, it covers just 24% of a pensioner's fuel bill. Those budgetary adjustments were made before the Government blew the State coffers.

When the Government made the minor increases in fuel allowances, it did so knowing that Irish winter mortality was among the highest in Europe. The majority of winter deaths are among older people and due to cardiovascular and respiratory-related illnesses. While there is a need for a national fuel poverty strategy to provide medium and longer-term solutions to these problems, there is an immediate need for urgent action before this winter. Those who work with people suffering from fuel poverty would have welcomed the announcement of an early budget in October because they have long pointed out that by the time the December budget kicks in, more people suffer unnecessarily dire winter conditions. However, against the current climate of spending cuts speculation, they are probably dreading what they will hear in the budget in two weeks' time. We all remember the savage 16 cuts.

Knowing this, it is with hope but not much expectation that I set out Sinn Féin's proposals for what must be considered an absolute priority in this budget. The Government may think it is a priority to give their developer friends a leg-up in budget 2009 — there is speculation they may do so — but it is wrong. Not letting people freeze to death should be the priority for public policy in any economic circumstance.

Bearing this in mind, Sinn Féin wishes to see an increase in the fuel allowance. We want the value of the gas discount in the household benefit package to reflect the rise in the price of gas. The extra VAT generated by rising fuel prices must be ring-fenced to fund the increases in fuel allowance. We also suggest, as advocated by a number of groups dealing with the vulnerable, that the option of receiving fuel allowance in two lump sums in October and January is made available.

Following this winter, the Government must develop a national strategy to address fuel poverty. Wider issues such as the position of the Commission for Energy Regulation must be



[Deputy Arthur Morgan.]

examined. The ability of those on low incomes to adequately heat homes is affected by CER's decision to sanction increases in electricity and gas prices. This independent body responsible for the liberalisation of Ireland's energy sector has an objective to bring competitors into the electricity market. Over the years we have seen the commission push up ESB prices to entice others into the market to compete with the ESB. Prices were pushed up, we were told, to bring in competition, which was supposedly to bring prices down again. However, the increases announced by the ESB hit those on low incomes hardest. The increases demonstrate that the regulator is not upholding its duty to take into account the needs of rural customers, the disadvantaged and the elderly. The role of the regulator must be reviewed to ensure that serving the common good, not the agenda of liberalisation, underpins its work.

My party is also proposing a new scheme based on the residential renewable energy grants introduced in budget 2006 specifically for low income households. Under the scheme proposed by Sinn Féin, anyone assessed as being entitled to the fuel allowance and having an entitlement under the free energy scheme would be entitled to a grant to cover the full cost of installation of sustainable heating alternatives, with the scheme to be open to both local authority tenants and homeowners who are entitled to fuel allowance. The introduction of this scheme will have the added benefit of further boosting the renewable energy industry while contributing to the State's drive to reduce CO<sup>2</sup> emissions. We also support an extension of the warmer homes scheme.

All of these proposals can contribute in some way to eradicating fuel poverty. It is my hope the Government takes this issue seriously and uses budget 2009 to make a significant start in this regard.

**Deputy Róisín Shortall:** I am happy to speak on the motion. With my colleagues in the Labour Party, I commend and strongly support Fine Gael in this regard. It is a timely issue given that anybody walking over from Leinster House 2000 this evening will have noticed the nip in the air and the fact that now, on 1 October, it has become quite cold. We are all in the fortunate position that we can go home to our warm centrally-heated homes and the cold is never really an issue for us at home because we can afford to provide adequate heat. Unfortunately, that is not the case for many people in this country, which is why there is such concern among a number of different groups about the major issue of fuel poverty.

It is an issue the Government needs to address. Having listened to the Minister, Deputy Hanafin, I will not be holding my breath waiting for her to deal with it. She displayed a distinct lack of appreciation of the extent of the problem and the extent of the poverty which many people are suffering. I will go into that later. There is undoubtedly an argument for putting in place a good anti-fuel poverty strategy. We need to tackle this in a cross-departmental way, as the problem has been ignored for far too long. Without a fuel poverty strategy, poor people will continue to die prematurely from the cold. In the context of an economy that has been booming for the past ten years and a situation where there was more money than the Government knew what to do with, it is absolutely scandalous that so many people live in poverty and that this year so many people will die because of their inability to provide enough fuel to heat their homes. Age Action Ireland indicates that the country experiences between 1,500 and 2,000 more deaths in winter than in summer. The Institute of Public Health in Ireland estimates that approximately 44% of the excess number of deaths can be directly attributed to poor housing standards. In real terms that amounts to 652 deaths on an annual basis. That is 652 people who die predominantly because of their poverty and because they are unable to provide for their own heating needs.

7 o'clock

The latest poverty deprivation statistics indicate that one in 11 people who lives alone went without heating at some stage in the previous 12 months because of a lack of money. That amounts to a whopping 28% of lone-parent households. By any standards that is a scandal. The most recent analysis conducted by Sustainable Energy Ireland has put the fuel poverty figure at around 10% of homes. The ESRI has indicated that the percentage of houses in fuel poverty is currently between 15% and 20%. The Money Advice and Budgeting Service has recorded a massive increase — almost a doubling — in the amount owed by its clients to utility companies. When one looks at the detail, one discovers that in the first quarter of 2006 that figure amounted to €864,000 but in the first quarter of this year it amounted to €1.5 million. The situation would be much worse if it was not for the Society of St. Vincent de Paul, which has reported an increasing number of people approaching it who simply cannot manage to heat their homes because of the increase in fuel costs. Were it not for the work done by the Society of St. Vincent de Paul that figure of 652 premature deaths per year would be even higher.

The situation is likely to get worse because electricity costs have increased by 25% since December 2006 and 11.2% in the past year alone with another increase of 17.5% from this month, and the possibility of further increases. The figures trotted out by the Minister for Social and Family Affairs, Deputy Hanafin, and the response from speakers on the Government benches seem to completely ignore the increases across all fuel types. Home heating oil is the worst. It has increased by 40% in the past year and by 50% since December 2006. Gas has increased by 20% in the past few weeks alone, with the possibility of further increases.

There is a glaring need for a clear strategy. It is not enough to just compartmentalise the issue as the responsibility of one Minister or another, because it crosses a number of different Departments. That is why so many different agencies working with the poor are calling for a national fuel strategy. The Government seems to be all over the place on the issue. The Department of Social and Family Affairs, the Department of the Environment, Heritage and Local Government, the Department of Communications, Energy and Natural Resources, the Department of Health and Children, the Commission for Energy Regulation, Sustainable Energy Ireland and countless other organisations all have a role to play in such a strategy but, currently, all act in isolation and often in contradiction to each other. The White Paper on energy recommended that an interdepartmental group on fuel poverty be set up by the end of 2007, but progress is painfully slow.

The emphasis of current pensions policy is to encourage people to save for the future. The idea is that people put away money during their working years in order to provide for their retirement. However, when people retire now those who are on modest incomes find they are denied the fuel allowance because of the very pension the Government wanted them to take out in the first place. That flies in the face of good pension policy, which is about providing for the future. It seems the way the fuel allowance rules operate is that where people have tried to be self-sufficient to the greatest extent possible and where they have a relatively small occupational pension in addition to their social welfare pension they lose out on a fuel allowance. That is very unfair because of the low level of income disregard that currently applies.

Earlier this year my colleague, Deputy McManus, produced a Bill to compel the Minister to draw up a strategy on fuel poverty and to set targets. A strategy is all the more important now as it could tie in with the need to find work for thousands of construction workers who have recently been laid off. There is a perfect match between available workers and the large number of homes that leave much to be desired from the point of view of insulation and energy efficiency. In many poor quality homes that were built in recent decades the heat literally goes out the window, the walls and the roof. There is an imperative to provide greater insulation, especially in older people's homes. The Labour Party has already referred to the matter on

[Deputy Róisín Shortall.]

several occasions and we, again, urge the Government to consider taking on that proposal to set up a national insulation scheme in order to tackle the poor insulation standards in many homes. That would deal with the rising levels of unemployment by providing alternative work for many construction workers who find themselves out of work. It would also be very cost effective in terms of conserving energy in people's homes and helping them to reduce their energy bills.

The Government must increase the fuel allowance by €12 per week and extend the payment for a greater part of the year. The threshold for the allowance must be tapered so that the current poverty trap is eradicated. Pensioners should have the option of receiving the allowance in two lump sums to help those with high home heating oil bills. That is a big issue where people are dependent on oil, where, for example, no gas is available. It is very difficult for people to pay their oil bills and two payments could facilitate them to do so.

Another relevant issue is the inequity in the current assistance provided by the Government to people with high home heating oil bills. The Minister needs to re-examine the rules for the household benefits package. Currently, the system works to the disadvantage of people with oil-fired central heating, as they can only avail of free electricity credits. However, people with gas central heating can avail of either free gas credits or free electricity credits. Depending on energy prices, gas credits can be worth far more than electricity credits so the amount of State assistance offered to one pensioner can be less than to another. That is a ridiculous situation when home heating oil has risen by 40% in the past year. The Minister needs to re-examine the benefit so that where bills are high all pensioners can avail of the same amount of assistance.

We need to give attention to properly financed local authority home improvement schemes. Only claims by pensioners with a disability or other medical condition will be entertained by most local authorities. Pensioners who enjoy any degree of fitness — regardless of the condition of their home, whether they have central heating, double glazing and so on — will not have their applications for home improvements accepted. This is because the new grants scheme that was set up earlier this year has not been funded by central Government. As a result, people cannot access grants to improve their heating provision. Likewise, Energy Action does excellent work in insulating attics and homes generally, but there is a long waiting list for its services.

We cannot await the implementation of budgetary measures for changes to be made. The Minister, Deputy Hanafin, has provided cold comfort to people who are hoping for improvements. Unless action is taken, more than 652 people could die this year simply because of the failure of the Government to prioritise this issue. In a country in which there is so much wealth, that is an absolute scandal.

**Deputy M. J. Nolan:** I propose to share time with Deputies Áine Brady, White, Calleary and Mattie McGrath.

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

**Deputy M. J. Nolan:** It is timely that we should debate this issue on 1 October as winter approaches. We are all aware of instances of fuel poverty in our constituencies. Fuel poverty occurs where a household must spend more than 10% of its income on energy in order to maintain an acceptable level of heat throughout the home. Those most likely to be affected include elderly couples and elderly individuals, some of whom have lost a partner and now find themselves alone in the family home. I am aware of people who have downsized to smaller houses or apartments where maintenance and heating costs are substantially less. People who

have spent 30 or 40 years in their home and have a great sentimental attachment to it should not be obliged to move somewhere smaller because of concerns about fuel affordability. It is incumbent on the Department of Social and Family Affairs to look after such persons in their latter years.

Fuel poverty arises as a result of the relationship between household income, energy efficiency and dwelling and fuel prices. Living in cold, damp conditions has an adverse impact on health, particularly so in the case of the elderly. The consequences of fuel poverty include social exclusion, poor health and a general feeling of helplessness. Fuel poverty is, therefore, a social issue and must be dealt with as such. People living in cold, damp houses as a result of fuel poverty are at increased risk of respiratory illness, increased blood pressure and stroke, worsening arthritis, accidents in the home, social isolation and impaired mental health. Such adverse living conditions can also have a detrimental effect on children's education and on the quality of nutrition enjoyed by householders. There is anecdotal evidence that elderly people may do without food in order to pay fuel and electricity bills to keep their homes warm. Fuel poverty is also associated with significant debt to fuel companies, resulting in financial exclusion for the householder.

I have been concerned for some time about the adequacy of existing welfare supports in addressing fuel poverty among low income householders, mainly social welfare recipients. The primary tool used by the Department of Social and Family Affairs for assisting low income householders is the fuel allowance. Last year, more than 300,000 householders were in receipt of this payment of €18 per week for 30 weeks of the year. In addition to the fuel allowance, the Department of Social and Family Affairs provides several other fuel related benefit schemes, including the free electricity allowance, free natural gas allowance and free bottled gas allowances.

Also of assistance to low income families have been the schemes run by local authorities whereby people are assisted in improving their houses by installing new insulation, windows or doors. Unfortunately, in the past two years in particular, local authorities, for whatever reason, have not had sufficient funding to finance these particular schemes. In my own county of Carlow, for example, while the local authority is accepting applications for the disabled person's grant scheme, they are not being processed because the funding is completely exhausted. The authority will not be in a position to process the applications until early next year.

**Deputy Olwyn Enright:** Yes, the Government amendment commends the provision to local authorities for these schemes.

**Deputy M. J. Nolan:** I ask the Minister for Social and Family Affairs to look seriously at this issue. Figures published today indicate a year-on-year increase of 50% in the numbers on the live register. In the current economic downturn, increasing numbers are likely to fall into the net of fuel poverty. The Department must take serious action to address this. In the context of the upcoming budget, I ask the Minister to remember those less fortunate than ourselves.

**Deputy Mary Alexandra White:** I am pleased to have an opportunity to discuss this issue. As the days get shorter, we observe the annual rise in electricity usage at this time of year. Many elderly and vulnerable people absolutely dread the winter evenings, afraid to turn the heat on or even up a notch and obliged to monitor their electricity usage. Some spend their time sitting in rooms that are unhealthily cold. As the Government finalises its budget for 2009, with all the implications inherent in it for people's capacity to heat their homes, and as we experience the first effects of recent increases in energy prices, we must ensure that the less well off are looked after in this budget. That is our priority.

[Deputy Mary Alexandra White.]

Unfortunately, Ireland is not immune to the repercussions of oil price changes abroad. We can lessen our exposure only by increasing our energy independence through the use of renewable energy. It is not fair to criticise the Minister for Communications, Energy and Natural Resources, Deputy Ryan, given that the Opposition did little in this regard in the past, even though we have been warned of the implications of climate change and energy price hikes for the past 15 or 20 years.

**Deputy Olwyn Enright:** Deputy White's Government partners have been in power for 18 of the past 20 years.

**Deputy Mary Alexandra White:** I am pleased with the new measures we have been able to introduce. We in this House are all agreed on the need for the upcoming budget to make progress on helping those who heretofore have been caught in the fuel poverty trap. In previous years, agencies working in this area have claimed that as many as 6% of Irish people went without heating at some stage in the past two years. We must put an end to that. A recent World Health Organisation report on social equity and the social determinants of health indicates that 17% of households were unable to provide adequate heat in their homes due to a combination of low income and energy inefficient housing.

However, this is beginning to change. We must ensure that no elderly person is reluctant to ensure an adequately heated home because of concerns about the cost. Findings show that improved central heating and insulation are the keys to cutting down on household expenditure on fuel. The Government provides a considerable allocation each year for the provision of electricity and gas allowance to those on social welfare. Some 2,290 households benefit from the national fuel allowance. However, more can be done, particularly at a time of high energy costs when priorities come into sharper focus because of diminished revenue.

Many speakers have observed that one of the root causes of fuel poverty is poor standards of energy efficiency. Many measures are being introduced by the Minister, Deputy Ryan, in this regard, including the expansion of the home energy saving schemes, particularly for low income households, through Sustainable Energy Ireland, and the roll-out of smart metering which will help people calculate and calibrate the quantity of energy used. People, even those on low incomes, are keen to get involved in these energy saving initiatives. There are well thought out measures such as the new building regulations introduced by the Minister, Deputy John Gormley, which will ensure 40% greater energy efficiency, and will prevent householders from being subjected to the threat of fuel poverty. I hope that local authorities, even on their diminished budgets, will be able to retrofit much of the poorer social housing which certainly needs to be upgraded in my constituency of Carlow-Kilkenny.

We are putting behind us the three jumper winter, the scrimping on electricity use and the fear of spending income on basics such as heat and food. These sentiments should be relegated to the past and I hope this year's budget will help by increasing spending on those issues. That is why others in the Green Party and I will not allow fuel poverty and the raiding of pensions to be part of any recession. That is why with smart energy efficient measures these initiatives are making real improvements in the quality of life. There are warmer and better homes.

**Deputy Olwyn Enright:** There are ordinary homes.

**Deputy Mary Alexandra White:** Such energy efficient homes are among the ingredients for a better quality of life and that is what we aim to deliver.



**Deputy Dara Calleary:** Everyone in the House is agreed on the implications of fuel poverty. They have been accentuated this year in an era of crazy energy hikes. As well as calling on the Minister for Social and Family Affairs, Deputy Mary Hanafin, to consider fuel allowances, I ask the Tánaiste and Minister for Enterprise, Trade and Employment, Deputy Mary Coughlan, to focus the resources of the National Consumer Agency on the prices being charged. It seems that as oil prices increase our daily fuel prices increase in tandem. However, when oil prices decrease the speed of decrease does not seem to match what is occurring in the world markets. The National Consumer Agency and the Competition Authority should prioritise these matters in the coming days and weeks as we come into a time of maximum use.

Another issue that will assist the alleviation of fuel poverty is the increase of energy supply. In the past few years the Government and its predecessor have done much work to increase the availability of gas supply throughout the country. In County Mayo, this is manifested by the gas west project which, with the work of local communities and local councils, ensured that the regulator was in a position to change the rules on the eligibility of towns to qualify for gas supply. Such supplies have been taken for granted for many years. This project is coming on stream as we speak. I pay tribute to Bord Gáis Éireann for its management and roll out of the project, which serves as a model for other State organisations. We now have choices in our energy usage. Previously we were completely dependent on the ESB for business and domestic fuel, but we now have a choice between electricity and gas. Gas is considerably cheaper. There needs to be a good deal more promotion of the benefits and relative cheapness of gas for domestic users. This will address the fuel poverty issues identified by previous speakers. There must be continued expansion of the project to include towns such as Belmullet and other towns across east Mayo. The viability in these areas is no longer in question. A speedy roll-out is required now to give customers a choice, the power to use that choice to reduce their regular fuel bills and alleviate the difficulties caused by fuel poverty.

Our daily energy management has been referred to by previous speakers. The smart meter project will be very important and I have heard much talk about that project since I became a Member of this House. However, to date there are no meters in any houses. A pilot scheme is due to be announced and rolled out shortly. Do we need a pilot scheme at this stage? We know how beneficial smart meters are and we know the information and choices they provide to consumers. Let us roll out the project. Since it has worked internationally there is no reason it should not work in Ireland. We should design the meters to be user friendly, so that people can examine them and understand directly what they mean for the energy bills at the end of every month, rather than referring to units which nobody understands. When a person receives his or her ESB bill, the number of units means nothing. What matters is the cost at the bottom of the bill. Unless the cost is displayed on the meters they will not have the desired impact.

Other technologies such as wind energy are becoming available. Investments in wave energy should come on stream as soon as possible. We are very reluctant to adopt wind energy. We seem to be moving very slowly towards using these forms of energy to meet part of our day-to-day electricity requirements. There is considerable dissent around the planning process for wind energy. There must be a good deal more education on wind energy and turbines by the Department and the energy providers. It is remarkable that we are so slow in rolling out the wave energy projects, given that we are an island nation. We are surrounded by the Atlantic, one of the most powerful seas in the world. This too has the power to increase the sources of supply and thereby reduce the bills at the end of the month.

The Minister for Social and Family Affairs, Deputy Hanafin, should alert her welfare officers to the fact that many people who qualify may not look for the fuel allowance. Those who

[Deputy Dara Calleary.]

previously qualified for the allowance may need that help this year. Community welfare officers should be given the discretion to help out on a one-off basis.

**Deputy Mattie McGrath:** The Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan, has proposed that we commission an independent analysis of the transmission transfer, including costs, benefits and regulatory impact assessment. This is set in the context of EU developments and the all-island single electricity market. There is a need for engagement with all relevant stakeholders in the process of implementing Government policy on electricity transmission assets. Government policy is clear and ensures the strategic future of both EirGrid and ESB as strong viable semi-State bodies with vital roles to play in delivering our national targets for emissions reduction, renewable energy and energy efficiency as well as security of supply and energy competitiveness.

Earlier this year, the ESB announced its new strategic framework to 2020, which will see an unprecedented capital investment programme by the company at home and abroad in support of our goals for renewable energy, energy efficiency, emissions reduction and energy security. EirGrid's development strategy 2025 will be published shortly. This will set out an ambitious national strategy for critical investment in the transmission system over the next two decades in support of economic, social and regional development and the integration of renewable energy generation.

Financial supports are available to homeowners under two schemes funded by the Department of Communications, Energy and Natural Resources to improve the energy efficiency in existing homes. We would like to see more funding in place for these schemes. However, for households on low incomes, such as those in receipt of fuel allowance, invalidity or disability benefit, the warmer homes scheme, which I commend to the House and which is managed by Sustainable Energy Ireland, will install cavity wall insulation, attic insulation, a boiler lagging jacket, draught proofing measures and so on. Advice is also provided to householders on minimising energy use, which is important. These measures are provided free or at a token cost. The Minister, Deputy Ryan, has made €5 million available to this scheme in 2008.

Other householders can avail of grants of up to 30% of the cost of energy efficiency improvement measures under the home energy saving scheme. The Minister launched this scheme in 2008 on a pilot basis, in a limited number of areas, and with a budget of €5 million. The home energy saving scheme has been designed to encourage and incentivise house owners to improve the energy efficiency of their homes in order to reduce energy use and carbon dioxide emissions. The pilot scheme sought to aid approximately 2,000 homes in 2008, operating in four separate components. The first three components were defined geographic areas. To qualify for the supports which were made available, applying households and the subject houses had to be located in counties Limerick, Clare or Tipperary.

I believe the fuel allowance scheme must be increased in line with the rising cost of fuel. I encourage the Minister for Social and Family Affairs, Deputy Hanafin, to do her level best in view of the circumstances in which we now find ourselves to have a meaningful increase in the allowance to cover the cost of all forms of heating in our homes, especially for the most vulnerable. With many previous speakers and members of the communications committee, I am very disappointed with the lack of response from the oil companies in reducing the price of oil when the cost of a barrel of oil on international markets has returned to its cost eight or ten months ago. The cost of oil at the coalface must be decreased also.

**Deputy Áine Brady:** I welcome the opportunity to contribute to the debate this evening. Along with many other Members in the House, I fully recognise that the rising cost of energy,

seeking alternatives to existing sources and the security of energy supplies are real challenges not only for our country but also for many other countries across the world.

It is worth pointing out that in 2000, crude oil prices were between \$10 and \$20 a barrel. In July of this year, crude oil reached \$147 dollars a barrel and while prices have eased in recent weeks, they are still close to \$100, which is far ahead of last year's prices. As other speakers have pointed out, the consumer does not benefit from any drop in these prices as quickly as they feel the price hike.

The global demand for oil products remains relatively strong, with the emerging economies of China and India still consuming record levels of oil. The geopolitical uncertainties in many oil producing countries, coupled with the current disorderly conditions in the global markets, contribute to the continued uncertainty in global oil markets and hence their prices.

As policy makers, we must try to focus on how we can reduce our dependency on oil. We must continue to formulate policies that reduce our dependency on fossil fuels and increase the supply of alternative energy sources.

In recent years the Government launched a number of worthwhile schemes to assist in reducing our domestic reliance on fossil fuels. The green homes schemes, which I strongly supported when they were introduced, provide support to home owners to invest in a range of domestic renewable energy heating technologies, including solar panels, biomass boilers and stove and heat pumps.

The warmer homes scheme is another example of how we can reduce our dependency on oil. That scheme provides attic insulation, draught proofing, lagging jackets, energy efficient lighting, cavity wall insulation and energy advice at little or no cost to eligible householders. The scheme is targeted at householders in receipt of the fuel allowance, disability benefit or invalidity benefit and is provided for a nominal fee.

This Minister has redirected, within Sustainable Energy Ireland's 2008 allocation, additional funding to the warmer homes schemes. It is up from €2.5 million to €5 million this year, which I welcome. It is anticipated that by the end of the year, over 18,000 homes will have been fitted with energy efficiency measures and I would welcome a further extension of this scheme, given the benefits that are derived from it.

One of the most important ways for people to offset energy prices is to improve the level of energy efficiency in their homes, either by changing their behaviour and usage patterns or by improving the fabric of their homes. I commend the Minister on the recently launched home energy saving pilot scheme which encourages householders to improve the energy efficiency of older housing. This scheme has the potential to significantly improve the energy efficiency of our housing stock. Sustainable Energy Ireland has estimated that those upgrading the energy efficiency of their homes, with the support of this scheme, can expect to save up to €500 per year on their energy bills.

The Power of One national energy efficiency awareness campaign to which the Minister referred earlier, which commenced in September 2006 and is scheduled to run until December 2008, has put the emphasis on using energy more efficiently in our daily lives. That comes very easily once one gets started. The Power of One campaign has captured the imagination of the Irish public. It demonstrates how changing our behaviour in small ways every day will help to save energy while also saving money. This campaign encourages us to recognise our own power and use it. I would welcome the development of further initiatives in improving our energy efficiency.

Energy costs for business are a key concern for this Government, and the cost of energy is a key competitiveness issue. Keeping our costs down for businesses in Ireland is essential to

[Deputy Áine Brady.]

maintaining competitiveness in this challenging economic environment. For us to maintain our current foreign direct investment and attract further investment, our energy costs must be affordable and environmentally acceptable.

Our ability to insulate ourselves against the impact of global energy trends is obviously limited. Under the Energy Policy Framework 2007-2020, however, a range of actions are under way to address the three urgent imperatives of competitiveness, security of supply and environmental sustainability. The energy policy framework, together with the programme for Government, has created energy policy certainty in the short, medium and longer term, with the overarching objective of creating a supportive, sustainable energy environment for the economy and for consumers. That certainty is important for businesses trying to compete in global markets.

I understand also that significant progress has been made with the east-west connector, which will be owned and operated by EirGrid. EirGrid has secured the connection points in Meath and Wales for the interconnector, which will help secure a more competitive energy supply. In addition, the Government is committed to increasing competition in the energy market. The all-island single electricity market, active since November of last year, is designed to create a more attractive energy market for international investment. I commend the Government on its work in this area and encourage continued Government action.

I would also encourage the Minister and the Government to consider additional incentives to farmers to invest in forestry, in particular the road infrastructure in forests, and ensure we have a sustainable supply of wood for our wood pellet industry. Farmers now have the potential to become key stakeholders in our energy market and build on the progress to date.

Working together using our own power, Government initiatives to reduce our home energy costs and implementing our energy framework policy to ensure a competitive energy supply, we have a comprehensive policy mix to minimise the worst effects of our rising energy costs. I congratulate the Minister on his work and enthusiasm in driving the Government's agenda and commend the amendment to the House.

**Deputy Joe McHugh:** I seek the agreement of the House to share my time with Deputies D'Arcy, Ring, Crawford, Neville and Bannon.

**Acting Chairman (Deputy Jack Wall):** Is that agreed? Agreed.

**Deputy Joe McHugh:** This evening we are discussing how the Government can address fuel poverty in this country. This discussion and this session of Dáil Éireann takes place against a backdrop of severe national economic and financial difficulties. The Republic of Ireland and its citizens are currently attempting to come to terms with the first recession that has visited us in a quarter of a century. For the next four years, the Minister, Deputy Brian Lenihan, will borrow €10 billion just to keep the country afloat. The Taoiseach, Deputy Cowen, will have doubled the national debt by the end of his term.

The seriousness of these difficulties in the financial area should inform everything that is done and said in Dáil Éireann in the coming months. In the coming political cycle we must redouble our efforts to ensure public money is not wasted and that we use the national resources available to us efficiently and sensibly. It is from that perspective that I contribute to this discussion this evening.

We cannot do this in isolation. There must be an interdepartmental and cross-Cabinet effort in respect of fuel poverty. This year, the Department of the Environment, Heritage and Local Government stipulated that 500 families in Inishowen, County Donegal will not be allowed to harvest turf from the 3,000 acres of bogland where they and their ancestors have harvested turf

for centuries. Officials from the Department travelled to Donegal recently and, without consulting with any of those 500 families, designated 3,000 acres of bogland in Magheradrumman, Donegal as a special area of conservation.

Fine Gael is proposing to develop a strategy to tackle the looming crisis that has left hundreds of thousands of families in the grip of fuel poverty. The Department of the Environment, Heritage and Local Government, by ordering the termination of traditional fuel harvesting at Magheradrumman, has contributed to that looming crisis and will put people in the grip of fuel poverty next year.

The Irish special area of conservation is a product of the 1997 Wildlife Act and the 2000 Wildlife (Amendment) Act, which were brought before this House on foot of the European Union habitats directive of 1992. Those Acts are based on a flawed Irish interpretation of the EU habitats directive. In 1997 and again in 2000, the relevant Ministers assigned areas as SACs on exclusively scientific grounds. That exclusively scientific foundation is deeply flawed. The EU habitats directive declares that its central aim is to promote the maintenance of biodiversity, taking account of social, economic, cultural and regional requirements. It commits itself to a general objective of sustainable development and acknowledges that to this end, the maintenance of such biodiversity may, in certain cases, require the maintenance or encouragement of human activities. The 1997 regulations and the Wildlife (Amendment) Act 2000 do not take account of economic, social, regional or cultural requirements. I am examining this issue from such perspectives this evening in the context of the looming fuel poverty crisis. The designation of the area of County Donegal I mentioned as a special area of conservation is an aberration. It is based on an unsound interpretation of the EU's habitats directive.

The members of the Cabinet, as a team, are considering various strategies, policy proposals and new interventions as part of their search for answers. It is a great team for talking jargon. When they refer to best practice, they speak about what is happening in places like Finland and Canada. The solution I am offering would be of great assistance to the Ministers for Social and Family Affairs and Communications, Energy and Natural Resources. With their colleague, the Minister for the Environment, Heritage and Local Government, Deputy Gormley, they should examine what is going on. People are being prevented from cutting turf which would help them to meet their fuel needs at a low cost and, as the habitats directive makes clear, on sound sustainable grounds. I have outlined a solution. It is important that we do not forget what is happening on the ground. We know what happened over recent days, when the so-called experts, the so-called gurus and the so-called intelligentsia in the financial sector were shown to have made mistakes. There are far too many God-damn experts in this country telling people how they should live their lives. We know how to live our lives. I have suggested a solution to this problem. It worked hundreds of years ago and there is no reason it cannot continue to work into the future.

**Deputy Michael D'Arcy:** This Private Members' motion is rather timely as we face into the winter. When one sticks one's head outside the window, one can see why fuel poverty levels are increasing. I wish to focus on two issues, the first of which is the price of fuel.

Over the summer, my attention was drawn to the difference between the speed at which the price of fuel is increased when the price of crude oil increases on the world markets and the length of time it takes reductions in the price of crude oil to be passed on to consumers. I do not blame those who work at the forecourts, those who drive lorries or those who deliver home heating oil, but the four or five companies that supply such people. When I raised this matter at a meeting of the Joint Committee on Communications, Energy and Natural Resources, all my colleagues on that committee agreed to invite representatives of the companies in question to address the committee. I do not think the House will be surprised to learn that the companies



[Deputy Michael D'Arcy.]

have been unhelpful. I am being polite when I use the word “unhelpful”. I could use some other words to describe them.

If we are to ensure that a cartel is not in operation, we need to get the companies to explain the pricing regime that is in place. We need to ascertain whether the companies are operating at a margin that is not the maximum they can get. Those are two very different things in business. Far too often, companies and organisations operate on the basis of getting what they can from consumers and there is no oversight system to prevent them from doing so. People often suggest that this House and its committees are irrelevant. I intend to use the committee system to pursue this matter. I thank my colleagues on the committee, some of whom are in the Chamber this evening, for their support in this instance. We will not accept any refusal on the part of the companies in question to come to the committee to explain how their pricing systems operate and how their business is conducted. I hope we will achieve a positive result for consumers. It seems that while fuel prices can be increased overnight, it can take a week for price decreases to be implemented. Consumers potentially have to endure five or six days in which prices remain high even though reductions should have been passed on to them.

I am also concerned about social welfare payments, particularly the fuel allowance payment. The payment is too high in the summer and too low in the winter. The Department has not agreed to permit its customers to carry amounts over from the summer to the winter if they wish to do so. At this time of high prices, a tankful of oil can cost up to €800. Prices fluctuate by up to €20 all the time. It is important to provide for flexibility within the scheme so that people who do not use all their entitlements during the summer can carry them on to the following winter. I do not think that is an outrageous proposition. I am trying to help those who need the fuel allowance scheme most, rather than calling for a *carte blanche* to be applied to the operation of the scheme. As other Deputies have said, the elderly need this allowance because they are most susceptible to the effects of the cold. We should offer them the option I have mentioned. If the Minister is to do anything on foot of this debate, he should change this aspect of the scheme. It is within his power to do so.

**Deputy Michael Ring:** In recent times, the average two-monthly domestic ESB bill has increased by between €30 and €50. The annual cost of electricity used to be approximately €870 per household, on average, but it has now increased to €1,000. People on low incomes are not able to cope. I will concentrate on three aspects of this issue this evening.

I agree with my colleagues who spoke about turf. When I hear members of the Green Party talking about carbon tax and other environmental strategies, I worry about the poor, the weak and the sick, who will have to pay more as a result of such initiatives. The big guys will be able to write their additional costs off against tax, but poor people will have to meet such costs from their social welfare incomes and their pensions. I do not envisage that there will be a major increase in the pension this year. Ireland does not enjoy much sunshine or very good weather over the course of the 52 weeks of the year. I do not think we have had three consecutive fine days this year. People on the fuel allowance scheme believe the allowance should be paid all year round, rather than merely from October to April. All elderly people want is to be safe and warm in their homes. They worry that they may die in their homes from the cold because they do not have enough fuel to stay warm. They must be protected.

I would like to speak about the regulator and the Minister. The Minister washed his hands of the ESB and the energy sector when he handed responsibility for it to the regulator. I sent a scathing letter to the regulator a few weeks ago. He awarded major increases to the ESB last year. Three months later, the ESB announced that it did not want the increases. It had been given too much. The poor people still had to pay the ESB, however. They were topping it up.

I accept that oil and diesel were quite expensive on the world market earlier this year. The people of rip-off Ireland were ripped off yet again when the price of fuel increased. Home heating oil prices in Ireland are the highest in Europe. Why should oil be any dearer in Ireland than in any other part of Europe? The rip-off merchants of this country are making it dearer. The banks ripped off the people. They got so greedy that they brought down the economy.

I wish to return to the price of fuel. The minute the price of oil and diesel increased, the regulator could not wait to sanction an increase on the part of the ESB and whoever else wanted one. He could not run fast enough to do so. He provided for a massive increase of 19% or 20%. He said he would re-examine the matter at a later stage. When the price of oil and diesel decreased, the regulator failed to say to the ESB that the price of electricity needed to be cut because fuel prices had gone down. He did not do that. The old, sick, weak and poor of this country should be protected.

I will comment on the role of the local authorities in this regard. The health boards used to run the disabled person's grant scheme, under which roofs and other parts of houses could be improved. The scheme helped people to retain some heat in their homes. Responsibility for such matters has now been passed to the local authorities, which is fine. There is no point in doing that, however, without also giving the local authorities the money to help people. Thousands of applications were made in my county. The county council has all the reports ready and is ready to grant-aid the money but the problem is that it does not have any money. There is no point giving schemes to the local authorities when they do not have resources or money.

The budget will be presented in two weeks. I hope the weak, sick and elderly are looked after, particularly with regard to fuel. I know it is not a good time and that we have a shortage of money. However, this is when we should look after the weak and vulnerable in society. I want to send a message to the Minister for Social and Family Affairs. She had better ensure the fuel allowance is increased. It has not been increased for many years. One would not even buy a bottle of gas for what one receives, not to mention coal because one would not even get half a bag of coal for it. It is time a significant increase was made.

To the Green Party I state that the people of this country are beginning to realise it is wonderful to have green policies. However, who will pay for them? It will be the weak, the old and those on low incomes because big businesses will be able to write it off and pass it on to those who cannot afford it. To the Minister, the Government and the Green Party, I state their policies are great but who will pay for them? The people cannot afford to pay any more. They have enough of it.

**Deputy Seymour Crawford:** It is not easy to follow that. I welcome the opportunity to speak on this issue. There is no doubt that death can occur through fuel poverty. Ireland has among the highest energy prices in the EU added to by the recent price increase of 17.5% in electricity and a 20% rise in gas prices as recently as September of this year. This is creating serious energy poverty for at least 227,000 households in Ireland today. The frightening situation is that the Commission for Energy Regulation is actively considering further electricity and gas increases from January 2009 and the price of home heating oil has risen dramatically in recent years.

It is clear that in recent years, Ireland has suffered more severely from higher energy costs than our colleagues in other European countries. Only last year, I highlighted the fact that one company based in my constituency of Cavan-Monaghan was paying twice as much for its electricity as it was for a similar plant in France and had an almost similar situation at its other plant in Holland. This means that our Government should be making every effort to develop a joint energy market with the UK and integration with France and mainland Europe.

[Deputy Seymour Crawford.]

It is vital for our elderly and disabled who need so much heat and power that we minimise the cost factor at a time when it is more difficult to increase supports because of our financial difficulties. Another aspect I must touch on is that our county councils and HSE authorities no longer have funds to help people reconstruct and improve their houses to make them more acceptable for our elderly and disabled, particularly from a heat conservation point of view. People have been told they will receive a grant and to borrow the money from their credit unions as it will be paid next year.

Over the years, great work was carried out under the auspices of the health boards to ensure that essential repairs were carried out for the elderly and the disabled. In my constituency, an independent company was established which carried out such work at nominal costs to the elderly and disabled and at very good value to the State. Funding was withdrawn from this scheme last year and in principle the scheme was transferred to the local authorities. However, as has been stated, in reality no funds were made available. Under this scheme double glazed windows and roof repairs, including insulation, were carried out allowing many people to remain in their homes for a much longer period. I believe the winding up of this scheme will have serious implications for the future and will lead to much more pressure on the social housing sector within the council.

The Government can no longer advise that an essential repair scheme or a disabled grant is available when it has totally failed to fund county councils and other authorities to support the work. It would surely be cheaper for the Government to provide proper funding to insulate and improve houses rather than giving tax breaks to private builders to build nursing homes and fund the people through subvention to stay in them.

One other issue I must highlight tonight is the failure of the Government to realistically increase the living alone allowance over the years when money was plentiful as the amount of €7.70 is an absolute joke for some individuals, especially in rural Ireland where a person living alone must pay the same amount to heat a home as was paid to heat the same home for the entire family. The person must keep and maintain a car, if they are still able to drive, so as to avoid isolation.

If two people are living in that household their pension would be approximately €450 but if there is only one person the pension is only €225 plus €7.70 for fuel allowance. The person in those circumstances must live with less heat and possibly less food, particularly if the person is to retain his or her car and therefore retain some independence? I appreciate that in difficult times money is scarce and hard decisions have to be taken but I contend that the living alone allowance must be increased if people are to continue to live in their own private homes and not in long-term institutions.

I congratulate Deputies Simon Coveney and Olwyn Enright who have spelled out clearly how structures can be put in place and changed and funds obtained from unearned windfall profits. Fine Gael believes that the poor, the needy and those needing heat should be looked after, even in difficult times, and they should be a priority.

**Deputy Dan Neville:** I welcome this opportunity to contribute to the debate. “Fuel poverty” is the new buzzword. People do not have enough money to heat their homes to keep them in reasonable comfort and protect their health. More than half a million houses experience some type of fuel poverty, with 62,000 experiencing persistent fuel poverty. It is an extensive issue in need of Government attention.

Fuel poverty affects those who are most vulnerable, those who have less goods and who are on lower incomes. It also affects people in certain houses with inefficient energy conditions.

Elderly people in particular rely on expensive heating appliances or expensive fuels. Two issues are raised, namely, income and fuel efficiency. The Government should examine schemes to assist with energy efficiency, which is the key to improving the position. Those on low incomes and who experience fuel poverty do not have the means to do so themselves.

Certain groups are in greater need of warmth than the average person, such as those in ill health, those with disabilities, the elderly and those caring at home. The unemployed also spend longer in the house and do not have the same level of activity as others. The effects of fuel poverty range from uncomfortable living conditions to negative impacts such as poor physical or mental health, increased debt and a decline in the physical state of the home. These people cannot maintain their homes which deteriorate over a number of years.

In 2005, 6% of the population went without heating due to a lack of money. This also contributes to our winter mortality rates and poor physical health. Others have raised this issue in respect of the special housing aid for the elderly scheme. Limerick County Council's finances just covered applications to the end of last year, so no new grants have been available this year for people who wished to improve their houses. It is hard for people to understand that these schemes are in operation but are not being funded. What is the point in operating them without funding? I hope that special attention will be paid to this issue in the forthcoming budget.

Ireland has the second highest excess winter death rate in Europe. There is a strong correlation between fuel poverty and mortality rates. More than 2,000 deaths occur here each winter. Across Europe, Ireland's high incidence of fuel poverty stands out among lone parents, the employed and others in rented accommodation. In addition, the poor spend eight times more of their income on fuel than those in higher income brackets.

**Deputy James Bannon:** On behalf of those throughout the country who have no voice, low incomes, big overheads and are facing a bleak winter, I am glad of the opportunity to speak on this motion, which highlights the Government's shameful disregard for those experiencing energy poverty. I thank my colleagues, Deputies Coveney and Enright, for tabling this motion, which has far-reaching implications both for energy and social welfare issues. Government cutbacks, soaring prices, capped incomes and rapidly rising live register figures mean that our most vulnerable citizens, particularly the elderly, will not have the money for both food and heating this winter.

The Society of St. Vincent de Paul has seen a rise of almost 40% in calls for help to its Dublin offices alone, primarily concerning increased energy, fuel and food costs. This is indicative of the Government's mismanagement and neglect. Winter mortality in Ireland is high compared to other EU countries. According to a UCD study covering the years 1988 to 1997, Portugal suffers from the highest rates of excess winter mortality at 28%, followed jointly by Spain and Ireland at 21%. The link between environmental temperatures and thermal inefficiency indicates that housing standards in southern and western Europe play a strong part in such mortality rates.

It is incumbent on the Government to develop a national strategy to address energy poverty. This matter cannot be put on the long finger by the Government; it must be tackled urgently by providing a cohesive plan, incorporating pricing and income supports, and having a detailed timeframe for delivery.

We are in a crisis situation with 227,000 households experiencing varying levels of energy poverty — a shocking figure by any standards — and electricity prices increasing by 134% from 2000 to 2008. In addition, the recent 20% rise in gas prices is to be followed by another increase in January. When we use the term "poverty" we are making an evaluation; it means not just

[Deputy James Bannon.]

that people are in a certain situation, but that something ought to be done about it. The Government must do something about this. This is the Government that coasted through the boom years on the crest of a wave, but the wave failed to impact on those who were living and continue to live on or below the poverty line.

Instead of using the wealth of the Celtic tiger years to address such situations, the Government squandered it. The reality for many people this winter will entail rising fuel prices and the unenviable choice between heating and food. Let there be no misunderstanding — it will be a winter of discontent with the Government coming under increasing attack.

This national crisis combined with the international situation demands the immediate establishment of a national strategy to address energy poverty. Under such a strategy, joint energy markets with the UK and mainland Europe could be combined with legislation to permit the Commission for Energy Regulation to set a maximum price as opposed to a set price.

In a report published yesterday, the Environmental Protection Agency again warned that Ireland is facing a major challenge in meeting EU targets on reducing greenhouse gas emissions. The Government must utilise the positive impact that increased energy preservation would have in helping to reverse this trend. However, the possibility of carbon taxes being introduced by the Government would see low-income households being proportionally the most penalised as they tend to be forced to use the most carbon intensive fuels and inefficient heating systems.

Under current Government policy, consumers stand to assist electricity generators, primarily the ESB, to make unearned gains of up to €1.6 billion under the current phase of the carbon allowance credit plan. Fine Gael has exposed this unacceptable situation and is proposing that the Government recoups this windfall, using it to alleviate fuel poverty. The forthcoming budget must be used positively by the Government to assist the socially disadvantaged, including those in energy poverty. The budget should not be used, as many believe it will, as proof that the Government is using the economic downturn as an excuse to cut back on the social equality agenda.

**Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Seán Power):** I commend the amendment to the motion, but thank the Fine Gael Party for giving us the opportunity to discuss energy poverty. It is somewhat ironic that the debate over the previous 24 hours has referred to billions of euro, whereas we are now discussing energy poverty where a few extra euro can make the difference between people just surviving or living with some comfort. Previous speakers have shared with us their experiences of some of the difficulties concerning constituents and people's fears for the winter ahead.

The cost of energy has attracted much attention in recent times. While many headlines have been given over to business — and there is no denying that energy costs constitute a major competitiveness issue — the cost of energy to households is equally important. It is correct that the Government should give its attention to that matter also. I grew up in a rural part of County Kildare where there was a great tradition of cutting turf so that by the end of the summer householders would have a shed full of turf for the winter ahead. The introduction of special areas of conservation, however, means that for many households around the country that provision is no longer possible. Fuel is a big problem for many homes and, unfortunately, poorer people must spend a greater percentage of their income on it than others who are better off. In many cases, such people are living in homes that are not energy efficient, but small changes could improve the temperature of their dwellings.



**Deputy Liz McManus:** On a point of information, is the Minister of State speaking for the Government or the Opposition side?

**Deputy Seán Power:** I have always found Deputy McManus to be very helpful, whether in dealing with health or energy matters.

**Deputy Liz McManus:** I am a bit bewildered.

**Deputy Seán Power:** Her assistance on this occasion is much appreciated also.

**Deputy Simon Coveney:** The Minister of State should be in the Department of Foreign Affairs. He would make a great diplomat.

**Acting Chairman:** Please allow the Minister of State to speak.

**Deputy Seán Power:** I will outline the position as I see it. I am never one to be blinkered, no matter what side of the fence I am on. I have also been on the Opposition benches. I know that whatever any Government can do in this area, one will never be satisfied as there will always be difficult cases. In fairness to the Government, we have focused in recent budgets on older people. Much more needs to be done and we have depended to a large degree on agencies like the Society of St. Vincent de Paul, which has played an important role in identifying people at risk and assisting them.

My ministerial colleagues, Deputies Ryan and Hanafin, have outlined the measures they have taken and outlined their intention for the future. A number of the policies we have implemented have had a very positive effect. The warmer homes scheme is a key mechanism through which low income households, such as those in receipt of the fuel allowance and disability benefit, can benefit from the provision of attic insulation, draught proofing, lagging jackets, energy efficient lighting, cavity wall insulation and energy advice at little or no cost to eligible households. These measures can significantly reduce the amount of energy required to heat and light the home.

Major improvements in energy efficiency throughout the economy are essential for controlling and reducing energy costs in the short to medium term, a fact that has been recognised by the European Commission and the G8 leaders. The Minister, Deputy Ryan, explained how we are focusing on a number of key areas to mitigate the impact of the increasing cost of energy, including increasing the energy efficiency of residential and commercial buildings, especially for those on low incomes. We have also concentrated on improving people's understanding of their energy usage patterns, and we have begun a roll out of smart metering. Deputy Calleary stated he would like to see it done a little quicker. However, it will have a positive impact and will succeed in changing consumer behaviour, which will result in a major saving. The evidence is there and people can see that with small changes, they can save a considerable amount of money over a year. That is a scheme we look forward to rolling out.

Deputy Ryan also referred to our dependence on fossil fuels and to augmenting the level of renewables in our fuel mix. We have not concentrated on our dependency on oil and the need for people to change. The Government has a big role to play in that, but we all have a role to play as individuals and we can make a difference. The national energy efficiency action plan will act as an important mechanism through which we can manage the process of achieving our energy efficiency target for 2020. Fundamental to achieving this target is our ability to create the appropriate structures that effectively underpin the identified measures and that facilitate the introduction of new measures that will contribute to our national energy savings.

[Deputy Seán Power.]

Ensuring consumers have the appropriate information to make the right energy usage decisions is an important element in helping to reduce energy demand. The Power of One national energy efficiency awareness campaign has been successful in making consumers and businesses understand the value of energy and how they can take simple actions that can result in big savings. There are a number of television programmes that have been very helpful in contributing to the education of people in energy efficiency. The smart meters are of great importance and the roll out of a national smart meters trial will help make people aware of how much energy they are using and help them to reduce costs. A number of speakers have mentioned it this evening. It is a wonderful idea and the change in behaviour will have significant benefits.

While energy efficiency is very important, it is only part of the answer to make energy more affordable for low income households. The Minister for Social and Family Affairs stated that the main role of the social welfare system is to provide income support and that since December 2001, social welfare payments have increased by between 71% and 88%, whereas energy prices have increased by 74% and inflation by 28% over the same period. In successive budgets, we have targeted older people and we gave a commitment on targets for old age pensions in the programme for Government. This occurred when times were good, but it was the right thing to do and I am proud that we did it. In addition to the primary payments, there is a number of social welfare schemes to assist with heating costs, specifically the national fuel allowance scheme, the special heating needs supplement and the household benefits package. These arrangements have been considerably improved in recent years.

The Commissioner for Energy Regulation normally announces one annual increase for electricity and gas prices. In the past, the commissioner has amended the increase and has allowed for price reductions when fuel prices have gone down. Unfortunately, fuel prices have almost doubled, leading to consequential increases in electricity and gas tariffs. In order to cushion consumers from the worst impact of unprecedented volatility in international fuel prices, the commissioner has announced a two-phased approach, with the first increase taking effect in the summer, and the second increase taking effect next January. There is no point in blaming the commissioner for this. It is like blaming the weatherman for poor weather. The commissioner has a job to do and there was a method to what he did by having two increases. I thank Members for their contributions.

**Deputy Terence Flanagan:** I thank my colleagues, Deputies Simon Coveney and Olwyn Enright, for bringing forward this motion. The Fine Gael motion reflects a true and accurate picture of Irish people having to live with fuel poverty and what the Government can do to improve things for them. The definition of fuel poverty, according to the Institute of Public Health in Ireland, is households that spend more than 10% of their income on fuel to heat their homes. Fuel poverty occurs when people live in damp, cold and badly insulated houses. People in vulnerable groups such as the elderly, the disabled, the unemployed and those on low incomes suffer the most from this problem.

The extent of fuel poverty in Ireland is extremely worrying. It is reported that 17% of Irish families are suffering from fuel poverty, or 227,000 households, according to Sustainable Energy Ireland. This is a real issue that needs to be tackled by the Government. A total of 2,800 people died from fuel poverty last year, which is an absolute disgrace. This figure is only going to increase as we face more harsh winters. The Government needs to put its money where its mouth is and insulate people's homes. In 2006 alone, the Society of St. Vincent de Paul spent approximately €3 million assisting householders in Ireland suffering from fuel poverty. There

has been a huge increase in callers to the society in wake of the recent fuel price increases, and this trend will continue unless the Government introduces measures to tackle the problem.

Our country has one of the highest energy prices in the EU. This small, open economy is becoming very uncompetitive and we are losing small businesses. Our potential to attract more business will diminish if we do not tackle the issue. The price of fuel is ridiculous, as we all know from visiting the petrol pumps or from obtaining home heating oil. The recent 17% and 20% increases in electricity and gas have been ridiculously high. They are completely out of line with inflation. There may be more bad news for householders if prices are due to increase in January 2009. The Minister needs to say “No” to that increase and only allow increases that people can afford to pay.

People depending on social welfare payments are struggling to cope with their fuel costs. Their fuel allowance is a miserable €18 a week, which is a joke and a disgrace. The Government needs to take this issue seriously in the budget on 14 October and increase this fuel allowance in line with the price of gas and electricity.

The Minister needs to set aside money to ensure that energy-efficiency improvements are made to all old homes and social housing homes and that more money is set aside for the greener homes and the warmer homes schemes.

The national strategy on fuel poverty needs to be put in place. If the Government is serious in this regard it needs to deal with the Commission for Energy Regulation and have Oireachtas committee hearings where both sides could discuss the increases. The Government should recoup the full unearned windfall profits of €1.6 billion from energy generators and not simply accept the €300 million being offered by the ESB. This money needs to be ring-fenced to help improve people’s homes. We want to see actions taken in the budget.

**Deputy Andrew Doyle:** I congratulate Deputies Coveney and Enright on bringing forward this motion on energy poverty and for calling on the Government to develop and publish a national strategy to address energy poverty with a specific focus on conservation, pricing and income support and with a targeted approach and a timeframe for delivery. The Fine Gael motion also calls for a consideration of initiatives around energy security, energy policies and for the Government to deal with the immediate problem. We are often told we are robbing Peter to pay Paul. The ESB receives a windfall tax. Approximately 450,000 households are experiencing some level of fuel and energy deprivation. There is a simple and direct way to deal with the immediate and long-term problem but the Government amendment to the motion proposes to deal with the long-term problem and as a consequence, with fuel poverty for the people who are poor. This is a joke. The Government amendment refers to housing adaptation grants and the warmer homes schemes.

Wicklow County Council needed to ask for approval for an overdraft facility to fund the disabled person’s grants and housing adaptation grants schemes to which it was committed in the hope it would receive an allocation for 2009. The 2009 scheme will be virtually nil because the money has already been allocated to the 2008 commitments. The housing adaptation grants could achieve something but they are being shelved.

I was told last Thursday that theforeshore licensing Bill would come before the House in 2009. This Bill needs to come before the House in early 2009 so that responsibility can transfer from the Department of Agriculture, Fisheries and Food to the Department of the Environment, Heritage and Local Government. The delay seems to be with the division of responsibilities between the Departments. Even with these laudable and admirable proposals for energy security and renewable energy from the Government, it is alleged that €16 billion worth of renewable energy projects are held up in the bottleneck because they cannot access

[Deputy Andrew Doyle.]

the grid, or so we were informed at another meeting here a couple of weeks ago. These proposals are great on paper but there is no specific plan. The transfer of ESB's assets to EirGrid is in the pipeline; everything is in the pipeline.

Today is 1 October and there is no point in talking about this next April because it will be too late. Statistics speak for themselves. The accident and emergency departments will be overloaded with people. Food and fuel are both dearer this year. It makes sense from a cost-effective point of view to put money into keeping people warm so that they are not turning up at accident and emergency departments.

**Deputy Simon Coveney:** I thank my colleagues on all sides of the House for their contributions to this debate. I sometimes wonder whether Private Members' motions have any effect on Government policy and earning some dividend or change for people outside this House. If ever there was a motion that I hope will have some impact on the Government's attitude towards an issue, this is such an issue. Every Member of the House will agree that one issue raised by all constituents is the cost of electricity and the increasing cost of simply living in Ireland.

I want to offer some suggestions to the Ministers who are present — I am glad to see there are some present for the conclusion of this debate. I do not simply wish to give out about Government performance.

Actions can be taken by means of legislation and regulation to improve the energy market in Ireland and reduce energy prices. I ask the Minister to consider legislating to allow the regulator to set a maximum price for energy rather than setting a set price, as is the case each year. The ESB could then be permitted to generate power at below the price ceiling if this is possible. It could benefit from increased market share as a result of more competitive pricing. I can understand why there has been a set price for the past ten years because we have been trying to introduce competition into the market and attract new entrants. Such new entrants could not survive under normal competitive conditions whereby the ESB would simply offer to generate at a lower price. However, the situation has changed in that regard.

I would encourage the Government to fast-forward the transfer of ESB assets in the electricity grid to EirGrid, in an effort to send a strong signal to the marketplace that we support competition and a fair market place for all generators.

We should reform the public consultation process around the decision-making when the regulator decides to increase prices or, if ever, to reduce prices. It is hugely stacked in favour of generators or the ESB who makes their case. In the United States or Canada the practice is to have a forum of discussion that includes organisations such as the Combat Poverty Agency and others who understand the worries and concerns of consumers and households. The regulator has a legal responsibility to protect consumers as well as offering fair prices to generators.

The Minister needs to look at the regulatory regime for gas pricing as at some stage in the future gas will be coming ashore from the Corrib field. Under the existing regulatory structure for gas, this will result in increased gas prices in Ireland because we will be importing a much lower volume of gas which will therefore be more expensive and the price of gas to consumers will be increased.

We have missed the boat this year with regard to the famous windfall profits being made by energy generators. The ESB has made what I would describe as a generous donation in a rebate of €300 million. We must be honest with people. Every household is already paying a carbon tax of 10% on top of their energy bills. That money must be taken back, put into a

ring-fenced energy fund and spent responsibly looking after poor people and low-income households who need support from the Government.

There are some issues regarding smart metering but I will raise them separately with the Minister. In terms of energy rating, I welcome the substantial work being done on housing insulation. However, I encourage the Minister for the Environment, Heritage and Local Government to examine energy rating issues regarding windows, through which large amounts of heat and energy are lost. Our rating system for windows is not satisfactory and we should examine the UK's system which is a far more exact measurement of the overall window structure rather than just the glass pane.

The Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan, has described fuel poverty as the most crucial social issue facing society, an issue of a crisis of affordability for homes across the country. Those are strong words from a senior Minister. Yet all this motion seeks in terms of a commitment — everything else relates to suggestions — is that the Government would introduce a comprehensive policy which puts fuel poverty at its heart rather than a description of other energy policies, as heard this evening, regarding conservation, climate change, greenhouse gas emissions, etc., where benefits for families struggling with energy costs are just a by-product of such policies. That is not good enough for an issue as important this one.

We want a specific, targeted policy with a set timeframe and budget, financed by windfall energy taxes. Even the Commission for Energy Regulation at yesterday's meeting of the Joint Committee on Communication, Energy and Natural Resources called for a carbon tax on energy generators. The commissioner acknowledged it is ridiculous that 50% of energy produced in Ireland is coming from private energy generators who get windfall profits on the back of consumers and households struggling to meet their payments. That is not just.

If the Minister brings forward a real and measurable strategy to tackle fuel poverty, he will get constructive assistance and criticism from all Opposition parties. I commend the motion to the House.

Amendment put.

The Dáil divided: Tá, 75; Níl, 68.

Tá

Ahern, Dermot.  
 Ahern, Michael.  
 Ahern, Noel.  
 Andrews, Barry.  
 Andrews, Chris.  
 Ardagh, Seán.  
 Aylward, Bobby.  
 Behan, Joe.  
 Brady, Áine.  
 Brady, Cyprian.  
 Brady, Johnny.  
 Browne, John.  
 Byrne, Thomas.  
 Calleary, Dara.  
 Carey, Pat.  
 Collins, Niall.  
 Conlon, Margaret.  
 Connick, Seán.  
 Coughlan, Mary.  
 Cregan, John.  
 Cullen, Martin.

Curran, John.  
 Dempsey, Noel.  
 Devins, Jimmy.  
 Dooley, Timmy.  
 Finneran, Michael.  
 Fitzpatrick, Michael.  
 Fleming, Seán.  
 Flynn, Beverley.  
 Gallagher, Pat The Cope.  
 Gogarty, Paul.  
 Gormley, John.  
 Grealish, Noel.  
 Hanafin, Mary.  
 Harney, Mary.  
 Haughey, Seán.  
 Healy-Rae, Jackie.  
 Hoctor, Máire.  
 Kenneally, Brendan.  
 Kennedy, Michael.  
 Kirk, Seamus.  
 Kitt, Michael P.



Tá—*continued*

Kitt, Tom.  
 Lenihan, Brian.  
 Lenihan, Conor.  
 Lowry, Michael.  
 McEllistrim, Thomas.  
 McGrath, Finian.  
 McGrath, Mattie.  
 McGrath, Michael.  
 McGuinness, John.  
 Mansergh, Martin.  
 Moloney, John.  
 Moynihan, Michael.  
 Mulcahy, Michael.  
 Nolan, M. J.  
 Ó Cuív, Éamon.  
 Ó Fearghail, Seán.  
 O'Brien, Darragh.

O'Connor, Charlie.  
 O'Dea, Willie.  
 O'Flynn, Noel.  
 O'Keeffe, Batt.  
 O'Keeffe, Edward.  
 O'Rourke, Mary.  
 O'Sullivan, Christy.  
 Power, Seán.  
 Roche, Dick.  
 Ryan, Eamon.  
 Sargent, Trevor.  
 Scanlon, Eamon.  
 Smith, Brendan.  
 Treacy, Noel.  
 White, Mary Alexandra.  
 Woods, Michael.

## Níl

Allen, Bernard.  
 Bannon, James.  
 Breen, Pat.  
 Broughan, Thomas P.  
 Bruton, Richard.  
 Burke, Ulick.  
 Burton, Joan.  
 Byrne, Catherine.  
 Connaughton, Paul.  
 Coonan, Noel J.  
 Costello, Joe.  
 Coveney, Simon.  
 Crawford, Seymour.  
 Creed, Michael.  
 Creighton, Lucinda.  
 D'Arcy, Michael.  
 Deasy, John.  
 Deenihan, Jimmy.  
 Doyle, Andrew.  
 Durkan, Bernard J.  
 English, Damien.  
 Enright, Olwyn.  
 Feighan, Frank.  
 Ferris, Martin.  
 Flanagan, Charles.  
 Flanagan, Terence.  
 Gilmore, Eamon.  
 Hayes, Brian.  
 Hayes, Tom.  
 Higgins, Michael D.  
 Howlin, Brendan.  
 Kehoe, Paul.  
 Kenny, Enda.  
 Lynch, Ciarán.  
 McCormack, Pádraic.

McEntee, Shane.  
 McGinley, Dinny.  
 McHugh, Joe.  
 McManus, Liz.  
 Mitchell, Olivia.  
 Morgan, Arthur.  
 Naughten, Denis.  
 Neville, Dan.  
 Noonan, Michael.  
 Ó Caoláin, Caoimhghín.  
 Ó Snodaigh, Aengus.  
 O'Donnell, Kieran.  
 O'Dowd, Fergus.  
 O'Keeffe, Jim.  
 O'Mahony, John.  
 O'Shea, Brian.  
 O'Sullivan, Jan.  
 Penrose, Willie.  
 Perry, John.  
 Rabbitte, Pat.  
 Reilly, James.  
 Ring, Michael.  
 Shatter, Alan.  
 Sheahan, Tom.  
 Sheehan, P.J.  
 Sherlock, Seán.  
 Shortall, Róisín.  
 Stanton, David.  
 Stagg, Emmet.  
 Timmins, Billy.  
 Tuffy, Joanna.  
 Upton, Mary.  
 Varadkar, Leo.  
 Wall, Jack.

Tellers: Tá, Deputies Pat Carey and John Cregan; Níl, Deputies Paul Kehoe and Emmet Stagg.

Amendment declared carried.

Motion, as amended, agreed to.

**Business of Dáil.**

**An Ceann Comhairle:** I understand the Minister for Finance wishes to propose the suspension of the sitting to enable the party Whips to meet briefly.

**Minister for Finance (Deputy Brian Lenihan):** I so propose.

**An Ceann Comhairle:** Is it for ten minutes?

**Deputy Brian Lenihan:** Ten minutes.

**An Ceann Comhairle:** Is that agreed? Agreed.

*Sitting suspended at 8.50 p.m. and resumed at 9.20 p.m.*

**Credit Institutions (Financial Support) Bill 2008: Committee Stage (Resumed).**

## NEW SECTION.

Debate resumed on amendment No. 1:

In page 1, before section 1, to insert the following new section:

1. —This Act (other than section 7) shall not come into operation until the Minister has published and laid before each House of the Oireachtas for its approval full particulars of the terms and conditions under section 6(4) including the terms and conditions of any scheme.”.

—(Deputy Joan Burton.)

**An Ceann Comhairle:** We resume on amendment No. 1 in the name of Deputy Joan Burton. I understand a number of Deputies will make a brief contribution on the amendment, having regard to the fact that there are many amendments to come and the discussion that has taken place between the Whips.

**Deputy Tom Kitt:** I commend the Minister on introducing the Bill. It is understandable that people want to speak on it because it is exercising the minds of people within and outside the House. The legislation is not about keeping fat cat bankers afloat but about keeping the economy afloat, ensuring the stability of the markets and protecting jobs. The Bill is in the interests of those we represent, including small businesses.

I support the format of the debate because it gives Deputies on all sides of the House a chance to express their views and for the Minister to respond. I appreciate that we want to move on. I have two issues to raise and I would like the Minister to respond to them. We need to know details of the capital assets of the banks concerned. I appreciate that the Minister has said they exceed the liabilities by €80 billion. It would be helpful if we had the full details of the assets before the debate commences in earnest, which it will now.

The second point relates to charges. The Minister said the guarantees being provided would be charged to the institutions concerned and would be subject to specific terms and conditions. It is absolutely crucial that the banks pay for the generous and necessary initiatives we are taking. The initiative provides protection for them and allows them to continue to trade and make profits——

**An Ceann Comhairle:** The Deputy must speak to the amendment. He is engaging in repetition.

**Deputy Tom Kitt:** —as well as providing a stable banking environment. The public wants us to ensure the banks pay the appropriate charges. I am aware this will be a commercial charge that will be worked out by the Central Bank. Has the Minister had any discussions with the Central Bank on how it will calculate the charge? There should be maximum transparency on the issue. Should there not be a percentage charge on the amount of deposits held by the banks that are guaranteed by the State during the two year period in question? We need an absolute assurance that the cost will be borne by the shareholders and not by the taxpayers.

**Deputy Enda Kenny:** Since I last spoke it appears there has been some movement on this matter. I note the Financial Regulator has said he would not rule out the appointment of persons to boards of risk management committees of banks. That is a very important intervention and I hope the Minister will elaborate on it when he replies to the debate on amendment No. 1. The longer one leaves something like this, the more questions that arise. We want a strong, energetic, accountable, workable banking system and, from that perspective, the Government must foresee the contingencies that make it equitable and competitive. Institutions regulated in this country should be able to apply for consideration under the guarantee where it is clear that they have substantial interests here and where they are regulated here in terms of their liquidity, assets, solvency, etc. I expect the Minister for Finance to reply to those concerns. I hope he can do so.

Two core points arise from dealing with section 6(4) about the appointment of persons to be seen to be active in the regulation under the conditions laid down by the Minister. When the initial statement came from Government yesterday morning it was indicated that normal practices would apply. However, normal practice as heretofore applied cannot apply in the future. This is a different regime requiring a different response entirely. The Minister has a very strong legal instrument and it is his responsibility to set out the conditions and the regulations governing it.

One of the most interesting points made in the House today was by Deputy Ardagh who said it would be very interesting to see what figure would emerge from a prudential assessment of the value of the assets. The Department of Finance indicated it is €80 billion of assets in excess of liabilities. It would be interesting to follow through on that suggestion. Other points include whether credit unions can apply to the system for a guarantee. Some comments were made also about the banks in the IFSC.

Section 6(4) states: “Financial support may be provided under this section in a form and manner determined by the Minister”. On what basis will the commercial terms be determined? Who will make the determination and at what level will it be pitched? My understanding is that the Financial Regulator does not have sufficient personnel to undertake that task. While the market has already determined that there are substantial losses, particularly relating to property in two institutions, the commercial terms appropriate in these circumstances could well be so severe as to be beyond the scope of the institutions concerned. The Minister needs to be very specific and not just aspirational in his response.

Section 6(4) further states: “Financial support provided shall so far as possible ultimately be recouped from the credit institution”. That is also a fine aspiration but the credit institutions that require support will be unable to repay it because they will only need support when their own capital is exhausted. That statement must be clarified.

Section 6(6) deals with the appointment of persons to committees. I do not know whether the Minister is personally disposed towards this but I believe it is in both his interests and the system’s that we in the House should be seen to make this work. I recall standing in the house of a young couple just over a year ago. It was furnished to the hilt and funded by a mortgage

from a financial institution. The wife has lost her job and it will be impossible for them to pay the substantial mortgage. That example can be multiplied by many other cases. The Minister has an opportunity to respond to the emergency that occurred the other night. It is absolutely critical that the system is seen to be able to work, but in the new response that is required that the system will be regulated with conditions attached.

I do not wish to hold up proceedings any further. We have made our points about protection of the system, defence of the economy and, as Deputy Bruton pointed out, the necessity to keep the oil flowing through the engine of the system that affects the lives of ordinary people. From that perspective, I hope the Minister can respond to the legitimate concerns and constructive points put forward by Members during the course of the debate. We can then proceed to the remaining sections.

**Deputy Joe McHugh:** I thank Deputy Kenny for following up an issue I raised at yesterday's meeting of the Fine Gael parliamentary party in regard to the status of the financial institutions other than those six named in the legislation. I have heard speculation today that some of these unnamed institutions may be included in the remit of the Bill and that a certain formula will be devised for this purpose. Some of these institutions have been operating in the State for decades and have provided a vital service to the farming and business communities and other groups in our society. I hope the Minister will outline the specifics as to how these institutions can be included in the legislation. It is vitally important that we instil confidence in communities throughout the State where people have deposits in these institutions.

**Deputy Pat Rabbitte:** Will we receive a note indicating what the Whips have agreed in terms of the grouping of amendments?

**An Ceann Comhairle:** That is a matter for the Government. However, it is my understanding that the Government Chief Whip, Deputy Pat Carey, will move an amendment later which will clearly set out the proposal. In the meantime, I am allowing a certain latitude to Members in the debate on amendment No. 1 because there was only a limited Second Stage debate. However, I have indicated that we must make progress. There cannot be unrestrained debate.

**Deputy James Bannon:** There is a view among the general public that the Taoiseach and the Minister for Finance should be more open with the facts about the assets of the credit institutions being supported by this Bill. Will the Minister elaborate on that in his contribution later tonight? It is important that there be clarity in this regard. What baffles me and many people to whom I have spoken in my constituency and elsewhere is that a country the size of Ireland, which could fit into the back pocket of the United States, can afford to commit a sum of money equivalent to the amount the United States failed to endorse earlier this week.

In this first decade of the new millennium, we are undeniably in the midst of the "Cowen recession". It was during the Taoiseach's years as Minister for Finance that deregulation occurred and mountains of debt were created. We were living in a casino, with money being thrown about like confetti and wasted by the Government. The banks and the Government fiddled while Rome burned. As Minister for Finance, the Taoiseach turned a blind eye to what was happening.

**An Ceann Comhairle:** Deputy Bannon should make some effort to address amendment No. 1. There is no mention of casinos in the amendment.

**Deputy Seán Power:** Food poisoning seems to have had a devastating effect on the Deputy.

**Deputy James Bannon:** Loan sharking was the norm. My party leader, Deputy Kenny, spoke earlier about the plight of young people. I have met many such people who are saddled with enormous personal debt and whose earnings equate to only a fraction of their mortgage liabilities.

The wholesale destruction of our economy has arisen solely because of the greed of corporate chief executives, the Galway tent men and women who had the ear of Fianna Fáil Ministers.

**An Ceann Comhairle:** There is no mention of tents in amendment No. 1.

**Deputy James Bannon:** On assuming office, the Taoiseach closed down the tent. The public would have closed it down long ago out of disgust at the antics of the Government in recent years. The spin doctors of the Government and the Minister for Finance must no longer be allowed the control they have enjoyed.

**Deputy Seán Power:** Deputy Bannon should consult a spin doctor himself.

**Deputy James Bannon:** It is important that we have an effective committee of scrutiny, as called for by Fine Gael, to monitor the working of this legislation in the next two years.

**Deputy Catherine Byrne:** It is necessary to take steps to safeguard our economy at this difficult time. However, I have concerns in regard to the true purpose of this legislation and its impact on taxpayers. I only hope the Government has the public's best interests at heart and is not merely concerned with providing a safety net for the banks. We must ensure accountability and transparency once the Bill comes into effect.

With this in mind, I support amendment No. 12, in the name of Deputies Burton and Bruton, which proposes the establishment of an oversight board that would report to the Committee of Public Accounts. Under the chairmanship of the late Jim Mitchell, that committee worked tirelessly to show it was possible to hold the Government to account for its financial decisions. The public had faith in that process and it is important that we continue in that way.

Everybody's money is at stake in the current situation. As elected representatives, we must do our best for the ordinary people who have worked hard for many years to support their families. We can all talk doom and gloom and even Armageddon but our focus should be on protecting citizens from falling victim to the credit crunch. I hope the Bill is passed and that it will provide a safety net for taxpayers.

**Deputy Jimmy Deenihan:** The comments I wish to make relate to section 6 but I am sure the Ceann Comhairle will allow me to proceed. Auditors should report more frequently to the Financial Regulator than is currently the case. In addition, the Minister must ensure that auditors of banks are rotated more often. It is a mistake to have the same auditors working with a particular bank for a long period. The Minister should also ensure, in setting down the terms and conditions for this scheme, that banks should be obliged to report any negative news to the auditor, with penalties payable where there is a failure to do so.

In regard to the financial institutions not included in the legislation, including foreign banks operating here, the difficulty is that they are not regulated by our Financial Regulator but by the corresponding entity in their country of origin. I am not sure how this difficulty can be overcome. In an ongoing court case regarding overcharging by one particular bank, the person concerned had to go to the regulator in Holland to make the case. It is important that the Minister examines this issue.

It is my understanding that a business person with a turnover of more than €3 million is not covered by the regulator. The Minister must extend some protection in those types of cases. I



hope the Minister will consider these issues when setting the conditions for the proposal. International commentators have described this proposal as a smart move by the Government. We have taken the lead in this crisis and others will follow. I acknowledge the importance of this initiative but reiterate that we must get it right.

**Deputy P. J. Sheehan:** I thank the Ceann Comhairle for allowing me to contribute to this debate. This is the greatest crisis in the State since I entered this House in 1981. It was caused by the phoney Celtic tiger which never existed in reality and during which people were misled into borrowing heavily to finance their lifestyles. The banks were sending letters to every person they imagined might like a new car or a second home either in Ireland or in the sun. I received such letters myself. When I was first elected to the House in 1981, I owed the banks £44,000. Had I not been elected that night in June 1981, I would have had to sell every bit of property I had to clear the loan. There was no bail-out available to me.

**An Ceann Comhairle:** Deputy Sheehan should speak to amendment No. 1.

**Deputy P. J. Sheehan:** It is well known that finance has been the cause of trouble since Adam was a boy. Did not our Lord put the money lenders out of the temple because they were extracting money from the poor people of that age?

**Deputy James Bannon:** Hear, hear.

**Deputy P. J. Sheehan:** The same is happening now down along the line. There is a crisis and we are to bail out the banking institutions, but what about the people who are sunk up to their necks in debt by borrowing from the banks? Such people were getting up to 110% loans from banks. The banks have been the architects of their own misfortune, but we should not be bailing them out unless they give a guarantee that they will bail out the common people of Ireland who are up to their necks in debt and guarantee not to acquire the homes of these people or put them out on the roadside.

**Deputy Fergus O'Dowd:** This is a very important amendment and I support it fully. In the past week I have had three people at my clinic who had mortgages with Start Mortgages. The problem is these people have lost their jobs and are now in serious debt. In the past few months these people have had to pay more and more compound interest on moneys not paid and so on. They are at the end of their life as they see it in terms of holding on to their homes.

If we are to bail out the banks, it is very important the Minister for Finance has a strategy for dealing with sub-prime lenders, who are part of the banking institutions that may be covered in the future following our work tonight. We must ensure there is a strategy in place to help people, whether through the Money Advice and Budgeting Service or whatever, in serious debt and who have no choices. The key point is once such people default on repayments, even for one month, they cannot move to any other mortgage lender. The vast majority of companies who give mortgages in this country are excellent and fair. However, some of the companies are not, and I do not wish to bail them out under this legislation. The Minister for Finance should not underwrite any of their losses or activities. Nor should the Minister underwrite any of the builders or developers who have ripped off the ordinary people of this country with the debt they have taken on in buying their homes. It is very important — the Minister, Deputy Lenihan, can shake his head and I will shake my head at him and say, “No.” This is not to bail out the Sean Dunnes, or to cover the Start Mortgages and others ripping off ordinary people left, right and centre throughout this country. This Bill is to bail out the banks and ensure the system works——

*(Interruptions).*

**Deputy Fergus O'Dowd:** The Government cannot allow the abuse of people who have borrowed money from sub-prime lenders to continue.

*(Interruptions).*

**Deputy Fergus O'Dowd:** It is very important that all of the amendments tonight including this one——

**Deputy Seán Power:** Is it appropriate that a person can be singled out in the House during the debate?

**Deputy Fergus O'Dowd:** I have no problem singling a person out.

**Deputy Seán Power:** Well, I have a problem listening to it. As far as I am concerned, the Deputy is abusing his privilege.

**An Ceann Comhairle:** Will the Deputy conclude his remarks?

**Deputy Fergus O'Dowd:** I will conclude my remarks by suggesting that we must ensure the system works and ensure the Stock Exchange and all the money lending institutions work effectively and efficiently. However, there should be a strategy from the Government to deal with those among the institutions that are ripping off people and treating them in an appalling, disgraceful fashion.

**A Deputy:** Hear, hear.

**Minister for Finance (Deputy Brian Lenihan):** I hope to give a comprehensive reply to what, in substance, has been a second, Second Stage debate on this Bill. Some moments ago I was asked about the assets position by Deputy Tom Kitt and I have here the National Treasury Management Agency estimate. This states that the guaranteed liabilities of the relevant banking institutions are estimated to be €440 billion and the assets are estimated at €520 billion.

**Deputy Joan Burton:** Is that some €520 billion?

**Deputy Brian Lenihan:** Yes. This means the assets exceed the guaranteed liabilities by a figure of €80 billion. That is the National Treasury Management Agency estimate.

The most pessimistic economist in the State gave his views about the impairment of assets on the national broadcaster yesterday evening. His estimate of the impairment was far lower than that figure of €80 billion. I do not accept any degree of impairment. I am simply putting it on the record of the House so that Members understand the figures involved here.

Many Members asked for other institutions to be considered. Certain other institutions are within the scope of this legislation and it is open to the Government and the Minister for Finance to extend the guarantee facility to them under the legislation. Of course, were we to include some of these entities, it would have an impact on the assets and liabilities equation, which must be taken into account by the Government. These bodies have assets and liabilities and they have parent companies in other jurisdictions. We would require a degree of certitude about the localisation of their assets in the State were we to proceed in their case. I wish to put this on the record of the House as I was asked about it. Deputy Tom Kitt also asked about the charging procedures. Again, I am still awaiting a report from the Central Bank on that question.

Several Deputies raised the question of solvency. I have made it clear throughout discussions on this subject that the central issue confronting the Government last Monday evening was the liquidity of the Irish banks, not the question of solvency. The maturity dates——

**Deputy Michael Creed:** Why is the Minister for Finance taking powers under the Competition Act?

**Deputy Brian Lenihan:** We can deal with that matter when that section comes up this evening — we are on Committee Stage. The maturity dates for the loans were becoming tighter and tighter for all of the Irish financial institutions and that was the particular crisis about which they were concerned last Monday evening.

Regarding the question of Ulster Bank, which was raised by several speakers, it is important that we are exact in our characterisation of banks other than the six banks referred to in this legislation. The six banks referred to in this legislation are domestic, Irish banks. They are our responsibility. They would be orphans of the storm in international terms because they are not related to any other sovereign State.

All the other financial institutions in the State are ultimately owned by companies from another sovereign State which bear responsibility for them. I appreciate the points made by several speakers, including Deputy Kenny, on this subject. I understand one of the institutions, namely, Ulster Bank, has made an application to the Government and it will give careful and sympathetic consideration to that application. However, I cannot prejudge this evening any decision the Government might make on this matter. However, I wish to explain the position concerning the financial institutions other than the six named institutions in this legislation. They fall into two broad categories. Some have a corporate existence and are regulated here in Ireland. In other words, they are subject to Irish regulation. Some of these institutions, in addition to being regulated in Ireland and having a corporate base here, have extensive retail branch networks. On the other hand, some banks operating in Ireland are not regulated in Ireland as Deputy Deenihan pointed out some moments ago. They are regulated from their parent company, because they have no separate corporate existence in Ireland and are not licensed by the Central Bank to provide banking services. It would be a very far-reaching step for the Government to guarantee a bank which was not regulated by the Financial Regulator. I make these points for the assistance of Deputies because I know they will receive representations from a variety of financial institutions about their position in the light of this legislation.

On the particular proposal tabled by Deputy Burton, I realise the Deputy understands the proposed amendment would be an unusual provision in legislative terms in that it has the potential to impact on the objective of the Government. There is a consensus in the House, which I was glad to see, about maintaining a stable banking system. It is essential we protect the interests of everyone in the economy and not just one sector. This Bill provides a legislative framework to underpin the guarantee arrangement. This is essential to protect the economy from a systemic issue involving our domestic institutions. Deputy Tommy Broughan was very critical of this Bill and suggested we should follow some solution that was adopted in Sweden more than a decade ago. I assure Deputy Broughan that the Swedish experience was very carefully studied by the Central Bank and by my Department and has influenced some of the approach in this legislation. I notice international commentary has compared the response and this legislation to the Swedish response in the early 1990s.

The banks will need to pay a significant price to reflect the value they are drawing from being underpinned by a sovereign guarantee. It cannot be a penal or a punitive rate. It is a principle that is accepted by everyone here that capital must be remunerated fairly for the risk that it carries but I will have no tolerance for any financial institution which seeks to exploit

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competitive advantage from this guarantee. I spoke to the chairman of the regulatory authority this afternoon about this very matter and it touches directly on a matter raised by Deputy Kenny in his contribution on the need to maintain regulatory vigilance and corporate presence in all of the institutions. We must be under no illusions. As a result of this legislation we are going very deep into the banking system and we must ensure that the taxpayer is protected in regard to that intervention.

Regarding the guarantee, it is my intention to calibrate the payment such that a balance is achieved in the market between those who benefit from it and those who do not. I have also said it is essential to ensure that the implementation of this measure conforms to our European Union responsibilities in regard to State aids and competition law. This was mentioned by a number of Deputies and I welcome the fact that the responsible Commissioner has already initiated correspondence with my Department and is anxious to have full information on the matter, and we will work closely with her. In her comments on this matter, she has emphasised the fact that the Commission works with member states, not against them. I look forward to working with her in that regard.

A question was raised by Deputy Shatter in the course of the afternoon about the constitutionality of this measure. The Attorney General has considered this Bill in great detail and specifically the constitutional issue raised by Deputy Shatter upon which I have received written advice. The advice of the Attorney General is that the provisions in respect of the assignment of responsibilities to the Minister in this legislation are in accordance with the Constitution because there is no question of the Minister being vested with powers to draw up delegated legislation. Rather, the Minister is empowered to set terms and conditions in regard to financial arrangements with certain undertakings. Provisions of that type are commonplace in financial legislation.

The action taken reflected a national problem affecting our domestic financial stability and the risk of contagion between the domestic financial institutions as individual institutions were subject to particular stress and speculation. The decision was based on the advice and assessment of the Governor of the Central Bank and the chief executive officer of the Financial Regulator.

As I said in my reply to Second Stage last night, these institutions are our responsibility. They do not benefit from the protective embrace of an externally based company or institution. If they do experience difficulties, there is no onus on any parent to rescue them. The Government wishes to show its determination to deal with these issues that threaten the financial stability of the Irish economy.

Returning to Deputy Burton's amendment, at its core it reflects a deeply held concern that notwithstanding the highly significant events of recent days, as reflected in this legislation, in the fullness of time nothing will change. That fear was articulated by Deputies on the opposite side of the House this morning and this afternoon.

To try to address the concerns raised by Deputy Burton, Deputy Bruton and other Deputies, I want to update the House on the progress achieved in designing the scheme and my plans for it. My officials are working closely with the officials at the Central Bank, the Financial Services Authority of Ireland and the National Treasury Management Agency to design the scheme. Good progress has been reported to me and I would expect that following enactment of this Bill a scheme would be laid before the House early next week at the latest. The scheme will set out the basis upon which charges will be levied on the credit institutions benefiting from the State guarantee, the revenue it is expected to raise for the Exchequer and the conditions on which the guarantee will be granted under the legislation.

There are a number of areas in respect of which I have been informed by the debate of this House on this Bill, and these are matters which will necessarily arise in the implementation of this legislation. The first is the need for individuals of the public interest perspective to be present on the board of our credit institutions. The legislation, as drafted, is wide enough to cover this contingency. Obviously, there are issues to be worked through with particular institutions in regard to the implementation of such a provision. Directors of boards, as Members of this House are well aware, have fiduciary obligations to their companies first and foremost and not to any other body, including the State. The precise characterisation of such a directorate has to be worked upon and worked through but I am concerned that we should have individuals with a public interest on the boards of such credit institutions.

A second issue that arises is the need for codes of practice for the work of risk committees in financial institutions and close supervision of the activities of risk assessment. Again, this is being worked through by the regulator.

An area about which I am particularly concerned is the need for lending practices to favour enterprise that assists the sale and export of our goods and the export of our services.

**Deputies:** Hear, hear.

**Deputy Brian Lenihan:** The whole question of quality of management in regard to the banks is something that will have to be examined in the implementation of this legislation. Checks on remuneration approaches, which reward short-term performance and excessive risk-taking, must be installed in financial institutions. As I said a few moments ago, the State is going in deep here. We are entitled to insist beyond the regulatory system on compliance by these credit institutions with certain basics. One essential, which I know is of great concern to many of my colleagues on the European Council of Finance Ministers, are the excessive remuneration approaches which reward short-term performance and excessive risk-taking. We will have to insist that those practices are stamped out in these credit institutions.

There is the need for a return to traditional banking values in all our credit institutions. This was mentioned by Deputy Olivia Mitchell in the course of the debate. There is the need to ensure responsible and prudent lending practices in respect of consumer lending, and comment was made by some Deputies in the course of the debate that we have very irresponsible consumer lending. In fact, our consumer lending, as a proportion of our personal lending, is low by international standards and lower than the United Kingdom equivalent. The bulk of our personal borrowing and saving tends to be in connection with the acquisition of property.

**A Deputy:** We know.

**Deputy Michael D. Higgins:** People can still be irresponsible.

**Deputy Brian Lenihan:** I am talking about personal borrowing, Deputy Higgins. I am not talking about corporate borrowing.

*(Interruptions).*

**Deputy Brian Lenihan:** If I could be allowed reply to the debate. A further issue that must be examined in the implementation of this legislation is the promotion of corporate social responsibility. A careful assessment of the risk characteristics and the sustainability of new financial products is another matter which the regulator will have to raise with the credit institutions. We must ensure the highest standards of regulatory compliance and effective standards of corporate governance, which ensure that bank boards take full account of their broader responsibilities to society at large. In a sense that final item completes the point I



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mentioned at the outset about the need for an effective public interest presence on the boards of these institutions.

All these matters will be examined and worked through in the implementation of this legislation. That is the reason the legislation is formulated in very broad terms. I considered including a specific section in regard to remuneration and excessive payments, and I knew that such a section would have been very attractive in this House in the presentation of the Bill, but I was advised that the powers conferred on me in the Bill are ample in that regard and that definition of a precise objective like that can often diminish the amplitude of the powers one has.

*(Interruptions).*

**Deputy Brian Lenihan:** That is good legal advice.

We spend a great deal of time in this House putting our aspirations into legislation. What I want to do with this legislation is translate what we all want to see happening in the banks into action. Not aspirations, action.

**Deputy Michael D. Higgins:** It is not an aspiration. It is €3 million a year.

**An Ceann Comhairle:** The Minister, without interruption.

**Deputy Brian Lenihan:** I can assure the House that what is very clear is that this Bill provides a strong, robust, enabling framework of reforms which must take place. This will be complemented and strengthened by the details included in the scheme to be laid before the House, which will map out the real and sustained change in the banking culture of this country that this legislation is designed to achieve.

An issue raised by Deputy Ring and a number of other Deputies was the question of persons who are in financial difficulties. We have a consumer protection code operated by the Financial Regulator which requires entities to undertake suitability assessments before offering products or services to consumers. A small minority of borrowers develop debt problems. House repossession is generally a last resort for lenders. I understand that the member institutions of the Irish Banking Federation have a voluntary code of practice on mortgage arrears and a code of practice for personal customers. The Financial Regulator is involved in ongoing work in that regard.

The Financial Regulator and the Central Bank have been criticised during this debate. Under this country's legislative arrangement, the Central Bank is at the front door and the Financial Regulator is at the back door. That arrangement is the envy of many European countries. It was a good arrangement in this instance because it enabled me to invoke a certain degree of assistance during this crisis. It facilitated a joined-up operation on the part of the Financial Regulator and the Central Bank as they analysed this matter. That analysis was of assistance to the State. Irish regulation has traditionally been based on principles. There is a huge international debate on the robustness of systems of regulation in every country, as banks are buffeted by the current crisis. As I said yesterday on the radio, I would prefer to leave to another day any detailed examination of how we can improve our regulatory practices and make our legislation stronger. We will have to have that debate. The key point in relation to this legislation is that it is establishing a new regime for the six designated credit institutions. That regime is backed up by an amplitude of powers vested in me. I appreciate the huge responsibilities which this legislation will impose on me. One of my responsibilities is to ensure we get this right.

10 o'clock

**An Ceann Comhairle:** Is Deputy Burton pressing the amendment?

**Deputy Joan Burton:** Yes. I thank the Minister for Finance for his reply. His statement confirmed that the Labour Party is right to try to identify the extent of taxpayers' exposure to this crisis. We are attempting to enlighten the Members of this House and, more importantly, the citizens of this country about the nature of this extraordinary and historic deal. As I said previously, the Labour Party supports the broad thrust of the Government's strategy, in so far as it involves trying to protect the integrity of a banking system that provides capital, loans and deposits to business people, so they can pay the wages and salaries of employees. We are keen to support those who wish to buy homes to live in, as opposed to those who are buying houses for the purposes of speculation. The Minister has flatly rejected a Labour Party amendment which was tabled, as a conscious measure of support, to bring a framework of equity, certainty and clarity to this scheme. To date, the explanation of the scheme has been no more than a simply drawn sketch. It is unprecedented for any legislation before this Dáil to give the Minister such vast legal powers. The House is being asked to accept the word of the Minister, Deputy Brian Lenihan. I do not doubt the Minister's bona fides, as he attempts to do his best on behalf of the citizens of this country. However, I question the competence of his predecessor, Deputy Cowen, when he was Minister for Finance and since he was elected Taoiseach. I have doubts about the Taoiseach's ability to deal with the magnitude of the crisis we now face.

The Minister for Finance has indicated that the liabilities of the six institutions mentioned yesterday, as valued by the National Treasury Management Agency, is €440 billion. The assets of the institutions have been valued at €520 billion. That leaves a surplus of assets over liabilities of €80 billion. We have not been given an indication of the measure of the valuation of those assets. Do the valuations include significant volumes of assets which result from lending offered by the six institutions in question? Two or three of the institutions have loaned significant amounts of money to the construction industry for the purposes of purchasing land at speculative prices.

One of the difficulties with giving the Minister a blank cheque is that it can invoke what economists and philosophers like to call the law of unintended consequences. The Minister has just given the House an example of that law, as it applies to the comments made in this House yesterday by him and the Taoiseach. They asked yesterday to be given a blank cheque to deal with six institutions with a rough net asset position of €80 billion. Tonight, the Minister has said that the guarantee is potentially available to all applicants.

**Deputy Brian Lenihan:** No. The Government has not yet made a decision on that.

**Deputy Joan Burton:** The Minister said that it is potentially open to all applicants. I heard him say it.

**Deputy Paul Gogarty:** He also pointed out the——

**Deputy Joan Burton:** He specifically mentioned an issue that has been raised by a number of Deputies, particularly on this side of the House, in respect of a named institution, the Ulster Bank. Is this a Pandora's box? Are we opening Pandora's box? Is the law of unintended consequences coming into effect? Yesterday, the Minister was confident that the guarantee was confined to six institutions. Today, he has listened to arguments suggesting that three other institutions may be involved. A guarantee of €60 billion would potentially apply to one of the institutions in question.

**Deputy Brian Lenihan:** As this is Committee Stage, I will have an opportunity to reply to the Deputy.

**Deputy Joan Burton:** It was the Minister who stood up and said this. I am responding to him in all seriousness.

I would like to address the Labour Party's amendment. I will show why it is essential if we are to protect Irish taxpayers. The amendment states:

This Act (other than section 7) shall not come into operation until the Minister has published and laid before each House of the Oireachtas for its approval full particulars of the terms and conditions under section 6(4) including the terms and conditions of any scheme.

The phrase "terms and conditions under section 6(4)" refers to the vast powers being given to the Minister for Finance. We do not want to pry into the detailed business affairs of banks or other financial institutions. We want an outline framework that sets out the parameters of this scheme. People listening to this debate at home — including business people and other taxpayers — want that information. The Minister referred to the skeleton of the structure of the scheme. It may be a skeleton, but we want to see it so we have an idea of its dimension.

The Opposition parties are exercising a profound and important responsibility. This matter goes to the heart of the integrity and maintenance of our financial and banking systems. We are entitled to get more detail, confirmation and explanation from the Minister. It is not enough to say that officials in the Central Bank and the Financial Regulator are working on a scheme. Like Deputies on all sides of the House, I am a member of the Joint Committee on Finance and the Public Service. In recent years, I have been a member of the Committee of Public Accounts. Every time representatives of the Central Bank and the Financial Regulator attended meetings of those committees, they told us their systems were perfect.

**Deputy Bernard J. Durkan:** That is right.

**Deputy Joan Burton:** I accept they have a difficult, technical and sensitive job to do. As one problem after another came to light, they acknowledged that problems existed in the past, while maintaining that the system is fine now. As experienced parliamentarians, we are asking the Minister to level with us. We have been elected by the people to come here. The Government has certain responsibilities and powers, just as we do. As Opposition Deputies, we have the power to ask questions.

I intend to press this amendment. I thank the many people in the Labour Party who spoke with some consequence about the implications of this measure. I also thank those in Fine Gael and Sinn Féin who spoke about the consequences of this. What we have to say on this is borne out by what the Minister has just told us with regard to the potential extension and the very brief statement I saw this evening made by a press secretary in the Minister's Department that there are further possibilities of other organisations and institutions being added to the scheme.

I accept what the Minister and the Taoiseach stated yesterday which is that this is about a guarantee. Nonetheless, section 6 contains sweeping powers for the Minister to provide any form of support to an institution which he or she deems fit. Among the forms which are listed are loans, equity, debentures, preferred stock, near equity and an entire description of practically every financial instrument of which I am aware. While the Minister spoke about guarantees, and I accept this is the intention, the law of unintended consequences has already moved in the 48 hours since the Minister spoke about this. The taxpayers of Ireland deserve the protection of this amendment.

**Deputy Richard Bruton:** I wish to make some brief comments. I am content to allow the guarantee scheme to operate with the Minister having discretion to apply it on the understanding that the Minister will return to the House with the scheme and provide us with an oppor-

tunity to approve it and not on the basis that we must have a Private Members' motion seeking to annul it. We need Government time committed to presenting this for debate and providing an opportunity for the House to sanction or reject it.

A rumour circulated throughout the House that the Minister would indicate in his reply that positive approval by the Dáil would be provided for. However, I did not hear it stated in his remarks. Perhaps I momentarily nodded off.

**Deputy Brian Lenihan:** I will reply to the Deputy. The amendment is in a subsequent section.

**Deputy Richard Bruton:** I realise that but in considering the amendment before us it is important that we know we will have a chance to have a positive role in approving or disapproving of the scheme.

I also wish to make it clear to the Minister that Fine Gael wants this scheme extended beyond what the Minister is now stating. The Minister has stated it will have the basis of charges and the revenue raised and the conditions under which it is granted to institutions. We are clear that in this scheme we want some detail of the new regulatory approach. The Minister has outlined some of the content that might include, which is encouraging.

I would welcome codes of practices for risk committees. That is something we have demanded consistently. It is vital that a person representing the public interest is appointed to these boards. I notice that already the regulator has stated this will happen. There needs to be clarity about lending practices for enterprise and checks on commissions and rewards. When this scheme comes forward we need to have not simply the basis on which people enter the doorway to this guarantee but also some of the rules which will apply when they are inside the doorway and the taxpayer is underpinning their performances.

I welcome the potential extension to other applicants. However, I am aware of the difficulties which the Minister has outlined. I do not underestimate these difficulties. There is a problem with us underwriting the ability of institutions which are substantially based elsewhere to raise money with our guarantee. We need to know we will have the regulatory control that is necessary and on which we are insisting even with regard to our own six banks. We must ensure we have these regulatory conditions and application with regard to the extension.

I welcome the extension, however, as there are significant players who are important to the competitive environment that exists in the banking sector. For many years, we lamented the lack of competition. It has improved in recent times and we do not want to see the ground gained in terms of competition being lost inadvertently. I am cognisant of the difficulties and I hope the Minister's work will succeed.

Will the Minister explain the €80 billion which he stated stands in the way of the taxpayer being called upon. Perhaps I am wrong but I understand this €80 billion is partly made up of approximately €25 billion in shareholder capital, and this is a buffer. However, some of it is made up of ECB loans. It is true that ECB loans are a buffer in one way but they are backed by an equivalent amount of premium assets on the other side of the balance sheet. The only reason the ECB has come in there is that it has pre-empted the premium assets on the other side.

One cannot subtract the €440 billion from the €520 billion and state there is €80 billion. One must subtract from the €520 billion that the ECB has pre-empted some of those assets. For that reason, it is my belief that the buffer is not as wide as the Minister has stated. The Taoiseach was very clear that he was including the ECB loans. They have pre-empted the premium assets in the balance sheets of those who offered those assets to the ECB to get the loans. The Minister's sums of subtracting one from the other to get €80 billion is not robust.

[Deputy Richard Bruton.]

If it is clear the Minister will return to the House with the scheme and that we will have an opportunity to debate it. We will not support this amendment because we feel the guarantee scheme should be allowed. It has brought stability and should be allowed to continue. We can return next week and debate the scheme. However, I want the scheme to be broader than the very limited terms which the Minister suggested it will cover.

**Deputy Pat Rabbitte:** Will the Minister be more clear with the House in terms of the admission of banks not headquartered in this jurisdiction? The statement he made in the first interview he gave on this yesterday morning made plain it was to refer to six institutions originating in this State. Now, he is stating that it will be wider than that, and it probably must be. How will the Minister ring-fence this? The Bill refers to credit institutions as defined in the Central Bank Act 1997. As I recall, under the 1992 regulations the definition states that a credit institution takes deposits on the high street. Will this be the definition? Will any bank licensed by the Central Bank to take deposits on the main street here be entitled to receive the protection of this guarantee? It is important that we have clarity on this.

To what extent will this expose the Irish taxpayer in terms of business done outside the State by these banks or the original banks? One of our banks has a significant influence in Poland. Is the Minister satisfied that he cleared the competition aspect of this? How will a local Polish bank view the liabilities of Irish Bank Limited, Main Street, Poland, being secured by the State? Did the Minister get clearance from the Commission on that?

I also wish to ask the Minister about the capacity of these banks to parcel up loans, including some of the bad loans, and sell them off as asset-backed securities. As the Minister knows, there are different ways in which the banks here source money. Approximately 40% is sourced from deposits, while other money is raised on the wholesale market or the interbank market. Some money is raised in asset-backed securities whereby a vehicle can be used to combine various loans and sell them off. In this situation it seems the banks will be able to put a Rialtas na hÉireann stamp on that and, if they want, a photograph of An tAire Airgeadas, Deputy Brian Lenihan, and sell them off on that basis. When the Minister talks about tighter regulatory control, what steps will be taken in that regard? It seems to be an invitation to banks that are so minded to use this stratagem to get some of the bad loans off their books. They will do that while fully secured by the Irish State's indemnity. I would appreciate if the Minister would make some attempt to address that point.

I welcome some of what the Minister said in his statement, including the fact that the scheme will be published next week. However, he did what everyone would do in his position — he answered the questions that he wanted to answer, but did not answer others. I am glad Deputy Tom Kitt came in to contribute to the debate because if he had not done so, there would not be any answers. Those of us who have been here since early this morning were glad he came in to raise questions of which none of us had thought. I would appreciate if the Minister could answer those questions when replying this time.

**Deputy Brian Lenihan:** At all stages in the drafting of this legislation it was appreciated by the Government that provision would have to be contained in the legislation dealing with credit institutions. A credit institution is an EU legal term which covers any bank in the EU. As Deputy Rabbitte rightly pointed out, many of the six named Irish domestic institutions have overseas subsidiaries and, therefore, a systemic issue could arise concerning the subsidiary for which the Irish State would be responsible. These entities are regulated by the Irish regulator. The asset figures disclosed to the House include their assets, as I understand the position. Therefore the asset figures I gave earlier include the overseas subsidiaries of the six domestic



institutions. It was always appreciated that a degree of flexibility would have to exist in the legislation, but no decision has been taken by the Government other than to provide the guarantee for the six institutions and to consider on a case by case basis both the overseas institutions and the local credit institutions in Ireland which have external ownership. As I said already, these institutions fall into different categories. Although I do not want to identify them, there are institutions which are wholly headquartered in other jurisdictions and do not have a domestic regulatory framework in this jurisdiction. Of course it is difficult to envisage circumstances in which the Irish State would then be in a position to provide a guarantee to them. Deputy Rabbitte also asked about the covered bonds.

**Deputy Pat Rabbitte:** What is the criterion? Is it the depositor relationship or is it the origin of where they are headquartered?

**Deputy Brian Lenihan:** No. The whole basis of the selection of the six institutions was that as a sovereign State we ultimately hold responsibility in political terms for these six institutions. They are the orphans of the international banking storm in the sense that they would be if they did not have Ireland behind them. All the other institutions based here have some other sovereign to look to. Clearly, for example, in the event of a catastrophic event here in Ireland, the institutions that are subsidiaries of a United Kingdom bank could look to Her Majesty.

**Deputy Pat Rabbitte:** The Minister said he may admit the Ulster Bank. I am asking him what are the criteria for the non-six. For those outside the six, what criteria will be brought to bear when the Minister is deciding on the submission whether to accept them or not?

**Deputy Brian Lenihan:** We are still devising appropriate criteria and standards to even evaluate the issue of whether they can be admitted. We have to proceed with great care and caution in this matter. The emergency which faced the Government last Monday evening related to the six Irish domestic institutions. We have dealt with that in the legislation. I do not think the House would have thanked me for bringing forward legislation next week containing a definition of “credit institution” to work out the consequences for credit institutions which are subsidiaries of these institutions or which are based in this jurisdiction. That is the position concerning that aspect of the Deputy’s question.

As regards the covered bonds, as I understand the position, a covered bond is a private contractual arrangement backed up by a security. That is something in which the State is not involved under this legislation other than by way of collateral guarantee, which is given to all banking transactions under this legislation. The Deputy graphically portrayed me as conferring some sort of stamp on that transaction, but that is not the case of course. What is the case, however, is that all borrowing by Irish banks, in whatever form it takes within the terms of the legislation, is guaranteed ultimately by the Irish State. That is what the legislation contains.

**Deputy Joan Burton:** May I ask a question?

**Deputy Brian Lenihan:** Deputy Rabbitte referred to the security. The assets, of course, are a security. They are nothing to do with the State.

**Deputy Joan Burton:** May I reply?

**Deputy Brian Lenihan:** I would like to reply to Deputy Bruton, if I may, because he raised the question of what my attitude was to an amendment — I think there is a similar amendment in the name of the Labour Party — concerning the issue of how the scheme would be submitted to the House. In the course of the debate, this matter was raised by Deputy Quinn who pointed

[Deputy Brian Lenihan.]

to the fact that whereas the relevant regulations under section 5 must be approved by the House, the current text of the Bill envisages, at section 6, that the scheme can be drawn up, submitted to the House and then the negative resolution procedure has to be invoked in the House to set it aside. A relevant consideration in drafting the section in that fashion was that we want to get this scheme done as rapidly as possible. Dáil Éireann may not be in session when the scheme is drawn up. It is very important for the Irish State, in the event that this legislation is enacted, that the scheme is drawn up as quickly as possible in order that we can go into the contractual arrangement with the bank on foot of the scheme. The contractual arrangements of course are confidential. The scheme lays out the overall framework, but the contractual arrangement on foot of the scheme is a confidential commercial document. It is essential for us that we enter into a relationship of stability with the banking system as rapidly as possible. That is why we wanted the legislation in that form.

I am prepared to accept the proposal made by both the Opposition parties that the regulation provision should require that the scheme be submitted to the House. It is important for the State, however, that when the scheme is devised and considered by the House that the House makes up its mind fast on whether it wants to accept or reject the scheme. We want to define our relations with these institutions in the shortest possible period. We have a guarantee of sorts, a moral undertaking given by the Government last Monday evening. We want it spelt out in black and white for the institutions concerned. That is the urgency in relation to the scheme. However, in view of the opinions expressed on this from the Opposition side, I will give an undertaking to the House that I will table an amendment in Seanad Éireann to reflect what has been suggested. That will allow the Bill to proceed to Seanad Éireann and be discussed by the Upper House later this evening, if the House decides not to amend it in any other respect. That is my attitude on that specific question, as raised by Deputy Bruton.

Deputy Bruton also raised the question of European Union collateral and its impact on the assets. While it is an attractive theoretical argument, the fact is the European Central Bank is not going to withdraw collateral from the Irish system. One of the big lessons the Government has learned from this crisis is the great value of our membership of the euro in the stability it affords to our system and the support we receive from it.

**Deputy Joan Burton:** The Department issued a statement that the Minister has indicated that he will consider applications to join the guarantee scheme from financial subsidiaries with a significant high street retail presence, and that they will be considered on a case-by-case basis. With regard to the extension of the scheme, does the Minister have a position at this stage on financial institutions based in the IFSC? What is the status of those institutions? The Labour Party is trying to get at the parameters of this guarantee as far as the taxpayers of Ireland are concerned. I have already spoken about the law of unintended consequences, and the Minister has already indicated that he is moving on to consider other applicants that want to join the scheme. I understand that the guarantees for one of those applicants would amount to €60 billion. This is why we want this scheme to come before the House before the Bill is enacted, and at least we should know the shape of it.

My understanding of what the Minister said was that he was specifically excluding questions of bank capital. He said that this was a liquidity rather than a solvency issue. His description tonight begs the question that while liquidity is the driving issue, what is underlying liquidity is the issue of the capitalisation of banks. Given that he has responded to other Members of the House, can the Minister indicate to me if he proposes to include capitalisation and recapitalisation by some of the banks included in the scheme to address what would appear to be impairment of assets, due in particular to their exposure to lending for land acquisition and construction? While most of us know about the construction impairment due to the bursting

of the construction bubble, most people in Ireland do not know the extent of the exposure within these banks or their subsidiaries, be it here or abroad. Some of their lending has concerned property abroad, but some of them have also been involved in trading in complex financial instruments such as derivatives. We do not know if there are SIVs involved. In his earlier comments the Minister seemed to imply — later I thought he contradicted himself — that recapitalisation was not a feature in his view. Is that factor to be included in the scheme that he has others working on, such as the Central Bank and the Financial Regulator?

The Minister did not mention either whether he valued the guarantee. There have been many estimates today ranging from a cheap €1 billion to €10 billion to €15 billion for a two-year guarantee at rates that apply for credit default swaps of a minimum of about 2%. I priced it earlier this morning at 1.5% in view of the favoured status of our own banks. Since then, many economists have said that it must be at 2% to 2.5% due to credit default swap rates. Can the Minister comment on this?

**Deputy Brian Lenihan:** Deputy Burton has raised a number of issues. The credit default swap issue and the various methods available to assess the credit rating of the relevant institution is something that my officials and officials of the Central Bank and the Financial Regulator have investigated. The Central Bank and the Financial Regulator will report to my officials on that and the scheme will be drawn up in the light of their advice. However, the scheme will have to be approved by the Government. I am not determining that issue in the House this evening, because I will await the advice I receive from the Central Bank. I will consider them with my officials in the drawing up of the scheme.

I take it that Deputy Burton referred to capitalisation in the context where she envisages the taxpayer making a direct equity investment in particular financial institutions. That certainly will not arise in the course of this scheme.

**Deputy Joan Burton:** No. It includes the banks, as part of the scheme, recapitalising to cover some of the impairment of their asset values for the reasons that I set out. I did not say anything about the taxpayer paying anything for this, God forbid.

**Deputy Brian Lenihan:** Then Deputy Burton is suggesting that the balance sheets of the banks should be revised as to assets and liabilities. Capitalisation is done in financial institutions by raising equity, and if the taxpayer does not put in the equity, the markets must put in the equity. The normal method of recourse for the banks is to make a rights issue and seek subscription from the public. However, as we know from this worldwide banking crisis, several financial institutions have had abortive rights issues and a judgment would have to be made as to whether a rights issue by the relevant commercial institution will be of benefit to it. That is a matter which can arise in the course of the implementation of this Bill, but it is not a matter which will arise in the scheme that will be submitted to the House next week. The State will not require an institution to conduct a rights issue and neither will the State commit taxpayers' money to the equity in these particular financial institutions. Therefore, the question of capitalisation does not arise in the scheme next week.

The other issue raised by Deputy Burton is the question of the assets and liabilities of the bank. When she refers to capitalisation, I think she is suggesting that the assets of the financial institution should be redefined. In the first instance, that is a matter for the auditors of the relevant institution and for the proper auditing and accounting practices that apply to that institution. An examination of this matter will be part of the involvement of the State with these institutions. However, I think I am right in saying it is not a matter which directly arises in the scheme which will be submitted next week.

Amendment put.

The Committee divided: Tá, 22; Níl, 74.

Tá

Broughan, Thomas P.  
Burton, Joan.  
Costello, Joe.  
Ferris, Martin.  
Gilmore, Eamon.  
Higgins, Michael D.  
Howlin, Brendan.  
Lynch, Ciarán.  
McManus, Liz.  
Morgan, Arthur.  
Ó Caoláin, Caoimhghín.

Ó Snodaigh, Aengus.  
O'Shea, Brian.  
O'Sullivan, Jan.  
Penrose, Willie.  
Rabbitte, Pat.  
Sherlock, Seán.  
Shortall, Róisín.  
Stagg, Emmet.  
Tuffy, Joanna.  
Upton, Mary.  
Wall, Jack.

Níl

Ahern, Dermot.  
Ahern, Michael.  
Ahern, Noel.  
Andrews, Barry.  
Andrews, Chris.  
Ardagh, Seán.  
Aylward, Bobby.  
Behan, Joe.  
Brady, Áine.  
Brady, Cyprian.  
Brady, Johnny.  
Browne, John.  
Byrne, Thomas.  
Calleary, Dara.  
Carey, Pat.  
Collins, Niall.  
Conlon, Margaret.  
Connick, Seán.  
Coughlan, Mary.  
Cregan, John.  
Cullen, Martin.  
Curran, John.  
Dempsey, Noel.  
Devins, Jimmy.  
Dooley, Timmy.  
Finneran, Michael.  
Fitzpatrick, Michael.  
Fleming, Seán.  
Flynn, Beverley.  
Gallagher, Pat The Cope.  
Gogarty, Paul.  
Gormley, John.  
Grealish, Noel.  
Hanafin, Mary.  
Harney, Mary.  
Haughey, Seán.  
Healy-Rae, Jackie.

Hector, Máire.  
Kenneally, Brendan.  
Kennedy, Michael.  
Kirk, Seamus.  
Kitt, Michael P.  
Kitt, Tom.  
Lenihan, Brian.  
Lenihan, Conor.  
Lowry, Michael.  
McGrath, Finian.  
McGrath, Mattie.  
McGrath, Michael.  
McGuinness, John.  
Mansergh, Martin.  
Moloney, John.  
Moynihan, Michael.  
Mulcahy, Michael.  
Nolan, M.J.  
Ó Cuív, Éamon.  
Ó Fearghaíl, Seán.  
O'Brien, Darragh.  
O'Connor, Charlie.  
O'Dea, Willie.  
O'Flynn, Noel.  
O'Keeffe, Batt.  
O'Keeffe, Edward.  
O'Rourke, Mary.  
O'Sullivan, Christy.  
Power, Seán.  
Roche, Dick.  
Ryan, Eamon.  
Sargent, Trevor.  
Scanlon, Eamon.  
Smith, Brendan.  
Treacy, Noel.  
White, Mary Alexandra.  
Woods, Michael.

Tellers: Tá, Deputies Emmet Stagg and Seán Sherlock; Níl, Deputies Pat Carey and John Cregan.

Amendment declared lost.

Progress reported; Committee to sit again.

**Allocation of Time: Motion.**

**Minister of State at the Department of the Taoiseach (Deputy Pat Carey):** I move:

That notwithstanding anything in Standing Orders that Committee and Remaining Stages of the Credit Institutions (Financial Support) Bill 2008 shall, if not previously concluded, be brought to a conclusion by one question in each case in accordance with the schedule below: sections 1 and 2, and any amendments thereto, after 40 minutes; sections 3 to 5, inclusive, and any amendments thereto, after 20 minutes; sections 6, and any amendments thereto, after 60 minutes; sections 7 to 9, inclusive, and any amendments thereto and Remaining Stages, after 30 minutes.

Question put and agreed to.

**Credit Institutions (Financial Support) Bill 2008: Committee Stage (Resumed) and Remaining Stages.**

SECTION 1.

Question proposed: "That section 1 stand part of the Bill."

**Deputy Richard Bruton:** In section 1 the Minister for Finance introduces a definition of "financial support" which includes a loan, a guarantee, an exchange of assets and any other kind of financial accommodation or support. So far in the debate it has been indicated the Bill will simply extend a guarantee from the State to the banks' depositors. However, in the Bill the Minister is taking power to provide much more than a guarantee. Under this definition, the Minister is providing for any kind of financial accommodation or support. Why is the Minister extending the definition from the guarantee? If he is offering support of a financial nature that is not in the nature of a guarantee such as straight cash, taking a preferential shareholding or some other vehicle he envisages under this definition, how will the Dáil become aware of it? If the Minister draws down funds for this purpose, it will be from the Central Fund and will not come before the House through the normal course of a Vote in which the Dáil could debate it. Why has it been decided to extend the definition? If he does take up these wider powers, how will the Dáil be informed?

While I do not want to appear obtuse, the Minister has indicated that the EU-backed elements on the liability side will always be there as a buffer. I may be incorrect but my understanding is that of the €520 billion of assets, the European Central Bank has taken an equivalent amount of the best assets.

**Deputy Brian Lenihan:** That is what central banks always do.

**Deputy Richard Bruton:** Yes. If that is the case, will the Minister explain how the €520 billion assets, which he claims are available, can be if the European Central Bank has pre-empted some of them? There seems to be an element of double-counting in building up to the €80 billion of a buffer.

**An Ceann Comhairle:** I am going to give precedence to the Opposition spokespersons for finance. Does Deputy Joan Burton wish to contribute?



**Deputy Joan Burton:** Can I have clarification about the times allocated for debate? We understood from the discussion between the Whips that there was to be a maximum of ten minutes on section 1 in order to allow the moving of the Labour Party's amendments on section 2, particularly amendment No. 2. Is that now interpreted as an open debate on section 1 which may use up the time allocated for section 2? That was not the understanding we were given by the Whips' agreement.

**Deputy Arthur Morgan:** Yes, that is correct.

**Deputy Joan Burton:** Otherwise in that event, I will beg the Ceann Comhairle's indulgence to move the section 2 amendments because it is important they are brought to the floor of the House in the spirit of democracy and the co-operation which we happily offered to the Minister earlier.

**An Ceann Comhairle:** It is an open debate. The Deputy is entitled to speak to the amendments and she can move them when we come to them.

**Deputy Richard Bruton:** One of the amendments in section 2 is in my name.

**An Ceann Comhairle:** I will call the Deputy again to speak on his amendment when we come to them.

**Deputy Joan Burton:** I also raised Deputy Richard Bruton's points on section 1 earlier. It is important for the Minister to remember he is taking powers not just to give guarantees but to allow himself take equity, loans, debentures, near-equities or other types of interests in banking companies. The Minister must respond to these issues.

I wish to speak about amendment No. 2 in the name of the Labour Party, which proposes that any financial institution that applies for the guarantees under this Act shall "agree not to offer to any of its officers or employees any share options during the currency of financial support and to limit the gross annual earnings of any of its officers or employees to not more than the gross earnings of the Minister for Finance during that period".

I am sure the Minister remembers Tom Wolfe's novel about financial greed and the Gordon Gekko motto that greed is good. The masters of the universe have become accustomed to earning extraordinarily large salaries. We know that the managing director of Irish Life and Permanent earns an annual salary of €1.4 million. In AIB, the figure is €2.1 million; Anglo Irish Bank, €3.3 million; Bank of Ireland, €3 million; and Irish Nationwide, €2.3 million per year. As the Irish taxpayer steps up to the plate to guarantee the borrowings of the Irish banks and, by extension, to underwrite the capacity of the banks to lend, why is the Minister not prepared to say to the Irish taxpayer that he will cap the remuneration packages enjoyed by these people? Many people regard that kind of remuneration, referred to as compensation by the recipients, to be obscene and, in the context of where the banks are now, completely unjustified and simply not appropriate any more.

The bonus culture, with wild deregulation, is what has led the international financial system, including the Irish financial system, unfortunately, to the position in which it now finds itself. When Lehman Brothers went to the wall the average bonus for thousands of its employees was \$245,000 per year. Why will the Minister not accept the Labour Party amendment?

If a bank was a delinquent teenager engaged in anti-social behaviour it would be given an ASBO. What about undermining the finances of a country? How anti-social is that kind of behaviour? Would such a teenager get an ASBO?

If a teenager was delinquent in terms of not attending school, he or she would be asked by a juvenile liaison officer or a teacher to enter into a contract to be of good behaviour. We are asking the Minister, as the head teacher *vis-à-vis* the banks, to say to the directors of the banks that he is not grounding them but putting a cap on their earnings because he wants to stop the kind of reckless behaviour that some banks indulged in. That behaviour was based on the premise that the more risks they took, the more rewards they get. If bankers sold financial products of dubious merit or bundled them and sold them on, the consequence was that their bonuses increased. Nobody examined whether those products had any end value. In the United States, such complex financial products have proven, in many cases, to be worthless. Why does that matter? It matters in the sense that ordinary people all over the world have their money in banks and depend on the security of such banks for the security of their savings, their employers depend on the credit facilities of banks to pay their employees and, as we all know, young people in Ireland depend on credit from banks to get a family home.

If the bonus culture is allowed to continue as it has operated to date and if the people to whom I refer are allowed to continue to receive extraordinarily large salaries or compensation, where is the incentive for them to change their behaviour? The Minister indicated earlier that he felt that the Labour Party proposal might be difficult to implement. In the context of the Irish taxpayer giving a €400 billion guarantee, which could increase to €460 billion, why are we afraid to ask these guys to make a sacrifice, to bring themselves down to the level of the mere Minister for Finance of the country? I do not know exactly what the Minister's salary or compensation is, but I believe he earns in the region of €250,000 to €300,000 gross per annum.

**Deputy Brian Lenihan:** Whose salary is the Deputy querying?

**Deputy Joan Burton:** The salary of the Minister for Finance.

**Deputy Pat Rabbitte:** He is worth every penny.

**Deputy Joan Burton:** I understand the Minister earns between €250,000 and €300,000. Is that correct?

**Deputy Brian Lenihan:** It is closer to the lower figure and subject to tax.

**Deputy Finian McGrath:** He is earning it tonight.

**Deputy Joan Burton:** Would it be such a hardship for some of these executives to come down to that level?

The important point is that such a provision would send out a signal that the historical era of free booting banking, reckless risk-based investment and the bonus culture is over, that we have turned a page and are now entering a different historical era in which banking concentrates on sound economic propositions and activity that creates employment and homes for people. That would be a very important signal to send out from this House tonight. In that context, I hope the Minister will consider the Labour Party amendment. We are trying to support the Minister here and I hope that in dealing with recalcitrant bankers, such support will be accepted by him.

The Minister referred to the National Treasury Management Agency, which could provide the framework by which the Minister could implement the Labour Party proposal. The chairperson and chief executive of that agency manages our national debt, arranges bonds and has a multitude of responsibilities in the financial area. Why not set up a simple review mechanism, through the agency, so that it can report on an annual basis to the Oireachtas Joint Committee on Finance and the Public Service or some other forum, on the structure of the compensation

[Deputy Joan Burton.]

scheme for the senior executives of participating institutions. In that way, the public could be advised of how the delinquent teenagers are getting on with regard to their good behaviour contracts.

**An Ceann Comhairle:** While I do not wish to interrupt Deputy Burton and am mindful that she has tabled two amendments, I must remind her that six other Members are offering and we only have 24 minutes remaining.

**Deputy Joan Burton:** I commend the Labour Party amendments to the Minister. My party also intends to support amendment No. 4, but I assume Deputy Bruton will speak on that. I recommend that the Minister take a brave stand on remuneration and do what taxpayers all over Ireland would wish.

**An Ceann Comhairle:** I cannot gag anybody but I remind all Members that we have very limited time and I am trying to bring in as many speakers as possible. I must also call the Minister at appropriate times to reply.

**Deputy Richard Bruton:** I will be brief. My amendment deals with banks which are currently facing difficulties and have many intensive care loans. We are told that estimates have been made of how many loans are non-performing. It is very important, now that the taxpayer is effectively the guarantor for deposits, that we have some solid assurances that work is being done within the banks to restructure their loan books. The Minister correctly said that if a bank is currently seeking capital it is very hard to get a rights issue. On the other hand, we have seen that very significant sums can be saved for restocking the banks by stopping dividends, for instance. The dividends in recent years have been as much as a billion in some major banks and that can contribute very significantly to rebuilding the capital base. If banks who have the benefit of this guarantee have a difficulty in their capital base, we the taxpayers will be in line to try to deal with the mess. We need to have assurances that the banks are applying rules in relation to putting money into capital that is correct and appropriate. If banks have impaired capital bases which need to be restored, they should not be paying dividends or bonuses. They should be curbing the pay of senior executives so that we can do everything to repair the capital base and ensure there is not a solvency issue that is being left unattended, confident in the knowledge that the liquidity problem has been solved. We have to be confident that the solvency issues are high priority and that everything reasonable and appropriate is being done.

The purpose of our amendment is to put the Minister, his appointee to the board and the regulator in a position to restrict the payment of dividends, bonuses and any other moneys, including remuneration. While I might not be as prescriptive as Deputy Burton in her amendment, I can fully understand the sentiment. We need to see the banks rolling back their pay settlements for senior executives in the light of the very grave situation which has led to this extraordinary action.

**Deputy Arthur Morgan:** I would like to support amendment No. 2 tabled by Deputy Burton, but I would have a problem with the possible outworking of it. Most of these payments are performance related or market related. The banks have been doing very well and that was the pretext for organising to pay themselves such very substantial salaries and additions. Clearly the market has dipped but it will come back again on foot of this backing by individual and business taxpayers. Would it not be ironic if that bounce experienced by the bank and the additional market share were to enable the continuance of these very substantial payments? That is a worry. On the other hand, the executives of many of these institutions might not remain for ten minutes after the coming into operation of such a salary scheme. If the best

people at the top were to be lost, clearly that would inhibit and damage the institutions which we are trying ensure will work well. The other side of that coin is that some of these executives have presided over some of the carry on which has led to the crisis and I would shed no tears to see some of them go from the financial institutions which have impacted negatively on the economy. The Minister might be in a position to tell us of any inquiries taking place by the regulatory authority, the Central Bank or the Garda fraud squad into some of the very dubious practices which clearly have been occurring in those institutions for a very long time.

**Deputy Finian McGrath:** I welcome the opportunity to speak on amendment No. 2 on the conditions on any applications for financial support. This also deals with the gross annual earnings of officers and employees. This is an important development because it is part of the broader debate. There are those in this House who do not accept that, but I strongly contend that it is part of the debate. The payment of obscenely high salaries to people who do not deliver should be challenged. Such people should be reminded of their responsibilities and amendment No. 2 is very important in this context. The game is up, lads, and regulation is the only game in town. Banking should be about more than profit. It is about people, housing, mortgages and employment. I ask the Minister to keep a close eye on these people. I welcome the Minister's reaction in recent days to the current crisis and I commend the decisive way he has handled it. I believe that internationally it will be respected. He gave the solid performance which was needed over the past few days.

I have always had a problem about the payment of hugely inflated salaries, many of which are higher than the salaries of elected people in this State. I believe there are already whisperings that people from the banking system who have negotiated this deal have got a good deal for the bankers. I have concerns about this and I urge the Minister to make sure that bad practice is not rewarded. I refer to the gross earnings mentioned in the amendment and I urge everyone to think of the people crucified by the banks over the years, mortgage holders and low income families. These are the real people in this affair and they should not be forgotten in this debate.

The Minister has stated that this guarantee is not free and that the taxpayer who ultimately underwrites this support will be remunerated for the value of the support provided and will get value for money. These are key issues and I urge the Minister to stick to that agenda. I welcome last night's statement from Deputy Arthur Morgan demanding a State bank. I urge the Minister to consider that proposition, which has huge potential to contribute to the development of our economy. Right-wing economics have not worked in the past and will not work in the future. We need sensible and radical ideas. We need banks and institutions which will make money for people and look after their interests. I commend amendment No. 2.

**Deputy Michael Mulcahy:** I want to address amendments Nos. 2 and 4. I agree with certain of the sentiments in both these amendments, but the wording is such that I would be almost compelled to vote against them. Deputy Burton should remember it is not just high-flying executives of the banks who have share options but hundreds, if not thousands, of ordinary employees in the banks who are motivated to work harder and more efficiently by these share options. It would not be fair to punish ordinary employees and say they cannot have any share options as a result of what has happened. Therefore, I would not be in a position to support the proposal in this regard.

I agree with Deputy Burton that the time has come, in a general sense, to consider the higher levels of remuneration in the banking system. In the United States, in particular, we have witnessed obscene levels of remuneration. Although I agree with the Deputy's sentiment, this

[Deputy Michael Mulcahy.]

is not the time or place to address this matter because it requires further review. Her proposal is not well thought out enough and we should, therefore, oppose it.

On amendment No. 4, I do not really disagree with the proposed new section 2(1). However, I do disagree with the proposed section 2(2). One does not want to strangle the banks. People buy bank shares in the first instance to have a pension on their retirement. A dividend for a common or garden investor is an essential part of the investment. One will see that one financial institution recently cut its dividend in half to do just what Deputy Bruton is proposing, that is, to recapitalise. Of course it makes sense but it does not make sense for the Dáil to prescribe to banks what they can and cannot do. The Minister has indicated clearly that the financial institutions concerned will be paying for the guarantee, which is the correct approach. The Minister stated — I accept his word on this and it will become evident in the future — the credit institutions will pay in proportion to the strength of the guarantee. This is the way it should be done and it is totally wrong of Deputy Bruton to suggest that the payment of dividends be more or less suspended for the period in question. Doing so could have the effect of destabilising the share price of the company on the international markets. I ask him to reconsider his proposed amendment.

**Deputy Pat Rabbitte:** The word “historic” is overused but it is quite clear that what we are doing is historic, as is what is happening on Capitol Hill. Some things will never be the same again. What Deputy Burton’s amendment and that of Deputy Bruton reflect is the concern across the world over the situation in which excessive greed on the part of the leadership of some financial institutions has landed the global financial system. A survey of chief executive officers of financial institutions in the United States showed that a typical chief executive officer earns in one day what an average worker earns in a year. This must not continue. Chief executives of some banks that went down in the United States were earning a salary of \$250,000 and walking away with a per annum bonus of \$23 million. This is the kind of dynamic that has driven the greed that has landed us in our current position. Regardless of how the amendments are framed, they reflect widespread concern over an issue that must be brought under control.

I support Deputy Bruton’s amendment. The additional point contained therein is critical in respect of the sick loans on some of the books of our own banks. If the Minister does not insist that they be teased out with the regulatory authority, we will be back where we started.

Let me refer to two of the definitions in the legislation, one of which was dealt with by Deputy Bruton, namely, that of “financial support”. The meat of this Bill is in section 6. It is the section that will make financial support possible, if deemed necessary. When the Minister launched this debate, the Taoiseach spoke to the House and referred to shareholders bearing the brunt. He implied the ECB was the next port of call, followed by the sector. He stated nothing would redound to the taxpayer as the sector would pick it up. I have never been quite able to get my head around that.

The definition of “financial support” no longer relates only to the question of the guarantee. We were told we were the guarantor of last resort but it now appears financial support can mean a loan, equity or something else. I am not necessarily concluding that the Minister should not have scope in this area, but he has not been very forthcoming with us about what he knows. I suspect we will learn a lot more about this matter immediately around the corner. If the Minister is contemplating changing the architecture of the Irish banking system, or if he knows there is a merger in the offing and needs the desired flexibility, he should tell us about it.

On the definition of “credit institution”, I am not opposing the Minister’s adding to list of six institutions. However, I would like to know whether any work has been done in the Depart-



ment on the criteria because money is flowing into our banks from Britain and even New York. It is a very serious matter to be disadvantaged not just in terms of that incoming money, but also in terms of money on deposit flowing out to one of the protected banks. This constitutes a real issue. It seems the Minister has not worked this out yet, which is fair enough, but we need some kind of indication as to the criteria that will be brought to bear in the circumstances I have outlined. There is a serious issue of competitive disadvantage at play and the Minister should give us some idea of his thinking.

**An Ceann Comhairle:** Five minutes remain and I must call on the Minister. I will however, give preference to Deputies Higgins, McCormack and O'Donnell on the next section.

**Deputy Pádraic McCormack:** On this section——

**An Ceann Comhairle:** I cannot allow Deputy McCormack because the Minister has only five minutes. I will give the Deputy preference on the next section.

**Deputy Brian Lenihan:** I would like to assist the House.

**Deputy Pádraic McCormack:** I did not delay the proceedings at any time today, and I have been here all day.

**An Ceann Comhairle:** There is nothing I can do and I must allow the Minister to contribute.

**Deputy Brian Lenihan:** If the Deputy has a short question, I will yield to him.

**Deputy Pádraic McCormack:** I support strongly amendment No. 2. Contrary to what Deputy Mulcahy stated, this is the time for action — there is no other time. We are giving now what we are giving to the institutions and we will go out of the House with no credibility if we do not tackle the issue of exorbitant salaries and send out a clear message in this regard. I noted today that some executives are earning €9,781 per day. How can we justify that? The second of the top three was earning €8,493 and the third was earning €6,301. We cannot have any credibility if we do not put a considerable cap on the expenses and salaries of those people. We cannot sell this to ordinary people.

**An Ceann Comhairle:** The Minister has just four minutes.

**Deputy Pádraic McCormack:** We must send out a signal. It will be no hardship on those people. They have their money well made by now.

**An Ceann Comhairle:** I must allow the Minister to come in. The Minister has three and a half minutes.

**Minister for Finance (Deputy Brian Lenihan):** With regard to the remuneration of chief executives and board members, raised by Deputy McCormack and which is the basis of the amendment tabled by Deputy Burton, I make it clear to the House that it is my firm intention that the scheme setting out the terms and conditions for banks availing of the guarantee will deal with the issue of remuneration. It is important I am not misunderstood on this point. I am not saying I see an appropriate role for the State in interfering in the commercial decision-making of any commercial body provided that decision is subject to appropriate corporate governance.

**Deputy Joan Burton:** Interfering?

**Deputy Brian Lenihan:** The reality is that, heretofore, finance and banking professionals have been highly valued and remunerated by the market. Financial institutions as a whole in Ireland, both domestic——

**Deputy Michael D. Higgins:** To work as gamblers.

**Deputy Brian Lenihan:** May I——

**An Ceann Comhairle:** Please, Deputy Higgins. The Minister only has three minutes and should proceed.

**Deputy Brian Lenihan:** Financial institutions as a whole in Ireland, both domestic and those in the Irish Financial Services Centre, need highly experienced, skilled and expert people to succeed. Success must be built on a sustainable basis. Rewarding excessive and imprudent risk-taking by executives is at the heart of the serious problems that have emerged in the international financial system. For the future, sensible and long-term sustainable remuneration policies must be part and parcel of how financial institutions go about their business in Ireland.

**Deputy Pádraic McCormack:** Will the Minister do something about it?

**An Ceann Comhairle:** As the time permitted for this debate has expired, I am required to put the following question in accordance with an order of the Dáil of this day: “That sections 1 and 2 are hereby agreed to in Committee and amendments Nos. 2 to 4, inclusive, are hereby negated.”

Question put.

The Committee divided: Tá, 73; Níl, 67.

Tá

Ahern, Dermot.  
Ahern, Michael.  
Ahern, Noel.  
Andrews, Barry.  
Andrews, Chris.  
Ardagh, Seán.  
Aylward, Bobby.  
Behan, Joe.  
Brady, Áine.  
Brady, Cyprian.  
Brady, Johnny.  
Browne, John.  
Byrne, Thomas.  
Calleary, Dara.  
Carey, Pat.  
Collins, Niall.  
Conlon, Margaret.  
Connick, Seán.  
Coughlan, Mary.  
Cregan, John.  
Cullen, Martin.  
Curran, John.  
Dempsey, Noel.  
Dooley, Timmy.  
Finneran, Michael.  
Fitzpatrick, Michael.  
Fleming, Seán.  
Flynn, Beverley.  
Gallagher, Pat The Cope.

Gogarty, Paul.  
Gormley, John.  
Grealish, Noel.  
Hanafin, Mary.  
Harney, Mary.  
Haughey, Seán.  
Healy-Rae, Jackie.  
Hector, Máire.  
Kenneally, Brendan.  
Kennedy, Michael.  
Kirk, Seamus.  
Kitt, Michael P.  
Kitt, Tom.  
Lenihan, Brian.  
Lenihan, Conor.  
Lowry, Michael.  
Mansergh, Martin.  
McGrath, Finian.  
McGrath, Mattie.  
McGrath, Michael.  
McGuinness, John.  
Moloney, John.  
Moynihan, Michael.  
Mulcahy, Michael.  
Nolan, M. J.  
Ó Cuív, Éamon.  
Ó Fearghail, Seán.  
O’Brien, Darragh.  
O’Connor, Charlie.

Tá—*continued*

O'Dea, Willie.  
 O'Flynn, Noel.  
 O'Keeffe, Batt.  
 O'Keeffe, Edward.  
 O'Rourke, Mary.  
 O'Sullivan, Christy.  
 Power, Seán.  
 Roche, Dick.

Ryan, Eamon.  
 Sargent, Trevor.  
 Scanlon, Eamon.  
 Smith, Brendan.  
 Treacy, Noel.  
 White, Mary Alexandra.  
 Woods, Michael.

Níl

Bannon, James.  
 Broughan, Thomas P.  
 Bruton, Richard.  
 Burke, Ulick.  
 Burton, Joan.  
 Byrne, Catherine.  
 Connaughton, Paul.  
 Coonan, Noel J.  
 Costello, Joe.  
 Coveney, Simon.  
 Crawford, Seymour.  
 Creed, Michael.  
 Creighton, Lucinda.  
 D'Arcy, Michael.  
 Deasy, John.  
 Deenihan, Jimmy.  
 Doyle, Andrew.  
 Durkan, Bernard J.  
 English, Damien.  
 Enright, Olwyn.  
 Feighan, Frank.  
 Ferris, Martin.  
 Flanagan, Charles.  
 Flanagan, Terence.  
 Gilmore, Eamon.  
 Hayes, Brian.  
 Hayes, Tom.  
 Higgins, Michael D.  
 Howlin, Brendan.  
 Kehoe, Paul.  
 Kenny, Enda.  
 Lynch, Ciarán.  
 McCormack, Pádraic.  
 McEntee, Shane.

McGinley, Dinny.  
 McHugh, Joe.  
 McManus, Liz.  
 Mitchell, Olivia.  
 Morgan, Arthur.  
 Naughten, Denis.  
 Neville, Dan.  
 Noonan, Michael.  
 Ó Caoláin, Caoimhghín.  
 Ó Snodaigh, Aengus.  
 O'Donnell, Kieran.  
 O'Dowd, Fergus.  
 O'Keeffe, Jim.  
 O'Mahony, John.  
 O'Shea, Brian.  
 O'Sullivan, Jan.  
 Penrose, Willie.  
 Perry, John.  
 Rabbitte, Pat.  
 Reilly, James.  
 Ring, Michael.  
 Shatter, Alan.  
 Sheahan, Tom.  
 Sheehan, P. J.  
 Sherlock, Seán.  
 Shortall, Róisín.  
 Stagg, Emmet.  
 Stanton, David.  
 Timmins, Billy.  
 Tuffy, Joanna.  
 Upton, Mary.  
 Varadkar, Leo.  
 Wall, Jack.

Tellers: Tá, Deputies Pat Carey and John Cregan; Níl, Deputies Paul Kehoe and Emmet Stagg.

Question declared carried.

#### NEW SECTION.

**Deputy Richard Bruton:** I move amendment No. 5:

In page 2, before section 3, to insert the following new section:

3. The Minister shall at all times in the operation of this Act be cognisant of the broader competitive environment along with the business needs of all banks with substantial operations in Ireland.

This amendment relates to banks operating in the jurisdiction which are not covered by the guarantee. We have had a considerable debate on the matter during the course of the day and

[Deputy Richard Bruton.]

I do not want to dwell on it. I wish to ask the Minister two questions about his intention to consider applications from banks outside of the six covered.

**Deputy Brian Lenihan:** What section are we on?

**Deputy Richard Bruton:** We are on amendment No. 5 which relates to banks operating in Ireland which are not covered by the guarantee. Will the Minister indicate the nature of the ring-fencing process that he envisages? Will he shed some light on how he hopes to set criteria for applicants which might seek this cover and how he will ring-fence the cover to ensure the taxpayer will not be exposed to guarantees that extend beyond the operations of these banks operating within the jurisdiction? Deputy Rabbitte and others have raised that issue.

While the Minister may not be in a position to answer the first question, he will certainly be in a position to answer the second, namely, whether the criteria and the ring-fencing approach will be set out in the scheme that will be brought to the House some day next week in order that we will know at that stage the details of how the banks that may be covered by the scheme but which are not among the six will be covered?

As we are dealing with sections 3, 4 and 5, I wish to ask the Minister about a provision in section 4, whereby the Central Fund will meet the payments the Minister may have to make. That will mean they will not be voted on by the House. If, for example, the Minister is availing of some of the wider forms of financial support, other than the guarantee outlined in the Bill, such as taking preference shares in some restructured entity or some other approach, how will the House become aware that has occurred and will there be an opportunity for it to debate the situation that has arisen, such that the Minister is taking preference shares or equity in any other shape or form? Dramatic things can happen where there is restructuring. For example, in the context of a merger, the Minister could find himself being asked to take responsibility for a certain portion of non-performing assets. We would like to know how that will be dealt with in terms of debate and what report-back there will be to the Dáil.

My final question relates to section 5. It is extraordinary to see such a section included in any legislation, as it gives power to the Minister to do anything that appears “necessary or expedient” to deliver his objectives in the Bill. Why does he consider it necessary to have such a belt and braces provision? Is there a particular power he may have to use the section to invoke that has not been provided for elsewhere?

**Deputy Joan Burton:** Section 5 is truly extraordinary. It gives the Minister enormous powers, with only very limited reference to the Dáil. It provides that the Minister may, in respect of any difficulty that arises in the operation of the Bill during the two-year period, make regulations to do anything that appears necessary or expedient in bringing the Bill into operation. I assume this would apply in the event that something went seriously wrong with the guarantee scheme or with one of the parties covered by the guarantee scheme. The various court cases to which Deputy Shatter referred indicate that the courts might take a dim view of the types of powers the Minister proposes to assign to himself under this legislation.

We have spoken about the end of the era of absolute deregulation in the banking system and of the activities of freebooting international institutions. However, in the changed circumstances in which we find ourselves, it is not the Minister’s job simply to protect the free market depredations of banks which may have acted wrongly and recklessly and, in the process, to close out the Dáil from debating their behaviour. However, that is what he seeks to do in assigning these powers to himself.

My amendments Nos. 6 and 7 propose that, rather than referring to another Minister should he so wish, the Minister for Finance should consult the Dáil for reference purposes. We suggest that the appropriate Oireachtas body for this purpose is the Joint Committee on Finance and the Public Service. There are a large number of Oireachtas committees and this would be an important job for this particular committee. The Minister's appointment is held to the Cabinet and Government. It is the latter which proposes legislation but it is the Oireachtas which enacts it. However, the Minister is seeking in this section to short-circuit the entire process. More importantly, he is seeking effectively to have an operation behind closed doors. That era of banking is over.

**Deputy Brian Lenihan:** Is the Deputy referring to section 5?

**Deputy Joan Burton:** Yes. The Minister and his party must come to realise that the business of trying to protect banks who have engaged in delinquent behaviour should end. The legislation already provides the institutions in question with extraordinary guarantees but, in this section, the Minister is seeking to offer a further extraordinary shield of protection and privacy to banking institutions which may have been delinquent. The Minister should, together with his officials, reconsider the extraordinary powers he is taking unto himself.

**Deputy Arthur Morgan:** Section 5 affords the Minister truly extraordinary and sweeping powers to make regulations to do anything that appears necessary or expedient. My amendment No. 8 seeks to ensure that the Houses of the Oireachtas will at least have an opportunity to debate the regulations in question. The amendment proposes to amend subsection (3)(c) to specify that the Houses must not only pass but debate and pass the relevant resolutions. Every Member is acutely aware of the quantity of legislation increasingly being put through the House without debate or with little debate and a guillotine. Given that this legislation will apply only for a two-year period, it would be an excellent experiment to attach this requirement to hold a debate. In debating the proposed resolutions, Members would have an opportunity to tease out the issues. The public could be satisfied that such a debate would ensure that quality-proofing is applied to all such proposals. I hope the Minister will consider this amendment.

**Deputy Caoimhghín Ó Caoláin:** There can be no question but that the outworking of the terms of this Bill — the implementation of the powers to be vested in the Minister — will be our only opportunity to have full access to and exposure of the detail of the Bill's intent and that of the Minister. Under section 5, which provides for regulations dealing with the general implementation of the Act, it is proposed that the Minister, in making regulations under this section, can do so only with the approval of each of the Houses of the Oireachtas. Every Opposition Member knows that the debate that has taken place yesterday and today, and which will conclude tonight, is likely to be the last time we will have a chance to thoroughly examine what is proposed. However, the Minister still holds key and critical cards which he will not place on the table.

There is only one way that we can guarantee that we will not see, at some time in the future, an Order Paper that contains a motion seeking to take X, Y and Z resolutions from the Minister without debate. That has been the pattern heretofore and it is exactly how it will work out in this case unless it is enshrined in the legislation that a debate is essential in coming to the determination of each House's position in regard to the proposition involved. Before we pass any of the resolutions concerned, it must be guaranteed within the legislation that a full debate will take place in this Chamber. The only way that can be guaranteed is by accepting Deputy Morgan's amendment No. 8. I appeal to both Fine Gael and the Labour Party to recognise the



[Deputy Caoimhghín Ó Caoláin.]

importance of retaining the right of full scrutiny in regard to the outworking of the legislation and the Minister's intent in the future. I hope the Minister will accept the amendment. That would be the most appropriate response to the proposition. If he does not do so, I expect Deputy Morgan will press his amendment.

**Deputy Pat Rabbitte:** The first part of section 5 is effectively a sunset clause. Why is a timeframe of two years specified? Why is it not one year or three years? I especially ask this question in the context of the Minister's approach to Brussels. Is the intention to convey that the legislation is to deal with an emergency and is for an emergency period only? We have made several attempts to discover from the Minister the tenor of his exchanges with the European Union on this matter. It seems the relevant Commissioner is less than pleased with individual states taking decisions they feel they must take. The Minister has given no indication of the actions for which he got the nod or otherwise. Is it the case that the legislation would be classified as the provision of state aid if it did not contain this sunset clause? Why was a timeframe of two years chosen?

**Deputy Alan Shatter:** I wish to return to section 5(1) and the issues I previously raised with the Minister. It is an extremely odd section in terms of how it is phrased. It states:

The Minister may, in respect of any difficulty that arises in the operation of this Act during the period of 2 years beginning on the relevant date, make regulations to do anything that appears necessary or expedient for bringing this Act into operation.

It seems the Minister assumes the Act will come into operation immediately.

For this section to actually work, the final wording should read "to achieve the objectives of the Act". In the context of the breadth of powers the Minister is giving himself, it is extraordinary that a contradiction is built into this. The Act will already be in operation but then something additional must be done to bring it into operation. There is a technical problem with the way that section is phrased. I suggest that the Minister look at it between now and Report Stage. A very minor amendment is required.

Section 5(2) seems to create the possibility that the Minister could amend the Act by way of regulations. I refer to the breadth of the powers contained in that section. I have already raised certain constitutional issues with the Minister and heard his response to what I said. I still believe there is a difficulty, although the Minister indicated that difficulty does not arise because he will not make a statutory instrument. However, he will introduce a scheme and can impose particular conditions on banks. We raised this before in regard to section 6.

Under section 5, the Minister is also giving himself substantial discretions. He referred to section 6 previously. What constitutional advice has he received about section 5(1) and (2)?

**Deputy Michael Noonan:** I have much sympathy for the Minister as it is difficult to bring in emergency legislation. There is always the doubt, despite the excellent advice from officials, bankers and regulators, that in the middle of the night when one is tired, one will forget something. It is very important section 5 is included in the Bill because, effectively, it means that if one forgets something and something is required to implement this, it is better to have the power to do it, otherwise we will all be back here for another week. I have much sympathy for the Minister and I support the section.

The Minister gave a commitment to Deputy Bruton earlier that he would introduce an amendment in the Seanad. The formula for affirmative regulation is readily available. His officials could produce that in 30 seconds. He should amend the Bill in this House, otherwise it will have to come back here from the Seanad.

**Deputy Brian Lenihan:** The reason we are doing it this way is that the Seanad is sitting later this morning and the Bill could not be dealt with by the Bills Office in time for the Seanad if we were to amend it here. We will be back at 10.30 a.m. to deal with the Bill if the Seanad chooses to amend it.

On Deputy Shatter's point in regard to section 5, Deputy Bruton should note also that the regulations under section 5 must be approved by the Oireachtas. The section must be construed in accordance with the Constitution because it creates law making powers and, therefore, cannot be used to repeal the provisions of the Act. That is constitutionally clear. As Deputy Noonan pointed out, there is nothing unusual in having a supplementary clause of this type. However, I will arrange for my officials to examine the specific technical drafting issue raised by Deputy Shatter to see whether it can be addressed. I will try to come back to that particular issue on Report Stage if Deputy Shatter so wishes.

Deputy Bruton asked me what factors would be taken into account in regard to any application for extension of the guarantee. Clearly, the first and most important factor is the factor in the legislation itself which is that relating to financial instability, or the stability of the financial system in the State. That is the fundamental factor. Legal advice must be obtained on all the different aspects of this issue, both under domestic and European law.

Deputy Rabbitte raised a very important question in regard to the two year time period. That period of time was arrived at on Monday evening having had regard to all the evidence available to us on what period of time was appropriate for this guarantee. Deputy Rabbitte will understand that in matters connected with an assessment of banking, the scope for prior disclosure by the State to the authorities in Brussels is somewhat limited. I arranged for the relevant Commission officials to be briefed on this matter as soon as the Government made its announcement on Tuesday morning.

However, the issue raised by Deputy Rabbitte was the duration of the guarantee. Again, the Government arrived at a decision on that following advice from the Attorney General and having regard to the assessment we made of the threat which then existed to the financial stability of the sector.

**Deputy Pat Rabbitte:** We will be back.

**An Ceann Comhairle:** As the time permitted for this debate has expired, I am required to put the following question in accordance with an Order of the Dáil of this day: "That sections 3, 4 and 5 are hereby agreed to in Committee and amendments Nos. 5 to 8, inclusive, are hereby negated."

Question put.

The Committee divided: Tá, 74; Níl, 67.

Tá

Ahern, Dermot.  
 Ahern, Michael.  
 Ahern, Noel.  
 Andrews, Barry.  
 Andrews, Chris.  
 Ardagh, Seán.  
 Aylward, Bobby.  
 Behan, Joe.  
 Brady, Áine.  
 Brady, Cyprian.  
 Brady, Johnny.  
 Browne, John.  
 Byrne, Thomas.  
 Calleary, Dara.  
 Carey, Pat.  
 Collins, Niall.  
 Conlon, Margaret.  
 Connick, Seán.  
 Coughlan, Mary.  
 Cregan, John.  
 Cullen, Martin.  
 Curran, John.  
 Dempsey, Noel.  
 Devins, Jimmy.  
 Dooley, Timmy.  
 Finneran, Michael.  
 Fitzpatrick, Michael.  
 Fleming, Seán.  
 Flynn, Beverley.  
 Gallagher, Pat The Cope.  
 Gogarty, Paul.  
 Gormley, John.  
 Grealish, Noel.  
 Hanafin, Mary.  
 Harney, Mary.  
 Haughey, Seán.  
 Healy-Rae, Jackie.

Hector, Máire.  
 Kenneally, Brendan.  
 Kennedy, Michael.  
 Kirk, Seamus.  
 Kitt, Michael P.  
 Kitt, Tom.  
 Lenihan, Brian.  
 Lenihan, Conor.  
 Lowry, Michael.  
 Mansergh, Martin.  
 McGrath, Finian.  
 McGrath, Mattie.  
 McGrath, Michael.  
 McGuinness, John.  
 Moloney, John.  
 Moynihan, Michael.  
 Mulcahy, Michael.  
 Nolan, M. J.  
 Ó Cuív, Éamon.  
 Ó Fearghail, Seán.  
 O'Brien, Darragh.  
 O'Connor, Charlie.  
 O'Dea, Willie.  
 O'Flynn, Noel.  
 O'Keeffe, Batt.  
 O'Keeffe, Edward.  
 O'Rourke, Mary.  
 O'Sullivan, Christy.  
 Power, Seán.  
 Roche, Dick.  
 Ryan, Eamon.  
 Sargent, Trevor.  
 Scanlon, Eamon.  
 Smith, Brendan.  
 Treacy, Noel.  
 White, Mary Alexandra.  
 Woods, Michael.

Níl

Bannon, James.  
 Breen, Pat.  
 Broughan, Thomas P.  
 Bruton, Richard.  
 Burke, Ulick.  
 Burton, Joan.  
 Byrne, Catherine.  
 Connaughton, Paul.  
 Coonan, Noel J.  
 Costello, Joe.  
 Coveney, Simon.  
 Crawford, Seymour.  
 Creed, Michael.  
 Creighton, Lucinda.  
 D'Arcy, Michael.  
 Deasy, John.  
 Deenihan, Jimmy.  
 Doyle, Andrew.  
 Durkan, Bernard J.  
 English, Damien.  
 Enright, Olwyn.  
 Feighan, Frank.

Ferris, Martin.  
 Flanagan, Charles.  
 Flanagan, Terence.  
 Gilmore, Eamon.  
 Hayes, Brian.  
 Hayes, Tom.  
 Higgins, Michael D.  
 Howlin, Brendan.  
 Kehoe, Paul.  
 Kenny, Enda.  
 Lynch, Ciarán.  
 McCormack, Pádraic.  
 McEntee, Shane.  
 McGinley, Dinny.  
 McHugh, Joe.  
 McManus, Liz.  
 Mitchell, Olivia.  
 Morgan, Arthur.  
 Neville, Dan.  
 Noonan, Michael.  
 Ó Caoláin, Caoimhghín.  
 Ó Snodaigh, Aengus.

Níl—*continued*

O'Donnell, Kieran.  
O'Dowd, Fergus.  
O'Keeffe, Jim.  
O'Mahony, John.  
O'Shea, Brian.  
O'Sullivan, Jan.  
Penrose, Willie.  
Perry, John.  
Rabbitte, Pat.  
Reilly, James.  
Ring, Michael.  
Shatter, Alan.

Sheahan, Tom.  
Sheehan, P. J.  
Sherlock, Seán.  
Shortall, Róisín.  
Stagg, Emmet.  
Stanton, David.  
Timmins, Billy.  
Tuffy, Joanna.  
Upton, Mary.  
Varadkar, Leo.  
Wall, Jack.

Tellers: Tá, Deputies Pat Carey and John Cregan; Níl, Deputies Paul Kehoe and Emmet Stagg.

Question declared carried.

#### SECTION 6.

Question proposed: "That section 6 stand part of the Bill."

**Deputy Richard Bruton:** This section is the main meat of the Bill and there are several amendments to which I wish to speak. I will deal with them as quickly as I can. Amendment No. 10 arises from concern that the Minister, in defining the guarantee and the types of deposit to be guaranteed, appears to extend the definition in the Bill compared to what he said in the press release he issued yesterday. In other words, he is saying the financial support and other guarantees may be made in respect of borrowings, liabilities and obligations of any credit institution. This is wider than the definition we saw previously. We want an assurance that this does not reduce shareholders' equity that would act as a buffer to protect taxpayers. We want reassurance as to why this wider definition of what financial support can be given.

We endorse amendment No. 12 in the name of Deputy Joan Burton and me. I admit she was author of the amendment. It is a good idea that there be a report to the Public Accounts Committee on the operation of the Bill. This would provide reassurance that it is operating as the Dáil hopes and that the schemes, regulations and conditions we have made were not only approved but over time have worked in the way intended.

Amendment No. 14 in my name — Deputy Burton put forward a similar amendment — looks at the provision the Minister appears to make that he can provide guarantees on a non-commercial basis. This debate has been based on the understanding that the guarantee will be provided on a commercial basis, but he now he appears to be giving himself the power to decide that in some instances it would not be a commercial guarantee. I cannot understand the reason for this. To satisfy State aid rules the Bill must pass, and the Minister could not provide for a situation where support of this nature would be provided on a non-commercial basis. Therefore, I seek to delete the option of non-commercial terms being offered in this instance.

The Minister has agreed that a scheme will be laid before the House. He also seems to indicate that apart from the general scheme, there may be individual separate agreements. Presumably, these would be agreements negotiated with individual institutions. I understand there may be confidentiality attaching to elements of some agreements, but I am uneasy about the fact that there may be wholesale departure from the general scheme through individual agreements. Will the Minister explain the reason for individual agreements? We should be entitled to see a broad outline of the areas in which an individual agreement will differ from the general scheme if this is to be part of the rolling out of the Bill.

[Deputy Richard Bruton.]

I welcome the Minister's indication that he will produce an amendment in the Seanad that will provide that the scheme will come to the House with the opportunity for debate and approval. I understand he will produce a draft that he will table in the Seanad before the Bill returns to the House in the morning. Will he indicate or read to us the terms of that scheme? I hope we will have time in the morning to satisfy ourselves on that.

In amendment No. 23 I have raised an important consideration. In the scheme he outlined earlier, the Minister said it would involve the basis on which charges were to be made and the conditions under which admittance to the scheme was granted. If that is all the scheme contains, it only tells us what the terms are for an institution to get in the door of the guarantee. It does not tell us about their obligations when inside the door and covered by the taxpayers' guarantee. My amendment seeks to ensure the scheme includes some of the other elements outlined by the Minister as to how the new regulatory approach will apply now the taxpayer is guaranteeing the deposit. If the taxpayer is guaranteeing the deposits raised, we need assurances with regard to how the moneys will be used. We must be assured it will not be used for building property in eastern Europe or for gambling on derivatives, but, as the Minister said, for enterprise in Ireland. It must be used in a proper way and we must have codes of practice in place with regard to risk. When the Minister presents his scheme, it should pin down the wider terms and I hope he will indicate that is the intention.

Amendment No. 26 is at the core of what we have asked. I welcome the Minister's indication that he is positively disposed to having a public interest member on the boards of the banks covered by the scheme. We want to see such a person there riding shotgun for the public interest. We also want to see that person or someone else on the risk assessment committee. The reason is that it is conceivable that a bank familiar with property dealing could decide, now that it has access to funds, that it should go into property development in Poland or Bulgaria on the back of taxpayer guaranteed deposits. That would not be in accord with the intention of this legislation. It is important to pin down the terms of the scheme and that is the purpose of our amendments.

I left out amendment No. 16, which proposes to delete the words "Without prejudice to the Minister's discretion, all" and to substitute "All" so that it reads "All financial support will be recovered" from the credit institution. Why is there a need to include the retention of discretion by the Minister? If the scheme is to get through the State aid rules, it is difficult to see how the Minister can retain discretion to not recoup the support he provides. To protect the taxpayer and ensure the legislation is robust and will withstand any examination under State aid rules, the deletion should be made.

**Deputy Joan Burton:** This section is the heart of the Bill. It seeks to give the Minister extraordinary powers for the kind of scheme drawn up, whether and what will be paid by participants for the scheme and what the scheme will consist of. We have heard the Taoiseach and the Minister talk about it as a guarantee scheme but the section makes it very clear that it extends over a whole range of potential assistance, not just guarantees but injections of capital, equity stakes and other investments, including loans to the affected companies.

The difficulty is that, for instance, in section 9 on page 4 of the Bill we have essentially the recreation of something which most people will probably only have heard about in economic history textbooks, a kind of Fóir Teoranta approach. Thirty years ago if companies were failing — it was a difficulty at that time — the State could go in and effectively take a kind of debenture or loan capital in the company which would pay a rate of interest. In many cases the capital advanced was never recovered and neither was the interest on the loan because the institutions were never able to pay. The Bill provides that the Minister may subscribe for, take an allotment of or purchase shares or any other securities. There are echoes of the Fóir Teor-



anta model of very long ago. I do not know whether this was an inspiration. I know that homage was rightly paid to Dr. Ken Whitaker on the anniversary of the economic plan and I wonder if there was some conversation about what used to happen in times gone by.

The Labour Party's amendment No. 12 provides for an oversight board consisting of three persons appointed by the Committee of Public Accounts of Dáil Éireann who are persons of international expertise and repute who would report every six months to the Committee of Public Accounts on the operation of the Act. That kind of oversight is essential unless the Minister or his successor is not to run riot or be run over by the financial institutions which are getting this fantastic guarantee. It is a tremendous guarantee that is being advanced and I costed it at between €1 billion and €12 billion in terms of the two year guarantee and the assets which the Minister has described as being subject to the guarantee. We want some oversight and I will be tremendously disappointed if the Minister is unable to respond to this request. The Labour Party is presenting this amendment and Fine Gael is supporting it. The Minister has shown himself very disinclined to accept anything from the Opposition. He would be well advised to take this on board.

Our amendment No. 13 deals with the obligations of a credit institution to take all measures to avoid abuse of the financial support in accordance with the detailed scheme. There must be effective oversight mechanisms. What is to prevent some of the beneficiary institutions using the status and security of the guarantee to gamble recklessly again in their lending practices and the financial instruments in which they trade and speculate? We do not want the word "may" in the legislation; we want "shall". I remind the Minister that the last time a Fianna Fáil Government came into the House with a deal worked out with outside organisations, it was in relation to the redress scheme. Religious orders were to pay €127 million or €128 million, which was to be equally matched by State liability. In the end the State paid to the tune of almost €1 billion. Fianna Fáil has form on this, an arrangement worked out for an apparently good purpose which was generally supported in principle by many of the parties to assist the victims who were the object of the redress scheme. In the end it was the taxpayer who paid for the scheme, although we were told that the religious orders would contribute significantly. We want the taxpayers' interest protected and that is the purpose of these amendments.

Our amendment No. 14, which Deputy Bruton has also put forward, seeks to delete the provision for non-commercial terms which the Minister has included. It is not unreasonable to delete that provision, given that he has said that the terms on which the guarantee will be provided will be commercial terms. Amendments Nos. 20, 21 and 22 are grouped. It is provided that a draft shall be laid before each House of the Oireachtas and shall not be made unless resolutions approving the draft are passed by each House. That is removing the annoying references and replacing them with positives. Fine Gael amendment No. 21 is similar, as is No. 22. It would be outrageous if the Minister were to refuse to accept amendments which represent the views of both Labour and Fine Gael.

Amendment No. 24 provides that it shall be a condition of an application that in the event that any of the participating institutions get financial support, the applicant shall issue shares to the Minister for Finance to a value equivalent to the amount paid by the State under the financial support scheme. This is the Swedish model. It has been acknowledged in the *Wall Street Journal*, the *Herald Tribune*, the *Financial Times* and around the world that the model voted in and adopted by the centre right and the centre left in 1992 when Sweden was in great difficulty rescued not only the Swedish banks but the Swedish economy from a bubble of a collapsed housing construction boom which had ricocheted and was threatening to destroy the Swedish banking system. It has received the widest of accolades and equity was part of it. We are urging the Minister to include it because effectively it draws in the financial institutions to behave responsibly and help to recover the financial system from the danger that it is in and thus help our economy and ultimately the construction sector to recover.

[Deputy Joan Burton.]

Amendment No. 25 refers to the interest rate to be applied. I also refer to amendment No. 26 tabled by Deputy Bruton. The Labour Party strongly supports the notion of appointing somebody to the risk management side of these various bodies.

A late amendment, No. 19a, which some Deputies may not have seen, was broadly accepted in a number of discussions today. It provides that in making a scheme the Minister may require credit institutions to make particular provision to meet the credit requirements of persons on low incomes and that the Minister shall consult the Money Advice and Budgeting Service in this regard. Many ordinary people are facing foreclosure on their mortgages. These will be the little victims of the credit crunch. We are asking the Minister to bring forward a scheme whereby account will be taken of the interests of people who may default on the mortgage on their family home. Given the tradition of the Minister's party and of his family, I will be astonished if he cannot accept the amendment in the name of the Labour Party to protect the most vulnerable victims of the credit crunch. If he does not do so, he will protect the high rollers but not the little people. I would say "Shame on the Minister" if that were so.

**Deputy Arthur Morgan:** I have four amendments on this section. I will deal with the first fairly substantially and the others very fleetingly. Amendment No. 11 seeks to restrict the risk to Irish taxpayers from credit institutions which are headquartered in this State. There appears to be some level of confusion in relation to this matter and I look forward to some clarification from the Minister. The Government statement issued yesterday at 7 a.m. referred to institutions which are headquartered in this State and that is fine. That was repeated throughout the day by the Taoiseach and last night in the contribution by the Minister, Deputy Gormley. I tabled the amendment because the Irish taxpayer is exposed to enough risk in terms of those institutions headquartered in the State rather than extending that risk to institutions headquartered outside the State. I appreciate the comments by the Minister earlier but I would like some further clarification. If he is now going to consider extending that cover to institutions which are headquartered outside the State, what criteria will apply? It is clear that banks have been able to circumvent some of the scrutiny measures in place by the Central Bank and bring matters to the point we are at now. Given the ability of the banks to evade regulation, how can we be sure that they will not be able to circumvent whatever rules will apply in this new circumstance to transfer some risk from a headquarter branch to a branch in this jurisdiction? This would mean that Irish taxpayers would be underwriting risk that they should not carry.

The Minister might elaborate on his comment regarding the Competition Commissioner, Neelie Kroes, who is talking about coming after us and all sorts of carry on. Has the Minister a position on that? Poor Neelie might be just upset that she was not consulted at the beginning.

We know that schemes along the lines of this one have been introduced by the Dutch, the Belgians and the French and Luxembourg Governments covering institutions in their jurisdictions. Can the Minister confirm that he has taken the advice of the Attorney General and that his officials have examined what happened on those occasions and if they are comparable in any way with what is happening here? This might ensure that there is no difficulty with the EU in that regard.

My amendment No. 15 seeks to add the words "within the confines of the Irish national interest" to subsection (4) following the reference to the terms and conditions which the Minister sees fit. This is intended to concentrate the Minister's attention and to reduce the wriggle room.

Amendment No. 18 seeks to insert the following subsection:

"(5) The Minister shall, on the passage of this Act, introduce a credit institution levy for the purpose of reducing the liability of the Government in respect of its financial guarantee."

This is self-explanatory.

My final amendment is No. 19 which states:

In page 3, subsection (4), between lines 22 and 23 to insert the following paragraph:

“(a) The State, through a scheme, shall recoup its investment at the earliest possible time, together with a consideration commensurate with the level of risk carried by the Exchequer in each case.”

This is to ensure that the taxpayer is guaranteed some reasonable return on the risk taken, not some superficial but a substantial return commensurate with the risk carried by the State.

**Deputy Michael Mulcahy:** I wish to comment on some of the proposed amendments. The key concept in section 6 is flexibility on the part of the Minister for Finance. We are dealing here with six financial institutions, and potentially more than 30, which will have various obligations and share structures. It is fallacious to think that we can devise a “one size fits all” approach to assisting these institutions. It is essential that the legislation should give the Minister the flexibility to deal with every institution and every situation in its individuality. Yes, he must report to the Dáil and be subject to Dáil approval, but he should not be hidebound.

Some of the comments by Deputies Burton and Bruton were not necessary. Many of the points they made are already covered in the subsections. For example, section 6(6) provides that the conditions under which the Minister provides financial support may include conditions regulating the commercial conduct of the credit institution or subsidiary to which the support is provided, and in particular may include conditions to regulate the competitive behaviour of that credit institution or subsidiary. Subsection (7) goes on to provide that the credit institution must fulfil the requirements imposed by the Central Bank or other authority, including those in relation to the conduct of its business. Those phrases are wide enough to encapsulate many of the points made by the two Deputies in the past few minutes. Some of their amendments are completely unnecessary. Subsections (6) and (7) of section 6 provide enough flexibility for the Minister to incorporate exactly what has been sought.

Another example is subsection (9) which provides that the Minister may subscribe for, take an allotment of or purchase shares and any other securities in a credit institution or subsidiary to which financial support is provided under this section on such terms as the Minister sees fit. That appears to cover absolutely the proposal made by Deputy Burton with regard to the State taking a shareholding in a credit institution. I do not believe her amendment is necessary.

Amendment No. 12 in the names of Deputies Joan Burton and Richard Bruton calls for three experts to report every six months to the Committee of Public Accounts. We have the Central Bank and a financial regulator. Why are they not capable of reporting to the Dáil or to any oversight committee set up by the Dáil?

**Deputy Joan Burton:** Because every time they come in they tell us everything is perfect.

**Deputy Michael Mulcahy:** Are we to set up another tier of expertise? We have people of the highest ability in the Central Bank and in the Financial Regulator’s office and I will be damned if we are going to hire more people. It is an insult to these people to say they are not capable of providing expertise.

**Deputy Michael Creed:** They made some mess of this. If they did their job, we might not have this problem.

**Deputy Alan Shatter:** They should have provided it over the past five. We would not then be debating this legislation.

**Deputy Michael Mulcahy:** I agree with the proposal in amendment No. 21 tabled by Deputy Richard Bruton. There is no provision in the Bill that individual agreements should be laid before the House. I accept that there might be problems with confidentiality but, subject to that consideration, I believe individual agreements should be laid before the House. The proposal in amendment No. 24 is completely covered by section 6(9). For that reason I oppose it.

**Deputy Michael D. Higgins:** In deference to other Members who wish to speak, I will be very brief. The Minister's description of his intentions to create a new culture in banking will be tested entirely by his attitude to amendment No. 19a, which simply asks the Government to address its concern to those who have been the victims of irresponsible lending and promotion of lending by banks.

Section 6(4) contains some extraordinary language, "all financial support provided shall so far as possible ultimately be recouped from the credit institution or subsidiary to which the support was provided". The taxpayer is entitled to some minimal protection. The use of the word "ultimately" seems to contradict some fundamental in the section. It should be clear that the Minister's powers to make regulations as they are in section 5(1) are entirely limited to the two-year period. Section 6(3) states that any financial support shall not be provided for any period beyond 29 September 2010. What about outstanding liabilities after 29 September 2010? If there were an ordinary debt, one might think that the statute of limitations might provide for that and there would be six years to recover what had been advanced. If it were given under his own seal, it would be 12 years. What is the meaning of "ultimately"? What is really said is that having advanced any assistance, supported by the taxpayer, going beyond a guarantee, it might or might not ever be recovered. The Minister is precise in the limit of his own powers in section 5 but entirely vague in using "ultimately" and "so far as possible" regarding the recovery of assets advanced in the name of the taxpayer.

**Deputy Kieran O'Donnell:** I refer to amendment No. 14 which relates to section 6(4). The guarantee must be at the commercial rate, a point about which I feel very strongly. There must be no cost to the taxpayer. The Taoiseach stated yesterday that any losses incurred by individual banks would be dealt with by way of levies on the banks. Is there legislation to allow this to take place? If not, does the Minister propose to introduce such a measure under section 5? As section 6(4) stands, there will be a cost to the taxpayer if a bank runs into severe trouble.

The Minister has said he is willing to accept the view expressed in amendment No. 21 and allow proposed measures to be debated rather than laid before the Houses. A due diligence procedure should be carried out in respect of the relevant banks, specifically to find out the prudential value of their loan book. Solvency is a key element. The Minister speaks about liquidity, but we must deal with solvency as well. When the markets have normalised, it is extremely important that the banks should be required to be capitalised to bring their tier one ratios above global norms. I would welcome the Minister's comments.

**Deputy Pat Rabbitte:** There are people already in danger of losing their houses. We have been talking about this Bill as if it were imposed on us by global events and no other factors were at play. Reckless lending is also a factor. I had a case recently of a young couple who, when they signed for a 100% mortgage, were invited to subscribe for a loan for a car. My colleague, Deputy Jack Wall, instanced at a parliamentary party meeting today a number of live cases of threatened repossessions. The community welfare officer believes he has a statutory obligation to ask for the original loan contract. If that document shows any imperfection, such as the customary practice, whether we like to admit it or not, of puffing up income for the purposes of securing a loan, the community welfare officer may offer no assistance on the mortgage repayments. That means repossessions are, inevitably, piling up. If and when these sections are invoked it is an entirely reasonable proposition for the banks concerned to be

required to make an appropriate contribution to support the calls because, unfortunately, they will be invoked more and more in the months ahead.

I invite the Minister again to talk about financial support. A definition was given earlier and we were curious as to why it was widened but this section gives the Minister the opportunity to deal with this important matter. Congressional oversight is a big issue in the American controversy. The Treasury Secretary tried to bring in a scheme that avoided any form of congressional oversight and he was voted down. It would be good for this House and would make its workings more relevant if there were a small number of Deputies who developed a specialism in banking and finance and in front of whom these people could appear on a regular basis, thus making them amenable to oversight and ensuring they dealt with questions which have been in the mind of many Members of this House for a very long time, even going back to before this storm broke.

Deputy Bruton's point about the dilution of the shareholder buffer is very important. I do not know how the Minister will respond to that amendment. It is all very well saying there is €80 billion to play around with before resorting to the unfortunate taxpayer but it is important that the dilution to which he referred is clarified. On the question of a beneficiary resorting to nefarious activities the Minister says we are going in deep. I will not rehash the arguments about the necessity for rigorous regulatory monitoring, supervision and control but it is in the nature of banking institutions that once the storm blows over and they are secure they will, in some instances, resort to the same nefarious practices that got us into this situation.

If the Minister does not accept this or other amendments he might give the House some idea of what he has in mind by the addition of those two words.

**Deputy Seán Barrett:** The success of this piece of legislation will be achieved if it is never used; that is the whole purpose of the exercise. The most important thing to build into the legislation is a provision whereby, if it is used, any money paid out will be repaid with interest

**Deputy Michael D. Higgins:** Yes.

**Deputy Seán Barrett:** That is my simple proposition. I hope it is never used and, to date, there have been signs it will not have to be used but whoever gets money should pay it back. I had the same query as Deputy Higgins on the timescale. Whether it be two years or five years the money should be paid back with interest.

To keep everybody happy, if subsection (15) was amended to provide for a report to be made to both Houses after 12 months, which was to have been six months, a provision should also be made for a report to be passed on to the Committee of Public Accounts or the Joint Committee on Finance and the Public Service, for them to debate and report back to this House. If the Minister amended the subsection a lot would be achieved and it would keep this House involved in the overall process.

**Deputy Andrew Doyle:** This section is the nub of the Bill. I voice my support for amendments Nos. 12 and 26. Some sort of oversight is the least that could be asked for. I do not accept it would create a new quango or layer of bureaucracy — we use consultants all the time.

Amendment No. 26 will, as Deputy Barrett said, hopefully never be used but, in the event that it is used, any public money which is spent must be scrutinised. The Minister has said he is willing to consider including outside institutions with banking operations in this country. In the event of an Irish institution with subsidiaries abroad getting into financial trouble or collapsing, putting a burden on the bank here — and there is a precedent in this case — would the protection mechanism proposed by the Bill overlap? Will it be necessary to use the provision in that case?



**Deputy Jimmy Deenihan:** I will make three points on section 6(2). It is very important the banks be obligated to report negative moves as soon as the information becomes available, both to the regulator and the Central Bank. If they do not do so they should be penalised. Banks should also be obligated to rotate their auditors more frequently, at least every two years which is not the case at the moment. Auditors should have to report to the regulator on a more frequent basis than at present, perhaps every two or three years. The Minister should include such obligations when he draws up the scheme.

**Deputy Alan Shatter:** I do not want to return to issues I raised earlier but, in connection with section 6, could the Minister explain to the House what happens if, once this legislation becomes operative, a foreign bank outside the State moves to take over one of the banks which will be covered by the legislation, in circumstances in which the proposed merger or acquisition is not necessary to maintain the stability of the financial system under the terms of section 7? Given that all the financial institutions in question trade on the stock market will he address that issue? A bank elsewhere could see a substantial advantage in making a bid to take over an Irish bank and back itself in to the guarantees we give by relocating their central operations in this State. What protections would exist in that context? What would happen if one of the major American banks in financial difficulty made a takeover bid for Bank of Ireland or AIB, deciding to operate from and base its main office in Ireland while turning its American operation into a subsidiary? Would we have to provide cover for a bank that has had no involvement in, and nothing to do with, our economy, in circumstances where the economy does not depend on its survival but on that of the bank it has moved to take over? What consideration has the Government given to such a move being made on the stockmarket in the days following the enactment of this legislation?

**Deputy Brian Lenihan:** Deputy Bruton and Deputy Rabbitte asked about the definition of financial support, which is very widely drawn in the definition clause in the Bill. Financial support includes a loan, a guarantee, an exchange of assets and any other kind of financial accommodation or support. The purpose of the legislation is to give, in the public interest, powers to the Minister to maintain the stability of the financial system in the State. The envisaged method on foot of this legislation for immediate implementation is the scheme that will be submitted to the Oireachtas in accordance with the amendments tabled by Deputies Burton and Bruton.

The precise issue of wider powers arises because it is important that the legislation provides for the exercise of wider powers should the circumstances require it and that is why a wide definition of “financial support” is provided for in the legislation. If any such support were to involve recourse to the Exchequer, it would be essential for the House to divide and for appropriation of the relevant funds to take place for that to be effective. Under section 8, the Government has power to transfer a function of the Minister for Finance to the National Treasury Management Agency by order to exercise commercial operations of the type described as “financial support”. That clarifies the functions of the NTMA in that regard. There is a view that the agency can carry out operations with the banks as matters stand but, to put the matter beyond doubt, especially in the context of financial instability, the agency can be assigned that function by the Government, although formally it is assigned to the Minister of Finance. I would not dream nowadays of doing any such thing because I do not have the relevant officers in my Department. They work for the NTMA on issues relating to public debt, bonds and securities and the management of funds.

The issue of making a report to the Committee of Public Accounts was also raised by Deputy Bruton. There is nothing to stop that committee or the Joint Committee on Finance and the Public Service examining the report prepared under the legislation. It is perfectly open to them and I do not understand why it is necessary to specify parliamentary procedures in a broader

way in the legislation. It is equally open to both committees to retain expert advice, if they obtain the relevant sanctions from the Houses of the Oireachtas Commission to examine and evaluate such a report. I do not understand why it is essential to write it into the legislation. That trespasses on Parliament's prerogatives in the matter. It is a matter for both committees if they wish to evaluate the report to seek such assistance and to make such arrangements in that regard.

I refer to the issue of the scheme and individual agreements. The scheme will be submitted to the Houses of the Oireachtas and the individual agreements will be commercial in character and, therefore, confidential. I envisage considerable difficulties in furnishing them to the House. The scheme will outline the nature of the agreements that can be arrived at. Deputy Bruton asked for a citation of the amendment I propose to move in the Seanad. It provides that where the Minister proposes to make a scheme under section 6(4), "he or she shall cause a draft of the proposed scheme to be laid before each House of the Oireachtas and he or she shall not make the scheme unless and until a resolution approving of the draft has been passed by each such House". The scheme will be submitted to both Houses where resolutions will be tabled and approved. That was agreed during this debate. I intend to table that in the Seanad and if the House accepts the amendment, it will return to this House for consideration later.

Deputy Bruton is seeking to appoint someone to the risk assessment committee. I am satisfied the Minister has adequate powers to impose such conditions as he or she thinks fit on any financial support provided. I can require the recipient of financial support to allow an observer to sit on any of its committees as a precondition of availing of such support. The amendment provides that someone "shall" be appointed, which limits my flexibility under the legislation to do many things. How the lending practices of institutions that benefit from this guarantee from the State are managed is a core issue and it was referred to by many Deputies. It is essential we do not trammel in any way our powers to monitor this position or to appoint people to sit on or observe committees or access records. The scheme and the agreements completed on foot of it will be precise in this regard.

**Deputy Pat Rabbitte:** How could putting it in the legislation trammel the Minister in any way?

**Deputy Brian Lenihan:** Because the legislation provides such a broad power and scope that it allows the Minister to take whatever steps are necessary to address that.

**Deputy Enda Kenny:** However, even if it is inserted in the legislation, the Minister will still be entitled to do anything he wishes.

**Deputy Brian Lenihan:** The legislation is not formulated that way. It allows any terms or conditions to be imposed on foot of the schemes in the contracts. We need as much as we can in regard to these entities.

**Deputy Enda Kenny:** That is for debate.

**Deputy Brian Lenihan:** The amendment provides that a person "shall" be appointed to the risk assessment committee and a person "shall" be appointed to the board. I have outlined my view on this. With regard to the risk assessment committee, an observer can be required to attend. I want to take a wide variety of measures to ensure no risk attaches to lending practices.

**Deputy Enda Kenny:** The Minister can, therefore, use that as a baseline.

**Deputy Brian Lenihan:** The mandatory character of the amendment limits the position rather than helps it. With regard to the boards, I have made it clear somebody should be on the board in the public interest. The details of that must be worked out with the relevant institutions.

[Deputy Brian Lenihan.]

They have either charters, constitutions, founding documents or articles of incorporation. Clearly, that cannot be imposed on a standard basis by the Oireachtas through legislative amendment tonight but I accept, under the powers provided to the Minister under the legislation, I can require this of the banks in the discussions I will have with them on the implementation of the scheme.

Deputy Bruton tabled an amendment relating to the Minister's discretion regarding such conditions and he proposes the deletion of the words "so far as possible". I do not propose to accept amendments Nos. 16 and 17. The spirit of amendment No. 16 is strongly in keeping with the Government's policy objective. It may not be possible in every circumstance for the relevant financial institution to make good the financial support provided. This may preclude the Minister from giving a guarantee to an institution in the interest of financial stability in circumstances where there is doubt that the credit institution will have the resources to repay. If the financial institution is unable to repay, as a matter of policy it is the stated intention of the Government to introduce a levy on the banks collectively. Deputy Barrett made a good point. The purpose of the legislation is to ensure banks survive and not to ensure they fail. Many contingencies are being understandably canvassed in the debate but the purpose of the Bill is to ensure banks succeed and this period of instability is removed.

I refer to Deputy Burton's amendments. She proposes that the obligations of a credit institution seeking financial support shall include an obligation to take all measures to avoid abuse of the financial support in accordance with the detailed scheme. That is unnecessary because it will be dealt in the scheme. Deputy Burton proposed an expert oversight board that would report to the PAC every six months. I have outlined my opinions on the functions of the PAC, but I was taken by Deputy Rabbitte's suggestion that we should consider having an informal committee on banking. At least, that is what I took his meaning to be.

**Deputy Joan Burton:** We are not having another committee. Would it not be more taxpayers' money down the Swanee? Is that the Minister's sole response.

**Deputy Brian Lenihan:** I have not proposed the establishment of such a committee. A member of the Deputy's party put forward the idea and I indicated that I would be receptive to it. When we discuss banking matters, it is important that we have some forum in which to do so with candour in the House.

**Deputy Joan Burton:** That is meant to be the Joint Committee on Finance and the Public Service, but people from the Central Bank, for example, attend and do not answer questions.

**An Ceann Comhairle:** The Minister's time has almost expired.

**Deputy Pat Rabbitte:** We could be here all day at this rate.

**Deputy Brian Lenihan:** It is difficult for the Central Bank to put matters on the record constantly, which would be reported on and observed in the financial press worldwide.

**Deputy Pat Rabbitte:** Amendment No. 19a.

**Deputy Brian Lenihan:** In the term "commercial or other terms", the deletion of the words "or other" in section 6(4) would mean that the Minister was precluded from providing financial support on other than commercial terms in circumstances of grave financial instability. This could impact on the Minister's role in maintaining financial stability and, therefore, I cannot accept the amendment.

**Deputy Joan Burton:** Could the Minister accede to the proposal——

**An Ceann Comhairle:** The time has expired.

**Deputy Joan Burton:** —to protect people who are in danger of losing their homes?

**An Ceann Comhairle:** I will allow the Minister time to reply.

**Deputy Brian Lenihan:** On amendment No. 19a the issue raised by the Deputy is important. It must be a priority for public policy to ensure that all have access to credit. This ensures that people do not find themselves needing to resort to the services provided by licensed moneylenders.

Having said this, section 5 provides for the preparation of a scheme relating to the issues encompassed by subsection 4 on the terms and conditions relating to the granting of the guarantee. The Minister is given a wide discretion in respect of these conditions, but it is difficult to see how a commercial guarantee could be conditioned by references to actual lending practices.

**Deputy Michael D. Higgins:** How would one get money back after the expiry date?

**Deputy Brian Lenihan:** It does not apply.

**An Ceann Comhairle:** As the time permitted for the debate has expired, I am required to put the following question in accordance with the Order of the Dáil of 1 October 2008: “That section 6 is hereby agreed to in Committee and that amendments Nos. 9a to 17, inclusive, and 19a to 28, inclusive, are hereby negatived.”

Question put and declared carried.

#### SECTION 7.

Question proposed: “That section 7 stand part of the Bill.”

**Deputy Emmet Stagg:** On a point of clarity, are we taking Report and Final Stages within this time slot?

**An Ceann Comhairle:** Yes.

**Deputy Richard Bruton:** I want to raise some questions regarding the merger legislation. I cannot understand how the Minister would want to override competition law where circumstances arise, where perhaps a consolidation is occurring that is in the interest of the financial system’s stability. What is not clear is why the Minister is not making provision for some role for the Dáil in such an event. A merger of that nature would be a considerable and momentous event. Most likely, the situation would entail the State taking on some part of the liabilities. In some of the consolidations in other countries, the state had to take on some responsibility for non-performing assets to attract another institution to take up the role envisaged for them.

It is possible that the consolidations, mergers and acquisitions that would occur here would have considerable implications for public policy as well as for the competition dimension. There must be some relationship to the Dáil. For example, at no point whether in issuing a certificate or in consulting on notification does there seem to be a more public opportunity to consider the action taken under these provisions. Since they are so particular and the powers have been taken in a situation in which the Minister will certify that the financial stability is in jeopardy, there must be an opportunity for a wider debate here. It would be unthinkable not to have a debate in those circumstances. While I accept the necessity for this section, will the Minister indicate whether there is scope for a role for the Dáil?

[Deputy Richard Bruton.]

On section 8, will the Minister outline what he envisages the role of the National Treasury Management Agency to be in these circumstances? In the normal course of events, the NTMA has purchased securitised mortgages as a simply commercial arrangement presumably, on behalf of the pensions reserve board. Given that it already plays a role in taking up securitised mortgages, it would be worthwhile for the Minister to outline to the House the role he envisages for the NTMA. Will that role be protected in the same way as the Minister's role? He will have detailed powers of supervision, but will they continue to be exercised when practical operations have moved elsewhere? Will there be joined up thinking and operation when that occurs?

**Deputy Joan Burton:** There will be much work for lawyers in this legislation. Under section 7, which addresses mergers and acquisitions, power will lie with the Minister rather than the Competition Authority. Has the Minister heard from the authority, which is normally aggressive in defending its territory?

Section 8 addresses the role of the NTMA, which has done a good job in its management of the national debt. However, the Minister indicated that he only intends levying a charge in respect of the guarantees being offered in the event of the guarantee being drawn down. Irrespective of whether this is his intent; it was the implication in his note. The provision of the guarantee imposes a cost on the taxpayer because it has a contingent liability note to the national debt, raising the cost of Government borrowing. Will the Minister clarify whether the NTMA will levy a charge?

One of our amendments ruled out of order by the Ceann Comhairle would have made a provision for the charge to be known as the "credit institutions guarantee charge". It would have ensured that, from the moment the legislation was in place, the taxpayers would charge for the guarantees so that they could recover the cost of the guarantee. The Minister's response was distinctly at odds with the notion he and the Taoiseach set out, namely, that the Bill would ultimately incur zero cost to the taxpayer. Will a charge be levied by the NTMA from tomorrow or the day after when the Bill has gone into full provision? That is something we need to know.

This session includes the Report and Final Stages of the Bill. We have tabled a whole series of reasonable amendments to the Minister's Bill which have sought to protect fundamentally the interests of the Irish taxpayer. They have sought to provide a basis for reform of the behaviour of those within the banking industry who have proved to be reckless with other people's money. We gave two examples, recklessness in relation to the construction industry and lending for land speculation. There was also recklessness in trading in products, many of which have turned out to be worthless. In terms of Irish banking, much of which is solid and profitable, this is the area where the losses, poor credit risks and poor loan books have built up.

The Bill contains many instances of the phrase, "The Minister may.....". There is very little to the effect that "The Minister shall.....". When we reflect on the redress scheme the Minister's party presented, we recall that we were told the religious orders would pay a significant amount, and that the burden on the taxpayer would be relatively modest. That turned out to constitute, as Deputy Rabbitte and I discovered on inquiry, an enormous burden on the taxpayer and a relatively small burden on the religious orders. I hope we are not heading down the same road, where the banks will get a tremendously attractive proposition from the State, for a relatively light charge, with the taxpayer again left holding the baby, as has happened so often.

Nothing the Minister has said in the course of the debate has offered us any great level of reassurance. We set certain standards and when the leader of the Labour Party, Deputy Eamon Gilmore, spoke yesterday, he said he would expect the Bill to seek consciously to protect the interests of taxpayers. We said we would seek to change the reckless behaviour of banks and put in place a monitoring system within the new financial structures because the days of bucca-



neering, freewheeling, light financial regulation are over. We are in a new historic phase, yet the Minister still seems unable to believe that the financial regulation model applied with a light hand for the past 20 years is out of date and over.

In the context of the Minister's failure to meet, in any way, the legitimate requirements of the Opposition to protect the taxpayer, we are supporting him in bailing out some banks in order to protect the Irish financial system, on which people's jobs, homes, security and mortgages depend. However, we do not want this to be cost free and without appropriate protection for the interests of the taxpayer. On that score, the Minister has failed the test set by the Labour Party and we shall not be voting for this Bill.

**Deputy Arthur Morgan:** While we certainly recognise that urgent action is needed to thwart the threat to the entire Irish economy, it is unfortunate that the banks will enjoy considerable relief on foot of the action about to be taken. It is clear that this Bill is far from perfect, as evidenced by the number of amendments tabled by the three Opposition parties. It is most unfortunate that those amendments are not acceptable. The time constraints were such that we did not even get to address many of them which sought to clarify some very important areas, not least the issue of banks headquartered inside and outside the State.

The House needs to recognise that new and better regulation is required to deal with the financial and credit institutions. This is absolutely necessary and very urgent, not just in this State but internationally. It is important that such regulation is implemented and that an appropriate body is either established or amended for this purpose because clearly the controls in place at the moment are not sufficient to police these institutions. They are simply dancing a jig around them, which is completely unacceptable. I hope that some overseeing body with full implementational capacity will be put in place to deal with that situation.

The legislation going through the House this evening is critically important for those people who are victims of prolonged Government mismanagement for upwards of ten years and who fell prey to financial institutions that conned, misled and fed them far more money than they could afford to repay. These people need to be protected as well. There are probably thousands of them, right across the State, ill at ease in their beds tonight and in fear of losing their homes. That needs to be addressed as well and I hope the Minister will invest as much time in producing a deal to address the needs of these people as he has in constructing the scheme that is before the House.

**An Ceann Comhairle:** I have less than ten minutes left, for Deputies Rabbitte, Ó Caoláin and Shatter.

**Deputy Pat Rabbitte:** I shall be very brief. One suspects that when this hurricane blows itself out the architecture of banking in Ireland and elsewhere will be very different from what we have known in the past.

I want clarity from the Minister on this section, to which there are no amendments. It provides for the exceptional situation where the Minister considers it necessary to intervene and where, in such circumstances, normal competition law does not apply. In circumstances where mergers are contemplated, presumably the Minister will confirm that normal competition law applies and that this provision relates only to circumstances where the Minister feels it necessary to intervene for the stability of the financial system, or whatever. What about the situation that arises when the hurricane blows itself out? A major bank in the neighbouring jurisdiction, say, decides to purchase one of our smaller banks and to headquarter itself in the Republic of Ireland — although its business outside this jurisdiction would be many times larger than what it does here. Will such a bank have the benefit of the indemnity we are providing here? Will it have the benefit for borrowings and liabilities in another jurisdiction where those moneys might be put to work? It is important to know the Minister's thinking in that regard.

[Deputy Pat Rabbitte.]

I hope he is not going to leave because Members of the Seanad, who are on double time, will be very upset if he does not pay them a call later tonight.

**Deputy Enda Kenny:** They have been getting ready for hours.

**Deputy Pat Rabbitte:** With deference to colleagues, I shall finish now.

**An Ceann Comhairle:** The Minister has indicated that he wishes to speak.

**Deputy Brian Lenihan:** I want to put some matters on the record, and there may be some time left after I have spoken. Deputy Bruton——

**Deputy Caoimhghín Ó Caoláin:** On a point of clarification ——

**An Ceann Comhairle:** The Minister has indicated that he intends to leave. However, the House will hear the Deputy very briefly on a point of clarification.

**Deputy Caoimhghín Ó Caoláin:** The Ceann Comhairle had indicated that I should speak.

**An Ceann Comhairle:** I had, but the problem is that the Order of Business provides for another 30 minutes and the Minister has indicated he wishes to speak. The Minister has indicated he wishes to speak and I am obliged to give him that opportunity. Approximately ten minutes remain.

**Deputy Caoimhghín Ó Caoláin:** Very briefly, if I may——

**Deputy Alan Shatter:** Let the Minister speak.

**Deputy Brian Lenihan:** Under Standing Orders I am allowed to intervene on Committee Stage.

**An Ceann Comhairle:** The Standing Order is very clear.

**Deputy Brian Lenihan:** I will try to leave some time but I want to put certain matters on the record of the House arising from queries that have arisen. It is in the public interest.

**Deputy Alan Shatter:** Will the Minister answer the issue that Deputy Rabbitte and I raised?

**Deputy Brian Lenihan:** That is the first point.

**An Ceann Comhairle:** The Minister must be allowed to intervene. Let us be fair about it.

**Deputy Brian Lenihan:** Deputy Shatter raised a question which was subsequently raised by Deputy Rabbitte during the last section about a domestic credit institution under this legislation which was taken over by a bank from another jurisdiction and became a wholly owned subsidiary of that jurisdiction. He asked whether it would continue to benefit from the guarantee scheme envisaged in this——

**Deputy Alan Shatter:** The second question is on a reverse takeover with the headquarters based here——

**Deputy Brian Lenihan:** Yes, equally in that circumstance. As noted by Deputies, the crucial, fundamental point in this legislation is in section 6, that financial support “may” be provided in a formal manner determined by the Minister. The Minister is not required to provide financial support under this legislation. A scheme will be brought to the Houses for discussion and,

if approved, it will be implemented in the form of individual contracts with particular banks. However, I assure Deputies that those contracts will give the Minister the right to back out at any time. This would be the normal commercial element in such an arrangement. That is the conclusive answer to that issue, which is a legitimate issue of concern.

Deputy Shatter also raised a technical issue on section 5(1). This has been examined by the Parliamentary Counsel, who is satisfied that the provision relates to regulations to resolve difficulties in operating the Act related to a specific intervention in a specific banking instability position in one institution.

Deputy Bruton asked me to outline the role of the National Treasury Management Agency regarding this legislation. The function of the agency is to provide the Minister for Finance with expert advice on financial transactions, the investment of money, the taking of securities and the issue of bonds. Were the Minister to have to exercise some of the powers referred to in this legislation above and beyond the guaranteed powers, where it is intended to bring forward a definite proposal, the NTMA would have a role in advising the Minister or exercising the powers directly regarding a troubled institution. The NTMA will play a crucial role in the operations carried out in that regard under this legislation.

Regarding the position of the NTMA liaising with the Financial Regulator, the NTMA reports directly to the Minister, aside from the Department. This is an aspect of its founding legislation which has always been there because its functions were always in the Department and there has always been a direct relationship between it and the Minister. I have no doubt that the NTMA would liaise with the Financial Regulator in the same way as the Minister can in the presence of the Chair. A practical working arrangement for on-the-ground operations might be essential in circumstances where the NTMA was carrying out operations. Reliance on the Financial Regulator is of more fundamental importance in the guarantee scheme we are bringing forward than in the kind of un-contemplatable operations in which the NTMA might be engaged.

Regarding the question on section 7, the modification of the competition provisions, there is no reference to the Dáil. One of the obvious reasons for that, as we have seen in the recent European crises, is that some amalgamations and mergers have taken place over the course of a weekend or overnight. Very rapid responses have been required in the current financial crisis and that is why section 7 has been inserted in the legislation.

The Minister has power to subscribe for shares in a credit institution in the event that financial support is granted. Based on the Swedish model, Deputy Burton proposes that share subscription should be mandatory in all cases where financial support is granted. I cannot accept the amendment because it is important to retain ministerial discretion in an individual case where we may assess a credit institution's instability as temporary. However, were there evidence of permanent instability in an institution, the course of action proposed by the Deputy would be the policy of the Government.

**Deputy Joan Burton:** Will the Minister take shares if the impairment is permanent?

**Deputy Brian Lenihan:** Were a permanent instability established, the Government's policy would be to take shares.

**Deputy Brendan Howlin:** Only in banjaxed banks obviously.

**Deputy Joan Burton:** So we get equity only when a bank is totally banjaxed.

**Deputy Brian Lenihan:** Not necessarily. I am answering the question in Deputy Burton's amendment, that it should be mandatory to take shares. I am outlining circumstances in which we would take shares. I am also suggesting there could be a temporary shortage of liquidity

[Deputy Brian Lenihan.]

where the taking of shares might not be essential and where a more valuable consideration could be obtained, The crucial point is that if an institution has hope for recovery, the Minister can get something more valuable. We are discussing scenarios I do not envisage happening under this legislation but it is important the Minister has power to deal with them.

Deputy Rabbitte raised the question raised by Deputy Shatter and I have dealt with that issue. I will try to deal with most of the queries raised but perhaps some minutes remain.

**An Ceann Comhairle:** I will allow Deputies Ó Caoláin, Shatter and Bruton one minute each. That is all I have.

**Deputy Alan Shatter:** I will give my time to Deputy Bruton.

**Deputy Caoimhghín Ó Caoláin:** We are at a crossroads and the Minister is in the driving seat of a vehicle facing a number of choices. He can use the powers that will be vested in him as a result of the passing of this legislation wisely by ensuring a new route is embarked on regarding regulation of the financial sector, banking and other institutions. That is one of the real products that can result from the passage of this legislation. Over the past 48 hours we have heard account after account of the various excesses and abuses that have been the practice of the banks and other financial bodies in this State over many decades. That must end. A new beginning must be embarked on. I hope the Minister will have the courage to ensure that is the route we take. It is essential. There are many outstanding questions on the real outworking of this legislation. However, in consequence of what we recognise as a most serious situation facing the economy of this State, there must be a courageous response.

**An Ceann Comhairle:** Time is running out. I facilitated the Deputy.

**Deputy Caoimhghín Ó Caoláin:** We have serious questions and concerns regarding the Minister's disposition to amendments presented, which he has not taken and to which he has not responded in an appropriate way.

**An Ceann Comhairle:** I must call Deputy Bruton.

**Deputy Caoimhghín Ó Caoláin:** However, the Sinn Féin Members will support the Minister in the passage of this legislation and we hope in the exercise of our democratic responsibility we will have the opportunity to ensure the transparency and accountability to this House that we sought in amendments presented in respect of the outworking of the powers now to be vested in the Minister and his colleagues.

**Deputy Richard Bruton:** This is an enormous change and this debate has been worthwhile. I welcome the concessions given by the Minister in respect of bringing the scheme before the House for positive approval. I welcome his indication that he will seek to put someone on the board and that there will be proper supervision of risk assessment. Misgivings remain and there are amendments I would have liked to have seen made. It appears that details I hoped would be in the scheme when it is presented next week will not be included and we must take it on trust that the Minister, along with his advisers and the Financial Regulator, will develop the appropriate controls and apply them effectively.

Fine Gael will support this legislation. It is vital to the stability of the banking system. We hope the moves taken by the Minister will have the desired effect. Concerns remain and these must be carefully managed. This is not finished business, but we give our support to this and wish the Minister well in the operation of the legislation.

**Deputy Brian Lenihan:** Deputy Burton raised a matter that I should have dealt with in my previous reply. The guarantee given under the scheme will be commercially valued and is a commercial transaction. Deputy Burton detected some confusion in my remarks in respect of that guarantee and another guarantee. The guarantee referred to in the interpretation section can be a wider guarantee supported by Central Bank security in an operation in which the Minister or the NTMA were engaged in the reconstruction of a bank or a specific institution in difficulty. That is the aspect of the legislation in respect of which I do not contemplate exercising powers but it is included for that purpose.

I thank the Members for their attendance and the interest they have shown in this legislation. I appreciated the agreement between the parties to proof the different sections of the Bill. Often, in these exercises so many sections are never considered and there is always a hazard in rushed legislation. At least, we have had the opportunity to tease out the implications of each section. I am grateful to the spokespersons for facilitating a discussion of that character on the Bill. In general, I will listen to the concerns reflected by Deputies and I will ensure the scheme reflects the concerns in so far as a scheme under this Bill can. I thank Members for their co-operation in this matter.

**An Ceann Comhairle:** As the time permitted for the debate has expired, I am required to put the following question in accordance with the Order of the Dáil of 1 October 2008: "That sections 7 to 9, inclusive, are hereby agreed to in Committee, the Title is agreed to in Committee, the Bill is accordingly reported to the House without amendment, Fourth Stage is hereby completed and the Bill is hereby passed."

Question put.

The Committee divided: Tá, 124; Níl, 18.

Tá

Ahern, Dermot.  
 Ahern, Michael.  
 Ahern, Noel.  
 Andrews, Barry.  
 Andrews, Chris.  
 Ardagh, Seán.  
 Aylward, Bobby.  
 Bannon, James.  
 Barrett, Seán.  
 Behan, Joe.  
 Brady, Áine.  
 Brady, Cyprian.  
 Brady, Johnny.  
 Breen, Pat.  
 Browne, John.  
 Bruton, Richard.  
 Burke, Ulick.  
 Byrne, Catherine.  
 Byrne, Thomas.  
 Calleary, Dara.  
 Carey, Pat.  
 Collins, Niall.  
 Conlon, Margaret.  
 Connaughton, Paul.  
 Connick, Seán.  
 Coonan, Noel J.  
 Coughlan, Mary.  
 Coveney, Simon.  
 Crawford, Seymour.

Creed, Michael.  
 Cregan, John.  
 Creighton, Lucinda.  
 Cullen, Martin.  
 Curran, John.  
 D'Arcy, Michael.  
 Deasy, John.  
 Deenihan, Jimmy.  
 Dempsey, Noel.  
 Devins, Jimmy.  
 Dooley, Timmy.  
 Doyle, Andrew.  
 Durkan, Bernard J.  
 English, Damien.  
 Enright, Olwyn.  
 Feighan, Frank.  
 Ferris, Martin.  
 Finneran, Michael.  
 Fitzpatrick, Michael.  
 Flanagan, Charles.  
 Flanagan, Terence.  
 Fleming, Seán.  
 Flynn, Beverley.  
 Gallagher, Pat The Cope.  
 Gogarty, Paul.  
 Gormley, John.  
 Grealish, Noel.  
 Hanafin, Mary.  
 Harney, Mary.



Tá—*continued*

Haughey, Seán.	Ó Caoláin, Caoimhghín.
Hayes, Brian.	Ó Cuív, Éamon.
Hayes, Tom.	Ó Fearghail, Seán.
Healy-Rae, Jackie.	O'Brien, Darragh.
Hector, Máire.	O'Connor, Charlie.
Kehoe, Paul.	O'Dea, Willie.
Kenneally, Brendan.	O'Donnell, Kieran.
Kennedy, Michael.	O'Dowd, Fergus.
Kenny, Enda.	O'Flynn, Noel.
Kirk, Seamus.	O'Keeffe, Batt.
Kitt, Michael P.	O'Keeffe, Edward.
Kitt, Tom.	O'Keeffe, Jim.
Lenihan, Brian.	O'Mahony, John.
Lenihan, Conor.	O'Rourke, Mary.
Lowry, Michael.	O'Sullivan, Christy.
Mansergh, Martin.	Perry, John.
McCormack, Pádraic.	Power, Seán.
McEntee, Shane.	Reilly, James.
McGinley, Dinny.	Ring, Michael.
McGrath, Finian.	Roche, Dick.
McGrath, Mattie.	Ryan, Eamon.
McGrath, Michael.	Sargent, Trevor.
McGuinness, John.	Scanlon, Eamon.
McHugh, Joe.	Shatter, Alan.
Mitchell, Olivia.	Sheahan, Tom.
Moloney, John.	Sheehan, P. J.
Morgan, Arthur.	Smith, Brendan.
Moynihan, Michael.	Stanton, David.
Mulcahy, Michael.	Timmins, Billy.
Naughten, Denis.	Treacy, Noel.
Neville, Dan.	Varadkar, Leo.
Nolan, M.J.	White, Mary Alexandra.
Noonan, Michael.	Woods, Michael.

Níl

Broughan, Thomas P.	O'Sullivan, Jan.
Burton, Joan.	Penrose, Willie.
Costello, Joe.	Rabbitte, Pat.
Gilmore, Eamon.	Sherlock, Seán.
Higgins, Michael D.	Shortall, Róisín.
Howlin, Brendan.	Stagg, Emmet.
Lynch, Ciarán.	Tuffy, Joanna.
McManus, Liz.	Upton, Mary.
O'Shea, Brian.	Wall, Jack.

Tellers: Tá, Deputies Pat Carey and John Cregan; Níl, Deputies Emmet Stagg and Seán Sherlock.

Question declared carried.

The Dáil adjourned at 2.10 a.m. until 10.30 a.m. on Thursday, 2 October 2008.

## Written Answers.

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**The following are questions tabled by Members for written response and the ministerial replies as received on the day from the Departments [unrevised].**

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*Questions Nos. 1 to 6, inclusive, resubmitted.*

*Questions Nos. 7 to 15, inclusive, answered orally.*

### **Greenhouse Gas Emissions.**

16. **Deputy Dinny McGinley** asked the Minister for Transport his views on the fact that greenhouse gas emissions from the transport sector continue to rise; and if he will make a statement on the matter. [32656/08]

**Minister for Transport (Deputy Noel Dempsey):** The production of reliable estimates of CO<sup>2</sup> emissions from transport is a matter for the Environmental Protection Agency. The latest such data available to my Department (published on 16 September 2008) relate to 2006, when greenhouse gas emissions from transport were reported to be 13.71 Megatonnes CO<sup>2</sup> equivalent, compared to 13.04 Megatonnes CO<sup>2</sup> in the previous year. As is clear from the Sustainable Travel and Transport Consultation Document that I issued in February 2008, transport-related CO<sup>2</sup> emissions are expected to rise significantly in the coming years unless changes in personal behaviour can be achieved. Over 480 responses to the consultation process were received from members of the public and organisations which can be viewed at [www.sustainabletravel.ie](http://www.sustainabletravel.ie). Based on these responses, it is fair to say that there is a recognition of the need for change.

I intend to publish the Sustainable Travel and Transport Action Plan before the end of the year which will set out a wide range of actions to deliver a sustainable transport system by 2020. This aim of the Action Plan will be to deliver a reversal of the current, and likely, trends in relation to transport emissions as well as enhancement of economic competitiveness, improvement of access to modes of transport other than the private car, reductions in congestion, and improvements to quality of life.

### **Public Transport.**

17. **Deputy Billy Timmins** asked the Minister for Transport the progress made in developing integrated transport and integrated ticketing; and if he will make a statement on the matter. [32662/08]

30. **Deputy Denis Naughten** asked the Minister for Transport when the integrated ticketing project will be completed; and if he will make a statement on the matter. [32561/08]

**Minister for Transport (Deputy Noel Dempsey):** I propose to take Questions Nos. 17 and 30 together.

A fundamental aim of Transport 21 is the integration of transport networks and systems and all of the projects in the programme were planned with integration in mind. Significant progress has been made in the delivery of Transport 21 projects since its commencement in 2006. The establishment of the Dublin Transport Authority is also a key transport element of the Agreed Programme for Government with regard to the development of an integrated and sustainable transport system in the Greater Dublin Area. The Dublin Transport Authority Act 2008 became law on 16 July 2008. A specific Chapter of the Act — Chapter 3 — is dedicated to the integration measures to be pursued by the Authority. Arrangements for the establishment of the Authority are being considered as part of the Estimates process and I will make an announcement on this matter in due course.

Integrated ticketing is an important element in the delivery of an integrated public transport network for the Greater Dublin Area (GDA) and its provision will optimise the investment benefits to be obtained from the Transport 21 projects. A smart card for public transport services in the Greater Dublin Area is now available on Luas services. In recent months all buses in the Dublin Bus fleet have been fitted with smart card validators. Smart cards are now in use on these buses in respect of a number of ticket products, such as annual and monthly bus only tickets, integrated annual and monthly bus and rail tickets and 5-day rambler tickets. From late next year, a single smart card will be introduced for ticket products on Dublin Bus and Luas services. This smart card will also have an electronic purse capability for use on both services.

This system will then be extended to Irish Rail DART and commuter rail services within a further 12 months, and Bus Éireann on a pilot basis on a number of its commuter routes. It is also envisaged that private bus operators will join the scheme over this timeframe. The new gating systems at Irish Rail stations in the GDA have been designed to handle the new smart card. A central part of the full smart card system is the ‘back office’ which will link each participating transport company to the overall system and facilitate all the necessary financial, data and reporting requirements that are key to the functioning of the smart card system.

IBM Ireland, supported by their sub-contractor MSI, is currently building the back office system so as to enable the full integration to take place from late next year. The Dublin scheme is being based on the Singapore system which is regarded as one of the leading examples of integrated ticketing with over seven million smart card holders using public transport. Based on the developments in the recent procurement process, the overall budget of the project has been increased to €55.4 million. An updated financial appraisal confirms that benefits of the project to the GDA continue to outweigh the cost.

The Project is being rolled out progressively in line with international experience. The Chairman of the Integrated Ticketing Project Board has told me good progress is being made and that, while there are significant issues to be resolved, all parties are working together to see the scheme delivered in line with project timescales.

### **Rail Network.**

18. **Deputy Róisín Shortall** asked the Minister for Transport the stage of development of the metro west project; the estimated completion date of metro west; and if he will make a statement on the matter. [32513/08]

32. **Deputy Noel J. Coonan** asked the Minister for Transport the future of metro north and metro west in view of the economic climate; his plans to scale back these projects; the preparatory work that has already been funded by his Department to date; and if he will make a statement on the matter. [32616/08]

**Minister for Transport (Deputy Noel Dempsey):** I propose to take Questions Nos. 18 and 32 together.

The Railway Procurement Agency continues to make good progress on Metro North. Copies of the Railway Order application for Metro North were placed on display on 17 September in accordance with the 6 week statutory public notice requirement pursuant to section 37 of the Transport (Railway Infrastructure) Act 2001. The tender documentation issued to the PPP bidding consortia in May and tenders are due to be received by February 2009.

The emerging preferred route for Metro West was announced by the RPA in July 2007. The selected route alignment will connect Tallaght, Clondalkin, Liffey Valley, Blanchardstown with Metro North at Metro Park, close to Dublin Airport. It will also provide integration with the Luas Red Line at Tallaght, the Kildare and Maynooth suburban rail lines and the new Lucan Luas line to be delivered under Transport 21. A further round of consultation is now underway to provide greater definition to the route after which the RPA will proceed with the preparation of a Railway Order application.

The start and completion dates of Transport 21 projects which have not yet commenced will be determined by the funding allocation available during the current difficult economic climate. The provision of increased capacity will be a key priority in determining public transport investment priorities in the period ahead. In that context Metro North and the Interconnector are particularly important rail investments as they form a core part of the planned integrated public transport network for the Greater Dublin Area envisaged by Transport 21.

### **Road Safety.**

19. **Deputy Eamon Gilmore** asked the Minister for Transport the measures he is bringing forward to tackle the increasing problem of drug driving on roads here; if he has reviewed roadside drug testing schemes that are in place in Australia to evaluate their suitability for use here; the amount by which he will increase the funding for the Medical Bureau of Road Safety; and if he will make a statement on the matter. [32530/08]

**Minister of State at the Department of Transport (Deputy Noel Ahern):** Driving under the influence of intoxicants, drugs as well as alcohol, is one of many key issues in road safety, and the testing of drivers in relation to drugs is already provided for in the Road Traffic Acts. A member of the Garda Síochána, where he or she is of the opinion that a person in charge of a mechanically propelled vehicle in a public place is under the influence of a drug or drugs to such an extent as to be incapable of having proper control of that vehicle, may require that person to go to a Garda station and further require that person to submit to a blood test or to provide a urine sample.

There is no feasible basis as yet in Ireland or in Europe for the introduction of a preliminary roadside test for drugs, as testing devices are still in the prototype stages. However, the Medical Bureau of Road Safety (MBRS) is keeping abreast of developments in this area and is keeping me informed on the matter. The issue of funding for the Bureau is considered each year in the context of the overall funding and resources available to my Department. I provided increased funding for the Bureau in 2008, to a total of €4.4 million, which financed its recent move to new premises in UCD Belfield, and I also increased the staff allocation. The overall Exchequer

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position for 2009 will influence the level of funding available for the Bureau and other agencies under my Department.

### **Public Transport.**

20. **Deputy Joe Carey** asked the Minister for Transport if his views on the actions of Dublin Bus in the Lucan area in response to competition; and if he will make a statement on the matter. [32610/08]

**Minister for Transport (Deputy Noel Dempsey):** There is correspondence between my Department and Dublin Bus concerning a Departmental investigation into allegations that Dublin Bus were acting in an anti-competitive manner in the provision of bus services in the Lucan area. This correspondence was released by my Department under the Freedom of Information Act. I understand that the Competition Authority is currently investigating claims of anti-competitive behaviour against Dublin Bus and I am, therefore, precluded from commenting on the allegations at this stage.

This incident highlights what I have stated since taking up office — that the bus licensing regime must be overhauled. In accordance with the Programme for Government commitment, the Dublin Transport Authority Act 2008 was enacted in July 2008 and provides for the establishment of the Dublin Transport Authority. The provisions of the Act allow for increased private participation in the Dublin bus market in the context of any future growth in the market. In future there will be open tendering by the DTA by way of contracts in accordance with the new EU Regulation 1370/2007 on public passenger transport services by rail and by road.

The Programme for Government also includes a commitment to improving bus services under Transport 21 by reforming the bus licensing provisions of the Road Transport Act 1932. In this regard a Public Transport Regulation Bill which will deal with the replacement of the Road Transport Act 1932 is in course of preparation. It is envisaged that the new licensing structure will apply in respect of all commercial bus services, including those provided by Dublin Bus and Bus Eireann and will encompass provisions relating to the subvented bus market outside the Greater Dublin Area that are consistent with the new EU PSO Regulation.

### **Proposed Legislation.**

21. **Deputy Terence Flanagan** asked the Minister for Transport when he plans to bring forward legislation to reform the bus licensing Act 1932; and if he will make a statement on the matter. [32642/08]

46. **Deputy Jack Wall** asked the Minister for Transport when he will introduce the new bus licensing legislation; the measures that will be contained in the new legislation; and if he will make a statement on the matter. [32543/08]

**Minister for Transport (Deputy Noel Dempsey):** I propose to take Questions Nos. 21 and 46 together.

The Agreed Programme for Government includes a commitment to improving bus services under Transport 21 by reforming the bus licensing provisions of the Road Transport Act 1932, to facilitate the optimum provision of services by providing a level playing field for all market participants, both public and private. It is my intention that proposals for a new bus licensing regime will be contained in a Public Transport Regulation Bill which will deal with the replacement of the Road Transport Act 1932 and the provisions of the Transport Act 1958 that relate



to the provision of bus services by the State bus companies. It is envisaged that the new licensing structure will apply in respect of all commercial bus services, including those provided by Dublin Bus and Bus Eireann, and will encompass provisions relating to the subvented bus market outside the Greater Dublin Area in a manner consistent with EU Regulation 1370/2007 on public service obligations.

Until the proposed legislation is enacted, applications for new bus licences and notifications from State bus operators will continue to be processed under the provisions of the Road Transport Act 1932, as amended, and the notification system with reference to the Transport Act 1958, as appropriate. The Public Transport Regulation Bill is included in the Government Legislative Programme in the list of Bills that have yet to be approved by Government. It is my intention to seek Government approval to a General Scheme of the Bill before the end of the year with a view to publication in 2009.

### **Road Safety.**

22. **Deputy Charles Flanagan** asked the Minister for Transport his views on whether the annual road worthiness test for public buses and HGVs is meeting required safety standards; and if he will make a statement on the matter. [32640/08]

**Minister of State at the Department of Transport (Deputy Noel Ahern):** Under the Road Safety Authority Act 2006 (Conferral of Functions) Order 2006 (S.I. No 477 of 2006) this is a matter for the Road Safety Authority.

### **Public Transport.**

23. **Deputy Seán Barrett** asked the Minister for Transport if he will grant a licence to a bus service (details supplied) to operate a scheduled bus service between Dalkey and intermediary points such as Glasthule, Dún Laoghaire and Monkstown with Dublin Airport which are not served by an alternative bus operator; and if he will make a statement on the matter. [32450/08]

**Minister for Transport (Deputy Noel Dempsey):** My Department received an application on the 20 February 2007 from the operator to whom the Deputy refers, for a licence to operate bus passenger services between Dalkey and Dublin Airport. At that time, my Department had on hands a prior application for bus services on a similar route, and in accordance with administrative procedures, applications were dealt with in date order. That prior application was finalised in December 2007 and a licence has issued to that operator for the provision of bus passenger services between Greystones and Dublin Airport.

In the case of the service referred to by the Deputy, on the 16 July 2007 my Department was made aware that the operator concerned had commenced the operation of an unlicensed bus passenger service between Dalkey and Dublin Airport. My Department immediately contacted that company and advised that failure to cease the operation of the service in respect of which a licence had not been issued under the Road Transport Act 1932, is an offence under section 7 of that Act. It is also a prerequisite before the making of an offer of a licence that in accordance with road traffic and safety legislation the applicant provides my Department with Garda approvals for all proposed bus stops along the route and holds a Road Passenger transport Operations Licence.

While there is a strong passenger demand for a service between Dalkey and Dublin Airport, my Department would only be prepared to make an offer of a licence to Patton Flyer if that company demonstrates that it would be prepared to operate in conformity with the law.

### Departmental Budget.

24. **Deputy John Deasy** asked the Minister for Transport the cuts he has made in his Department's budget since the announcement of June 2008; and if he will make a statement on the matter. [32627/08]

**Minister for Transport (Deputy Noel Dempsey):** The savings being made in my Department's budget in 2008 are:

- €1.844 million in respect of consultancies, advertising and public relations costs across the Department and the non-commercial agencies under the aegis of my Department;
- €189,000 in the Administrative Budget of the Department;
- €214,000 in the administrative budgets of the non-commercial agencies; and
- €20 million in the capital allocation.

*Question No. 25 answered with Question No. 15.*

### Road Network.

26. **Deputy Jack Wall** asked the Minister for Transport if he is examining further systems for charging road users; if he has had contacts with the UK Department of Transport on pay-as-you-go road pricing pilot schemes; and if he will make a statement on the matter. [32542/08]

**Minister for Transport (Deputy Noel Dempsey):** The general issue of road pricing will be addressed in my Department's forthcoming Sustainable Transport and Travel Action Plan which will be considered by the Government in the coming months and subsequently published.

### Transport 21.

27. **Deputy Bernard J. Durkan** asked the Minister for Transport the extent to which it is expected to meet the schedules and targets in Transport 21; and if he will make a statement on the matter. [32568/08]

64. **Deputy Joe Costello** asked the Minister for Transport the progress and estimated completion date for each infrastructural project under Transport 21; and if he will make a statement on the matter. [32516/08]

**Minister for Transport (Deputy Noel Dempsey):** I propose to take Questions Nos. 27 and 64 together.

37 projects have already been completed since the beginning of Transport 21 in 2006 and 25 are currently underway. A list of these projects is provided in the Appendix. The start and completion dates of projects which have not yet commenced will be determined by the funding allocation available during the current difficult economic climate. The commencement dates for these projects will also be influenced by the time taken for public consultation, the relevant statutory process and the procurement and contract award processes.

Appendix 1: Completed projects

Project	Completion Date
<ul style="list-style-type: none"> <li>• N2 Monaghan Town Bypass</li> <li>• N2 Ashbourne Bypass</li> <li>• N4 Edgeworthstown Relief Road</li> <li>• N7 Naas Road widening</li> <li>• N8 Rathcormac — Fermoy (PPP)</li> <li>• N8/N73 Mitchelstown Relief Road</li> <li>• N15 Ballyshannon-Bundoran Bypass</li> <li>• N21 Castleisland-Abbeyfeale</li> <li>• N25 Kinsalebeg</li> <li>• N25/27 Kinsale Road Interchange</li> <li>• N30 Enniscorthy-Clonroche Realignment</li> <li>• Dublin Port Tunnel</li> <li>• N52 Mullingar Eastern Bypass</li> <li>• N55 Cavan Bypass</li> <li>• N56 Mountaintop to Illistrin Phase 1</li> </ul>	<p>2006</p>
<ul style="list-style-type: none"> <li>• Docklands Railway Station</li> <li>• Introduction of first intercity railcars on Dublin — Sligo route</li> <li>• 67 new intercity rail carriages deployed on Dublin-Cork line and introduction of hourly rail services Dublin-Cork</li> <li>• N1 Dundalk to Border</li> <li>• N2 Castleblaney Bypass</li> <li>• N4 Dromod — Rooskey</li> <li>• N5 Charlestown Bypass</li> <li>• N6 Tyrellspass to Kilbeggan</li> <li>• N11 Arklow to Gorey Bypass</li> <li>• N11 Enniskerry junction improvements</li> <li>• N18 Ennis Bypass/N85 Western Relief Road</li> <li>• N52 Mullingar to Belvedere</li> <li>• N56 Mountaintop to Illistrin Phase 2</li> <li>• N77 Kilkenny Ring Road Extension</li> </ul>	<p>2007</p>
<ul style="list-style-type: none"> <li>• New Portlaoise train depot</li> <li>• M50 Upgrade (Phase 3) and introduction of barrier free tolling</li> <li>• Capacity enhancement luas Red Line — all trams extended from 30m to 40m providing a 40% increase in capacity</li> <li>• N6 Kilbeggan to Athlone</li> <li>• N8 Cashel to Mitchelstown</li> <li>• N9 Carlow Bypass</li> <li>• N11 Kilpedder-Delgany Junction</li> <li>• New intercity railcars introduced on Dublin-Limerick, Dublin-Westport, Dublin-Galway, and Dublin-Waterford lines</li> </ul>	<p>2008</p>

Completion dates for projects currently underway

Project	Indicative Completion Date
<ul style="list-style-type: none"> <li>• M50 Upgrade (Phase 1)</li> <li>• Completion of delivery of 200 new buses for Dublin Bus</li> </ul>	<p>2008</p>
<ul style="list-style-type: none"> <li>• Cork commuter rail service to Midleton</li> <li>• Luas extension from Connolly to Docklands</li> <li>• Western Rail Corridor (Phase 1) Ennis — Athenry</li> <li>• Completion of roll-out of 183 intercity railcars</li> <li>• N4 Leixlip/M50 junction (Lucan bypass upgrade)</li> <li>• N6 Athlone to Ballinasloe</li> <li>• N7 Nenagh to Limerick</li> <li>• N8 Cullahill-Cashel</li> <li>• N9 Waterford-Knocktopher</li> </ul>	<p>2009</p>

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Project	Indicative Completion Date
<ul style="list-style-type: none"> <li>• Kildare rail upgrade</li> <li>• Luas extension from Sandyford to Cherrywood</li> <li>• M3 Clonee to North of Kells</li> <li>• N6 Galway to Ballinasloe</li> <li>• N7 Limerick Tunnel</li> <li>• M7/M8 Portlaoise to Cullahill/Castletown</li> <li>• N7 Castletown to Nenagh</li> <li>• N8 Fermoy-Mitchelstown</li> <li>• N9 Kilcullen-Carlow</li> <li>• N9 Carlow-Knocktopher</li> <li>• N25 Waterford City Bypass</li> <li>• M50 Upgrade (Phase 2)</li> <li>• N52 Tullamore Bypass</li> <li>• Completion of delivery of 239 new buses for Bus Eireann</li> </ul>	2010

### Public Transport.

28. **Deputy Jim O’Keeffe** asked the Minister for Transport the strategy he is putting in place for when the fuel rebate is removed and private public transport operators struggle to remain in business; and if he will make a statement on the matter. [32672/08]

33. **Deputy Brian O’Shea** asked the Minister for Transport if he will reverse the decision to abolish the public transport fuel rebate; if not, if he will bring forward measures to replace this scheme; and if he will make a statement on the matter. [32541/08]

**Minister for Transport (Deputy Noel Dempsey):** I propose to take Questions Nos. 28 and 33 together.

The Finance Act 2008 provides for the removal of excise duty reliefs in the bus sector with effect from 1 November 2008. As this is in line with our EU obligations, there is no power to restore this scheme.

### Road Traffic Offences.

29. **Deputy Denis Naughten** asked the Minister for Transport his plans to reform the penalty points system; and if he will make a statement on the matter. [32560/08]

**Minister of State at the Department of Transport (Deputy Noel Ahern):** The operation of the penalty points system is kept under review and I have no plans at this point for the introduction of any new legislative measures in relation to this system.

*Question No. 30 answered with Question No. 17.*

### Ministerial Appointments.

31. **Deputy Enda Kenny** asked the Minister for Transport the nature of the delay in appointing a new chairperson to the board of Cork Airport; and if he will make a statement on the matter. [32651/08]

**Minister for Transport (Deputy Noel Dempsey):** I would like to put on record my appreciation of the work of Joe Gantly as Chairman of the Cork Airport Authority until his resignation in August. I hope to make an announcement on it in the near future.

*Question No. 32 answered with Question No. 18.*

*Question No. 33 answered with Question No. 28.*

### **Port Development.**

34. **Deputy Ciarán Lynch** asked the Minister for Transport the way his strategic review of Dublin Port and its future will operate with the Department of the Environment, Heritage and Local Government's new task force on Dublin Bay; the objectives and responsibilities each new task force has; the Minister and the Department which has final jurisdiction over the future of Dublin Port; when a decision on the future of Dublin Port is expected to be made; and if he will make a statement on the matter. [32539/08]

**Minister for Transport (Deputy Noel Dempsey):** The National Development Plan 2007-2013 provides for a comprehensive study of the role of Dublin Port taking into account locational considerations in the context of overall ports policy on the island of Ireland, wider transport policy, urban development policy, the National Spatial Strategy and national economic policy. The study will examine the feasibility and conduct a cost benefit analysis of various scenarios relating to Dublin Port, including:

- Existing port activities continuing to expand with demand,
- Relocating all or part of Dublin Port's existing activities to an alternative location(s),
- Port activities continuing at current levels with growth being catered for at alternative locations. The Steering Group for the study, which is chaired by my Department, also has representatives from the Departments of the Taoiseach, Finance, Environment, Heritage and Local Government and Dublin City Council.

The Dublin Bay Task Force was established recently by the Minister for the Environment, Heritage and Local Government under the chairmanship of the Dublin Regional Authority. It will look at the Bay area as a whole and examine a wide range of issues that may impact on the future potential of the Dublin Bay area. Its main task is to prepare a draft Master Plan for Dublin Bay for the Minister for the Environment, Heritage and Local Government, who may be expected subsequently to bring a report to Government on the matter. My Department's study of Dublin Port will be completed in advance of any final recommendations from the Task Force. It has been agreed that the Task Force will take full account of the Dublin Port Study findings in reaching its own recommendations.

### **Road Safety.**

35. **Deputy Frank Feighan** asked the Minister for Transport the additional resources he has given the Road Safety Authority to allow it to carry out the annual road worthiness tests for public buses and HGVs; and if he will make a statement on the matter. [32637/08]

**Minister of State at the Department of Transport (Deputy Noel Ahern):** Responsibility for commercial vehicle testing is a matter for the Road Safety Authority under the Road Safety Authority Act 2006 (Conferral of Functions) Order 2006 (S.I. No 477 of 2006). In December 2007 my colleague Minister Dempsey accepted the recommendations made by the RSA for reforming the commercial vehicle roadworthiness testing regime and for addressing a number of other related issues. Implementation arrangements are a matter for the RSA, subject to the overall financial resources, both Exchequer and non-Exchequer, available to the Authority. I have made it clear that this programme of reform should be a priority area of work for the Authority.



**Air Services.**

36. **Deputy Kathleen Lynch** asked the Minister for Transport if he will report on the operation of the aviation public service obligation flights; the cost of operating the air PSOs; his views on extending routes between Waterford and Dublin for example; and if he will make a statement on the matter. [32522/08]

**Minister for Transport (Deputy Noel Dempsey):** Under the terms of the relevant EU Council Regulation, (EEC) No. 2408/92 of 23 July 1992, Member States can establish a PSO route in respect of scheduled air services to an airport serving a peripheral or development region in its territory, where such air services are considered vital for the economic development of the regions concerned and where air carriers are not prepared to provide them on a commercial basis. In May of this year I announced the results of the tender competition for the new PSO contractual period (22 July 2008 — 21 July 2011). At that time I advised that the total cost of the programme over that period was expected to be €44.624m.

Unfortunately, it subsequently transpired that the successful bidder for the Knock/Dublin route, namely CityJet, was not in a position to operate the route. This led to the route not being serviced since 22nd July 2008. On 2nd September 2008 I announced that the contract for this route had been offered to Aer Arann, whose combined Knock and Derry bid was the next preferred bid for the route. This contract is due to commence today, 1st October 2008. This will bring the total three-year exchequer cost to €44,842m.

The question of introducing a PSO air service on the Waterford-Dublin route was first raised in 1993. I understand that the E.U. Commission refused to sanction the proposal because the route is relatively short and because Waterford was already adequately served by other transport modes. In the interim, the relevant surface transport links have been upgraded and continue to be improved. In the circumstances, I have no proposals to revive the question of including the airport in the Irish PSO air service programme.

37. **Deputy Joan Burton** asked the Minister for Transport if he will initiate a full review of all safety procedures in airports here and on all airlines operating in and out of airports here in view of the recent series of emergency incidents that have occurred over the past few months; and if he will make a statement on the matter. [32521/08]

**Minister for Transport (Deputy Noel Dempsey):** The Irish Aviation Authority (IAA) have the responsibility for the safety oversight of civil aviation in Ireland. The IAA licences aerodromes in the State and conducts safety audits on them as part of the licensing process and for maintenance of an aerodrome licence. During an audit IAA inspectors will assess the aerodrome's infrastructure, audit the aerodromes management of safety and assess the competence of those responsible for safety. Furthermore, the authorities at licensed aerodromes are required, under the IAA's Aerodrome Licensing Procedures, to establish an Emergency Plan which provides for the co-ordination of the actions to be taken in the event of an emergency occurring at the aerodrome or in its vicinity. These plans must be tested by conducting a full-scale emergency exercise every two years.

In addition, the IAA carries out detailed audits of all Irish airlines and Irish approved aviation companies in accordance with the standards set out by the European Union, the European Aviation Safety Agency (EASA) and previously the Joint Aviation Authorities (JAA). In addition to formal audits, approved companies and airlines are subject to ad hoc audits and regular surveillance visits. The IAA carries out annual audits and assessments of all active aircraft on the Irish Civil Register and takes part in the European Safety Assessment of Foreign Aircraft (SAFA) programme which inspects foreign aircraft that operate into and out of

Europe. The high standards of inspection and audit by the IAA are in turn assured by standardisation inspections of the IAA carried out by EASA on behalf of the European Union.

### **Greenhouse Gas Emissions.**

38. **Deputy Liz McManus** asked the Minister for Transport the level of greenhouse gas emissions in the transport sector; if the level of transport emissions have been underestimated by up to 12%; the additional measures he will introduce to combat rising transport emissions; the estimate of the impact of the recession on CO<sub>2</sub> levels for 2008 and 2009; and if he will make a statement on the matter. [32524/08]

**Minister for Transport (Deputy Noel Dempsey):** The production of reliable estimates of CO<sub>2</sub> emissions from transport is a matter for the Environmental Protection Agency. The latest such data available to my Department (published on 16 September 2008) relate to 2006, when greenhouse gas emissions from transport were reported to be 13.71 Megatonnes CO<sub>2</sub> equivalent, compared to 13.04 Megatonnes CO<sub>2</sub> in the previous year.

I assume that the reference in the question to an underestimation of 12% in transport emissions arises from advance media reportage of the EPA report on Ireland's National Greenhouse Gas Emissions Projections to 2020, which was published on 25 September 2008. In fact, what that Report states in relation to transport emissions is that, depending on the scenario employed, such emissions would increase by between 12% and 23% over the period 2006 to 2020. For me, this simply underlines, and possibly even understates, the types of challenge faced by Ireland and which I fully accepted and laid out in the Sustainable Travel and Transportation Consultation Document which I published in February 2008.

Insofar as the likely effects of the current economic situation on transport emission levels in 2008 and 2009 are concerned, it is not possible, at this stage, to make such predictions with any degree of accuracy. In addressing the change in personal behaviour necessary to achieve reductions in transport emissions, it is more important to focus on the medium to long term. The medium term forecasts indicate a growing population with modest economic growth and this points to a growth in emissions which could be as high as 50% above 2005 levels. Therefore, it remains essential, in my view, to progress measures on sustainable transport and emissions abatement in the short, the medium and the long term.

### **Cycle Facilities.**

39. **Deputy Willie Penrose** asked the Minister for Transport when he will introduce the national cycling strategy; the measures he will prioritise in the new strategy; if he will introduce new measures to enhance the safety and protection of cyclists on roads here; and if he will make a statement on the matter. [32544/08]

**Minister for Transport (Deputy Noel Dempsey):** My Department is currently working towards finalising a National Cycling Policy to flesh out and put timescales on proposals that I intend to bring to Government shortly on a Sustainable Travel and Transport Action Plan (STTAP). It is my intention to bring forward the National Cycling Policy as soon as possible following the publication of STTAP. I intend that the National Cycling Policy will be not only a comprehensive response to current difficulties faced by the cycling community in terms of road priority and safety issues, but will also prove to be a springboard to help create a culture to promote cycling in Ireland.

### **Air Services.**

40. **Deputy Jan O'Sullivan** asked the Minister for Transport if he will review the general

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strategic aviation outlook for Ireland in view of the ongoing difficulties in the airline sector; if he is constantly reviewing the level of air connectivity for airports here; if he will prepare a white paper on the Irish aviation sector; and if he will make a statement on the matter. [32519/08]

**Minister for Transport (Deputy Noel Dempsey):** Ireland's aviation policy as set out my Department's current Statement of Strategy is to promote regular, safe cost effective and competitive air services linking the country with key business and tourism markets. To this end, within the European Union, Ireland has consistently supported market liberalisation measures, which have to date served as the platform for the rapid expansion of aviation generally. We have also sought to influence the emerging EU and wider international framework for aviation to ensure that it continues to promote competition and innovation in the market-place.

The introduction the EU-US Open Skies agreement and the conclusion of a more liberal agreement on a bilateral basis with Canada illustrates our commitment to supporting liberalisation measures. Our approach to the encouragement of air services is complemented by our policy on the development of airport infrastructure within the country. The main objective is to ensure that the three State Airports have sufficient capacity to respond to the growth opportunities of a competitive airline sector and to provide vital international access. The opening of Terminal 2 at Dublin Airport in early 2010 will allow Dublin Airport to handle up to 35 million passengers per year and will ensure that the airport continues to be an efficient gateway to the Ireland of the 21st century. In addition the six regional airports have a role to play in facilitating access to the regions. My Department provides necessary financial support for airport development and operations as well as PSO services connecting Kerry, Galway, Knock, Sligo, Donegal and Derry to Dublin.

The further key components of our strategy are to ensure that our aviation safety and security policies comply with, or exceed, the highest international standards and that the policy framework for air navigation services ensures that the requirements of airlines for efficient routings and the avoidance of delays are met as far as possible without compromising safety. From an Irish economy perspective the overarching priority is to maintain the highest possible levels of connectivity between Ireland and key markets around the world and my Department will continue to closely monitor developments in the aviation sector that impact on that objective. While sustained high fuel costs continue to have a very negative impact on airlines, even if prices have fallen back from all-time peaks, I believe that the policy framework I have set out above remains valid and appropriate for the Irish economy.

### **Road Safety.**

41. **Deputy Joanna Tuffy** asked the Minister for Transport if he has decided to change the drink driving limit; the timetable for change in the drink driving limit; and if he will make a statement on the matter. [32537/08]

**Minister of State at the Department of Transport (Deputy Noel Ahern):** My colleague, Minister Dempsey, intends to bring the Heads of a Road Traffic Bill, which includes a proposed reduction in the legal Blood Alcohol Content (BAC) level for drivers, to Government for consideration very shortly. Following a decision by Government and the preparation of the necessary legislation, the implementation of reduced Blood Alcohol Content (BAC) levels for drivers will require the recalibration or replacement and subsequent recertification of the Evidential Breath Testing (EBT) machines in Garda stations and roadside breathalysers used by the Gardaí. The Medical Bureau of Road Safety, who has responsibility for the approval,

supply and testing of apparatus for indicating the presence and the concentration of alcohol in breath, has estimated that this process would take into early 2010 to complete.

42. **Deputy Michael D. Higgins** asked the Minister for Transport the progress he has made on ensuring that all foreign registered vehicles and non-Irish driving licence holders are subject to the same laws, penalties, fines and toll charges as Irish registered vehicles; and if he will make a statement on the matter. [32534/08]

**Minister of State at the Department of Transport (Deputy Noel Ahern):** All drivers are subject to road traffic law and enforcement is a matter for An Garda Síochána. The realisation of any fines or penalties imposed by the Courts is a matter for the Courts Service. The enforcement on foreign registered drivers of penalties for road traffic offences is a complex legal and administrative matter for many States, and my Department is pursuing this question at European, British/Irish and North/South levels. We are working with the United Kingdom with the objective of having a bilateral agreement on mutual recognition of driving disqualifications in place early next year, under the framework of the relevant EU Convention.

The mutual recognition of penalty points is however a longer term and much more difficult matter. In particular it involves complex legal issues and will probably require the passage of primary legislation both here and in the United Kingdom in due course. While both jurisdictions are working on this, it will be some time before a bilateral agreement can be put in place on this particular issue. In the meantime, although foreign licence holders do not have an Irish driving licence record, a separate record of any penalty points incurred by them in this State is kept in the National Driver File. When the necessary arrangements are in place in relation to mutual recognition, this data will then be available for enforcement arrangements.

#### **Departmental Agencies.**

43. **Deputy Joan Burton** asked the Minister for Transport the position regarding the establishment and implementation of the Dublin Transport Authority; when the new DTA will be fully operational; if the new DTA will be branded as Dublin Transport; if so, the cost of this branding; and if he will make a statement on the matter. [32531/08]

**Minister for Transport (Deputy Noel Dempsey):** Arrangements for the establishment of the Dublin Transport Authority are being considered as part of the Estimates process that is currently underway and I will make an announcement in due course. In accordance with section 57 of the Dublin Transport Authority Act 2008 it will be a matter for the new Authority, when established, to develop and secure the implementation of a single brand to be used by public transport operators providing services in accordance with public transport services contracts with the Authority in the Greater Dublin Area.

#### **Light Rail Project.**

44. **Deputy Ruairí Quinn** asked the Minister for Transport if he will support the development of Luas systems for Cork, Galway and Limerick; the stage these plans are at; and if he will make a statement on the matter. [32514/08]

**Minister for Transport (Deputy Noel Dempsey):** We made a commitment in the Programme for Government to carry out feasibility studies into Luas-style Light Rail Transport (LRT) systems in Cork, Galway, Limerick and Waterford within two years. I have since asked that these studies should simultaneously include consideration of Bus Rapid Transit (BRT). The feasibility of LRT and/or BRT in Cork is being considered in the context of the update of the Cork Area Strategic Plan (CASP), which I understand is now nearing completion.

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In the case of Limerick, the local authorities have conducted a tender process for consultants to carry out a Planning, Land Use and Transportation Study for the region, and the terms of reference include consideration of LRT/BRT in Limerick. This study is also referred to as the Mid West Area Strategic Plan (MWASP). I understand that Limerick City Council expect to appoint consultants in the near future and findings on the feasibility of LRT/BRT in Limerick, will be available by mid 2009.

In the case of Galway, the City Council has conducted a tender process for consultants to carry out a public transport feasibility study which will include examination of the feasibility of LRT/BRT. I understand that the City Council expects to appoint consultants shortly, and that the study is due to be completed before mid-2009. A decision on support for projects to develop Light Rail Transit systems in these systems must inevitably await the completion of these studies.

### **Air Services.**

45. **Deputy Olivia Mitchell** asked the Minister for Transport the action he has taken in view of the technical difficulties experienced by the radar system at Dublin Airport; and if he will make a statement on the matter. [32660/08]

54. **Deputy Joe Costello** asked the Minister for Transport if he has reviewed the Irish Airport Authority's new report on the serious radar malfunctions at Dublin Airport during the summer 2008 period; if he will bring forward measures to prevent a recurrence of the double fault failure; if he will instigate a review of the radar systems at all major airports here; and if he will make a statement on the matter. [32517/08]

**Minister for Transport (Deputy Noel Dempsey):** I propose to take Questions Nos. 45 and 54 together.

I said in my reply to the Private Notice Questions on Thursday the 10th of July 2008 that I intended to ask the Irish Aviation Authority (IAA) for a full report on the radar malfunction at Dublin airport which led to traffic disruption on 9 July. On the 11th of July, my Department issued a letter to the IAA setting out the issues that should be covered. I received the Authority's report on the 19th of September and it has been made publicly available on the Authority's website [www.iaa.ie](http://www.iaa.ie). As set out in the report, the measures being implemented by the IAA and THALES ATM are intended to minimise the effect of a recurrence of like or similar failures of the ATM system in the future. The report also describes the contingency arrangements in place and states that these arrangements are consistent with the best arrangements available worldwide. In the circumstances I am satisfied that no further action is necessary.

*Question No. 46 answered with Question No. 21.*

47. **Deputy Kathleen Lynch** asked the Minister for Transport if he will bring forward measures to enhance the regulatory powers of the Commission for Aviation Regulation which includes an early warning mechanism for airline companies and operators that are experiencing difficulties; if he will introduce legislation specifically aimed at enhancing the rights and protection of airline travellers; and if he will make a statement on the matter. [32520/08]

**Minister for Transport (Deputy Noel Dempsey):** Under European Regulations, all Community air carriers must have an operating licence in order to operate air services in the European Community. The conditions for the grant and continued validity of such licences are currently set down in Council Regulation (EEC) No. 2407/92. The Commission for Aviation



Regulation (CAR) is the licensing authority for carriers whose principal place of business is in the State and it performs this function in accordance with the rules set down in the Regulation which, *inter alia*, provide that the licensing authority may assess the financial performance of a carrier and may suspend or revoke its operating licence if there are indications that the carrier is experiencing financial problems.

In May this year I asked the Commissioner Mr. Cathal Guiomard to undertake a comprehensive review of the travel trade legislation which has been in existence since 1982. The purpose of the review is to assess the operation of the current regulatory arrangements and to recommend any reforms that may be warranted. Following an initial request for proposals in relation to the review CAR has published a consultation document on its website seeking views from interested parties by the 31 October 2008. CAR has indicated that it expects to be in a position to submit its report to me at the end of the year.

### **Rail Services.**

48. **Deputy Michael Noonan** asked the Minister for Transport his plans to reduce subvention to Iarnród Éireann; and if he will make a statement on the matter. [32665/08]

**Minister for Transport (Deputy Noel Dempsey):** The provision and operation of car parks at railway stations, including the imposition of charges to cover operational costs, is a matter for Iarnród Éireann and I have no function in relation thereto. The annual compensation paid to Iarnród Éireann, through CIE, by the Exchequer towards the cost of loss-making economically and socially necessary services is equivalent to approximately 44% of Iarnród Éireann operating costs. It is a matter for Iarnród Éireann to meet the balance of the operating costs from passenger fare revenue and other revenue streams including charges for parking. The compensation to be paid to Iarnród Éireann in 2009 in respect of its public service obligation will be determined as part of the Estimates/Budgetary process.

### **Decentralisation Programme.**

49. **Deputy David Stanton** asked the Minister for Transport, further to Parliamentary Question No. 16 of 8 May 2008, the further progress that has been made regarding the decentralisation of Bus Éireann staff to Mitchelstown, County Cork; if further discussions have been held by the decentralisation implementation group; the outcome of same; and if he will make a statement on the matter. [32558/08]

**Minister for Transport (Deputy Noel Dempsey):** My Department wrote to the Department of Finance requesting agreement to placing the obligation to transfer the 200 posts on CIE rather than Bus Éireann. On the 27th May a decision was made agreeing to this and conveyed to CIE management in early June. CIE has been asked to devise an implementation plan in respect of these posts. To-date no further meetings have been held with the Decentralisation Implementation Group regarding decentralisation to Mitchelstown.

### **Road Network.**

50. **Deputy Mary Upton** asked the Minister for Transport the position regarding plans for a new tranche of public private partnerships for road building projects; the projects which would be prioritised under a new round of PPPs; the level of interest from national or international consortia for new road building projects; and if he will make a statement on the matter. [32532/08]

**Minister for Transport (Deputy Noel Dempsey):** As the Deputy is aware, as Minister for Transport I am responsible for overall policy and funding issues relating to the National Roads Programme element of Transport 21. However, the detailed planning, design and implementation of individual national road improvement projects including those carried out by way of Public Private Partnership (PPP), is a matter for the National Roads Authority (NRA) under the Roads Act 1993. This includes the carrying out of cost benefit analyses for such projects. Earlier this year the Government reviewed the financing arrangements for Transport 21. Arising from that review it is proposed that a number of national road projects should be undertaken as unitary payment (i.e. non-tolled) PPPs, thus releasing Exchequer funding for a capital contribution towards the Metro North project.

### **Greenhouse Gas Emissions.**

51. **Deputy Pat Rabbitte** asked the Minister for Transport when he will publish the sustainable travel and transport plan; the measures he plans to include in the policy particularly in relation to addressing increasing transport greenhouse gas emissions; and if he will make a statement on the matter. [32525/08]

**Minister for Transport (Deputy Noel Dempsey):** I intend to publish the Sustainable Travel and Transport Action Plan before the end of the year. The Plan will not only help address transport greenhouse gas emissions but also wider sustainability issues such as economic competitiveness, congestion, access to modes of transport other than the private car and quality of life.

### **State Airports.**

52. **Deputy Jan O'Sullivan** asked the Minister for Transport if he will report on the stage of the separation of Cork, Dublin and Shannon airports; if he has provided the required clarifications for Cork Airport Authority's business plan; if he plans to proceed with the separation of the three airports; and if he will make a statement on the matter. [32518/08]

105. **Deputy Jim O'Keeffe** asked the Minister for Transport the position regarding the future of Cork Airport; and if he will make a statement on the matter. [32712/08]

**Minister for Transport (Deputy Noel Dempsey):** I propose to take Questions Nos. 52 and 105 together.

The State Airports Act, 2004 provides the framework for the establishment of Shannon and Cork as independent airports. As part of the airport restructuring process the boards of Cork and Shannon airport are required to prepare business plans for eventual separation. All three airport business plans have to be coordinated by the Dublin Airport Authority for eventual approval by the Minister for Finance and myself. Among the requirements to be satisfied in advance of separation is the need to ensure the financial sustainability of all three state airports.

I have already received the Cork and Shannon business plans but I expect shortly to receive a finalised commentary on those plans by the DAA when they submit their own plan under the Act. I would expect DAA's commentary to address recent trends in the aviation market, the challenges facing the State airports and the financial and operational aspects of restructuring.

### **Road Safety.**

53. **Deputy Joanna Tuffy** asked the Minister for Transport the steps he has taken to address the problems with the National Vehicle Driver File that resulted in allegedly as many as 50,000 drivers failing to be informed that their vehicles are due for a national car test; if he will review

and reform the general operation of the National Vehicle Driver File; if he is satisfied with the data protection system of the NVDF in view of recent serious breaches of personal data protection in other Departments; the number and the other agencies or Departments with which information on the NVDF is shared; and if he will make a statement on the matter. [32536/08]

**Minister for Transport (Deputy Noel Dempsey):** As I have indicated previously, I am satisfied that the data on the National Vehicle and Driver File (NVDF) is accurate and fit for purpose for regulating drivers and vehicles. To further improve data accuracy in relation to motor vehicle ownership, we extended our on-line services in June last to enable approved motor dealers notify the NVDF system about the purchase and sale of vehicles over the internet. Where this facility is used, the new ownership particulars are recorded on the NVDF system within 24 hours of the dealer notifying the change. Returns show that the system is operating very well and at this relatively early stage some 20% of overall change of ownership notices are notified through this channel. Nearly 250 motor dealers are now using the facility and it is estimated that they account for about 40% of transactions which involve motor dealers. The website [www.motortrans.ie](http://www.motortrans.ie) provides the facility for dealers to apply to use the facility.

There are also arrangements in place with the operators of the dedicated website [www.ne-waddress.ie](http://www.ne-waddress.ie) whereby changes of address for driving licence and motor tax purposes are notified to the NVDF through that channel and a significant number of changes are captured in that way. The NVDF contains personal data relating to drivers and vehicles which is highly sensitive and confidential and I am satisfied that best practice is applied in relation to the security of the data and the arrangements covering its release to other parties. Section 60 of the Finance Act, 1993, as amended provides for access to NVDF data by Government Departments/Offices licensing (vehicle registration, motor tax and driver licensing) authorities in Ireland and other Member States of the EU, the Revenue Commissioners, An Garda Síochána and such other persons as may be prescribed.

The following are prescribed, for the purposes of Section 60 of the Finance 1993, to receive NVDF data including personal information: Local Authorities; Road Safety Authority, National Car Testing Services, Motor Importers and Distributors (vehicle safety recalls), Motor Insurance Bureau, An Post, Eirtrade Services Ltd. and motor insurers. In addition the Private Security Authority, the Pensions Ombudsman, the National Employment Rights Authority and road toll operators obtain NVDF data through specific legislative frameworks. There are also arrangements in place to supply vehicle data without personal details to Auto Records Ltd., T/A Cartell, The Society of the Irish Motor Industry, insurers, MoneyMate and Aspen Connect.

Since the commencement of the national car testing system data from the NVDF is supplied to National Car Testing Services (NCTS) to assist with the operations of that company in relation to the testing of private cars. All aspects relating to the day to day operation of the car testing service including the issuing of test reminders are a matter for NCTS. I understand however that NVDF data quality is not the reason for NCTS not issuing reminders to vehicle owners prior to test due date. Insofar as the NVDF/NCT electronic interface is concerned, necessary adjustments to the NVDF computer programs to improve and streamline the data transfer arrangements generally have been made and are now operational. I am completely satisfied that there are no underlying problems with quality of data on the NVDF.

*Question No. 54 answered with Question No. 45.*

### **Proposed Legislation.**

55. **Deputy Ciarán Lynch** asked the Minister for Transport if he will report on the recently published Harbours Bill 2008; the reason he has decided to decrease the employee director

[Deputy Ciarán Lynch.]

representation and the representation of local councillors on the boards of the national ports; when this legislation will come before the Houses of the Oireachtas; and if he will make a statement on the matter. [32538/08]

**Minister for Transport (Deputy Noel Dempsey):** The Harbours (Amendment) Bill 2008 has been introduced in the Seanad and will shortly commence its passage through the Houses. The primary purpose of the Bill is to give effect to certain aspects of the Ports Policy Statement, which was launched in January 2005. One of the key recommendations of the Ports Policy Statement was the need to enhance port company performance through reform of the board structure. This is one of the matters to be addressed in the recently published Harbours Bill. There will be ample opportunity to debate this and related matters during the passage of the Bill through the Oireachtas.

56. **Deputy Seán Sherlock** asked the Minister for Transport when the road traffic Bill, the merchant shipping consolidation Bill, the air navigation and transport pre-clearance Bill, the merchant shipping safety convention Bill, the public transport regulation Bill, the road traffic Bill and the vessel registration Bill will be published; the proposed heads, key objectives and estimated publication date of each bill; and if he will make a statement on the matter. [32545/08]

**Minister for Transport (Deputy Noel Dempsey):** I refer the Deputy to the Government Legislation Programme recently published by the Chief Whip.

#### **Departmental Budget.**

57. **Deputy Willie Penrose** asked the Minister for Transport the policy areas of his Department he will identify for cutbacks in view of the Government's target of budgetary cuts across each Department of at least 3%; the programmes or policy areas, such as road safety for example, that will have their funding ring-fenced; if he will target his Department's public relations budget for cuts; and if he will make a statement on the matter. [32512/08]

**Minister for Transport (Deputy Noel Dempsey):** As the Deputy is aware, the Estimates process for 2009 is underway within Government Departments in preparation for the Budget on 14th October next. My Department is preparing its proposals for 2009 in accordance with the guidelines issued by the Department of Finance and all spending areas are under examination. However, pending completion of these proposals and final decisions by the Government, it is not possible to say what areas might be affected by reductions in allocations in 2009. The overall amount that will be available to my Department for 2009 will be known on Budget day along with proposals for allocating that amount between the various spending areas.

#### **Air Services.**

58. **Deputy Liz McManus** asked the Minister for Transport his views on draft EU legislation aimed at curbing misleading information on airline ticket prices; if he will conduct an investigation into the level of misleading advertising and selling of airline tickets; and if he will make a statement on the matter. [32523/08]

**Minister for Transport (Deputy Noel Dempsey):** The legislation that the Deputy is referring to is a new Regulation of the European Parliament and of the Council on common rules for the operation of air services in the European Community. The Regulation aims to consolidate and update the existing common rules which were adopted in the early 1990s and liberalised the air transport market in Europe. The most significant new elements introduced into the

regulatory framework through the new Regulation are the provisions concerning the transparency of pricing information for air services and I fully supported the introduction of these provisions during discussions on the draft legislation in the Council.

Consumer protection issues falls within the remit of my colleague the Minister for Enterprise Trade and Employment and we have agreed in principle that the National Consumer Agency will be assigned responsibility for enforcing the new European rules on the transparency of pricing information for air services in the new Regulation. Legislation is currently being drawn up for this purpose and the NCA will have appropriate powers to effectively enforce these new rules.

### **Road Safety.**

59. **Deputy Michael D. Higgins** asked the Minister for Transport the number of alleged car write-offs that he has been made aware of; his views on whether there may still be car write-offs on roads here; the estimate of the number there may be; if he will introduce a compulsory reporting system for car write-offs; and if he will make a statement on the matter. [32535/08]

**Minister for Transport (Deputy Noel Dempsey):** As I indicated in responses to similar questions in this matter, following analysis of data relating to some 5,400 written off vehicles which has been provided voluntarily by one major insurer against the NVDF the Department wrote to the registered owners of some 261 vehicles which the records indicate may still be in use on public roads. With the assistance of the Irish Insurance Federation, the insurance industry made the necessary data relating to other insurers and covering some 16,700 vehicles which were written off over a period of some years available voluntarily. The process of validating it against the 2.5 million active vehicles on the NVDF has been completed and the details of vehicles which the NVDF has identified as potentially being still in use have been returned to the relevant insurers for confirmation of write-off status.

Insurers are currently engaged in this work, which in some instances involves examination of files, and the Department has impressed upon them to complete this task urgently. The Department will write to the owners affected when validated lists are returned. Voluntary arrangements have been put in place whereby the NVDF receives regular notifications of write off instances. This has facilitated the NVDF to have current write off data and I am favourably disposed to having a period of evaluation of these voluntary arrangements before considering what, if any, compulsory obligations are warranted.

60. **Deputy Eamon Gilmore** asked the Minister for Transport if he has reviewed recent policy proposals to reduce speed limits by 20 km/h; his plans to reduce speed limits; and if he will make a statement on the matter. [32529/08]

**Minister for Transport (Deputy Noel Dempsey):** I am aware of the proposals and will take them under consideration in the context of the Sustainable Travel and Transport Action Plan which I intend to publish before the end of the year.

### **Taxi Regulations.**

61. **Deputy David Stanton** asked the Minister for Transport, further to Parliamentary Question No. 29 of 8 May 2008, the further discussions he has had with the Taxi Regulator regarding the provision of subsidies by his Department to taxi and hackney operators to purchase wheelchair accessible vehicles which comply with new standards; if such a subsidy is to be made available in 2008; and if he will make a statement on the matter. [32559/08]



**Minister for Transport (Deputy Noel Dempsey):** My Department has been in discussion with the Commission for Taxi Regulation about a proposal for a subsidy scheme to assist with the purchase of accessible vehicles over a five-year period that will meet the new accessible vehicle specification that has been developed by the Commission. A number of options for the delivery of additional accessible vehicles have been explored in the Department. A final decision on the subsidy scheme proposal has not yet been made and will be made as soon as possible having regard to the overall budgetary context.

#### **Motor Fuels.**

62. **Deputy Brian O'Shea** asked the Minister for Transport if he will examine the liquid transport fuels market in conjunction with the Departments of Communications, Energy and Natural Resources and Enterprise, Trade and Employment, the National Consumer Agency and the Competition Authority in view of the ongoing allegations of uncompetitive behaviour in the liquid fuels sector; and if he will make a statement on the matter. [32540/08]

**Minister for Transport (Deputy Noel Dempsey):** As indicated in my reply to Dail question no. 687 answered on Wednesday 24 September, I have no direct function in regard to this matter. Allegations of uncompetitive behaviour among hauliers are a matter for the Competition Authority. I am not aware of any complaints to my Department of any uncompetitive behaviour in the liquid transport market. In the normal course, complaints would be referred to the Competition Authority.

#### **Light Rail Project.**

63. **Deputy Ruairí Quinn** asked the Minister for Transport the position regarding the major excavation relating to metro north, the Dublin rail interconnector and the Luas link-up; if all of these projects will proceed on time and on budget; the agencies and companies he and his Department have recently met in preparation for the excavation works; when he will begin a public information campaign for affected residents and businesses; and if he will make a statement on the matter. [32515/08]

**Minister for Transport (Deputy Noel Dempsey):** Good progress is being made on the delivery of Metro North, the Interconnector and the Luas Line from St. Stephen's Green to Liffey Junction (Bx/D). The RPA placed copies of the Railway Order application on display on 17 September in accordance with the 6 week statutory public notice requirement pursuant to section 37 of the Transport (Railway Infrastructure) Act 2001. Tender documentation issued to the PPP bidding consortia in May and tenders are due to be received by February 2009. Planning and design work is continuing in relation to the Luas Line Bx/D.

In relation to the Interconnector, tenders were sought in June 2008 from the five pre-qualified companies to undertake the reference design suitable for a Railway Order. The tendering process for the geotechnical investigation team also commenced in June 2008. The detailed planning being undertaken in relation to Luas Line Bx/D includes the development of a construction strategy, which takes cognisance of the works in the city centre required for Metro North. It is not possible to construct Metro North and Luas Line Bx/D simultaneously, in light of the traffic management consequences in the city centre. The timescale for the project will be critically dependant on the outcome of this work. The target date for the completion of Metro North is 2013 and the target date for the completion of the Interconnector is 2015. These completion dates are dependent on the outcome of the planning and procurement processes.

Pending the establishment of the Dublin Transport Authority, the Dublin City Manager chairs the Dublin Transport 21 Implementation Group which co-ordinates and oversees the

investment programme in Dublin. The group comprises the chief executives of the principal implementing agencies, an Assistant Secretary from my Department, the Fingal County Manager, the Director of Traffic and representatives of the Garda Síochána and business associations. Two sub-groups have been established and the business community is represented on both.

- The Contingency Planning Group is overseeing the preparation of a traffic management plan for the Transport 21 construction phase, focused particularly on the city centre. This plan will take account of other construction activity by local authorities, public bodies and private developers.
- The Communications Group is preparing a co-ordinated communications strategy for the construction period of major Transport 21 projects, such as Metro North and the Interconnector. The theme of this strategy will be “Dublin is open for business”.

In addition, the Railway Procurement Agency continues to meet individual businesses and resident organisations along the Metro North preferred alignment to inform them of its plans and address issues of concern. I hold regular quarterly meetings with the Transport 21 implementing agencies, An Garda Síochána and business organisations in Dublin to identify the principal concerns of the business community and to review progress on traffic planning for the construction phase of Transport 21 projects.

*Question No. 64 answered with Question No. 27.*

#### **Private Security Authority.**

65. **Deputy Damien English** asked the Tánaiste and Minister for Enterprise, Trade and Employment the finance raised under the scheme, IS EN 50131 Part 1 1997, since its inception; the number of applications under this scheme on a county basis since its inception; the number of successful and the number of unsuccessful applications for each county; if she will provide the information in tabular readable form; and if she will make a statement on the matter.

[32732/08]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The Private Security Authority (PSA), established under the Private Security Services Act 2004 and operating under the remit of the Department of Justice, Equality and Law Reform, is the regulatory body for the private security industry. I understand that under the Act, licences are compulsory for private security contractors providing Intruder Alarm installation services. In order to obtain a licence from the PSA the security provider must be certified as being compliant with IS EN 50131 for Intruder Alarm Installers as well as fulfilling a number of other conditions. My Department has no information on the number of successful or unsuccessful applications made to the PSA.

The National Standards Authority of Ireland (NSAI) is one of a number of certifying bodies authorised by the PSA to perform certification under the scheme. The NSAI have advised me that certain details in relation to their certification operations under IS EN 50131 cannot be provided due to reasons of commercial confidentiality and because the provision of such information would be contrary to the terms of NSAI's accreditation by the United Kingdom Accreditation Service. The NSAI have, however, provided in tabular form a list of names and addresses of intruder alarm installers certified by it. Further details may be available from the PSA which also maintains a register of licensees on its website — [www.psa.gov.ie](http://www.psa.gov.ie).

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## Intruder Alarm Installers

Company	Address
24-7 Security Ltd.	Unit 44 Canal Walk, Parkwest, Dublin 12
3D Security Systems	20 Northwood Court, Sanrty, Dublin 9
A & A Security Systems Ltd	16 The Orchards, Courtbrack Ave, Limerick
A B S Limited	Robertson House, Unit 49 Baldoyle Ind Est., Baldoyle, Dublin 13
A C S	Carnalynch, Bailieborough, Co. Cavan
A F C Security Limited	Unit 13, Block 2, Port Tunnel Business Park, Clonshaugh, Dublin 17
A Fitzgerald Elect, Eng & Man	Caherass, Croom, Co. Limerick
A P Systems Ltd	37A Hebron Business Park, Kilkenny, Co. Kilkenny
A S A Security Ltd	Unit 4, Power Industrial Estate, Tramore Road, Cork
A&C Specialist	10 Windsor Court, Waterpark, Carrigaline, Co. Cork
A-TEC Security Systems	Kilgobinet, Dungarvan, Co. Waterford
A-Tel Alarms	1 Granby Row, Carlow
A.B.R. Security Systems	Carrigduff, Bunclody, Co. Wexford
A.K. Security Systems	12 St John's Court, Clondalkin, Dublin 22
A1 Omada Ltd	Regency House, 76-77 Old Kilmainham Road, Kilmanham, Dublin 8
A2Z Security Systems Ltd	Wicklow Enterprise Park, The Murrough, Wicklow Town
Access Automation & Alarms	Clogher, Claregalway, Co. Galway
Ace Securities Ltd.	The Black Church, St. Mary's Place, Dublin 7
ACK Electrical and Alarms	12 Elm Field Walk, Clarehall, Dublin 13
Action Alarms Ltd	Unit C1, Three Rock Road, Sandyford Business Park, Dublin 18
Active Security Solutions	Rawalpindi, Kill Lane, Foxrock, Dublin 18
Active Technology Ltd	Unit 14, Ballycasey Craft Center, Shannon, Co. Clare
Adplex Alarm & Electrical Ser	45 Willow Park Crescent, Glasnevin, Dublin 11
Advanced Design Alarms	Rockchapel, Mallow, Co. Cork
Advantx Security Systems	Cloonturk, Dromod, Co. Leitrim
AES Cctv Security & Fire Ltd	Church View House, Church Street, Castleblayney, Co. Monaghan
Aim Communications	Clonmel Road, Cahir, Co. Tipperary
AKAM Security Systems	115 The Old Mill, Fairyhouse Road, Ratoath, Co. Meath
Alarm and Electrical Services	37 Kilakee Gardens, Firhouse, Tallaght, Dublin 16
Alarm Com	5 Woodlands, Ballyshannon, Co. Donegal
Alarm Guard	13 An Caireal, Culard, Carrigtwohill, Co. Cork
Alarm Specialists Ltd	Pembroke, Co. Carlow
Alec Alarms Ltd	42 Clebridge Abbey, Celbridge, Co. Kildare
Alfa Security Ltd	Unit 4 Willow Business Park, New Nangor Road, Clondalkin, Dublin 22
Allwatch Alarms Ltd	Shelton House, 31 Shelton Drive, Dublin 12
Andrew Broderick Alarms	Upper Main Street, Portarlinton, Co. Laois
APM Securities Ltd	23 Ardronin, Balla, Castlebar, Co. Mayo
Apollo Alarms	50 Glenaulin Green, Palmerstown, Dublin 20
Aramis Systems Ltd	Crosshaven, Co. Cork
Arbeca Installations	24 Tegan Court, Muculagh, Tullamore, Co. Offaly
Ard Security Systems Ltd	Monivea, Athenry, Co. Galway
Argent Group	Butterstream, Clane, Co. Kildare
Armtec Alarms Ltd	36 Castleraven, Nurney, Co. Kildare
Armtec Ltd	Ballymore, Craughwell, Co. Galway
Arrow Security & Fire Service	Grange Little, Grange Road, Rosslare, Co. Wexford

Company	Address
Ascott Ltd	Unit 33 Robinhood Industrial Est., Clondalkin, Dublin 22
Atlantic Alarms Ltd	21 Chelmsford, Celbridge, Co. Kildare
ATS Alarm Systems Ltd	Larch Hill, Ennis, Co. Clare
Avenger Alarms Ltd	The Cascades, Ballynerrin Upper, Wicklow Town, Co. Wicklow
Aware Security & Electrical S	2 Doonsalla Park, Cabinteely, Dublin 18
Aztec Security Systems	3 Shelton Gardens, Kimmage, Dublin 12
B B Alarms	Newtown, Oldcastle, Co. Meath
B K Alarms	No 2 Prior Park Green, Clonmel, Co. Tipperary
B-Link Security Ltd	236 Orwell Park Heights, Tempogue, Dublin 6W
B-Secure Alarms Ltd	21 Leopardstown Abbey, Carrickmines, Dublin 18
B.B.L. Alarms Ltd.	Unit 35, Newtown Business & E, Newtownmountkenedy, Co. Wicklow
B.C.S.	Shinnagh, Rathmore, Co. Kerry
B.O.S.S.	Byrne Overall Security Solution, 44 Abbeyfield, Kilcock, Co. Kildare
BAC Security	Kilmurray, Johnstown Bridge, Enfield, Co. Kildare
Balfe Electrical & Security	53 Glenageary Woods, Dun Laoighaire, Co. Dublin
Banner Security & Communica	Coast Road, Lisdoonvarna, Co. Clare
Barbell Alarm Systems Ltd	15 Cluny Grove, Killiney, Co. Dublin
Beeton Communications & Se	Drumbier, Scotstown, Co. Monaghan
Bellview Security Systems Lt	Rozel, Station Rd., Portmarnock, Co. Dublin
Bluerock Security System Ltd	Unit 2, Ryland Road, Bunclody, Co. Wexford
Bowman Security Ltd	Dromady, Claremorris, Co. Mayo
Boxer Security Systems Ltd	Iona, Dublin Road, Portlaoise, Co. Laois
Boyne Security Systems	Flemington, Balrath, Navan, Co. Meath
Brann Technology Ltd	Deforest House, Bellewstown, Co. Meath
Brian Mooney Alarms & Electri	2 Rockfield Drive, Perrystown, Dublin 12
Briarpark Security Systems Lt	Unit 4B, Mulcahy Kane Estate, Walkinstown, Dublin 12
Buckley Security Systems Ltd	Killard, Blarney, Co. Cork
Burgoalarm Security Products	Unit 9 Kinsale Road Commercial, Kinsale Road, Cork
Byrne Alarms Ltd	20 Bolton Square, Drogheda, Co. Louth
C & C Alarms	Poulatar, Ardfinnan, Clonmel, Co. Tipperary
C-Mc's Security Ltd	Tullintowell, Drumkeeran, Co. Leitrim
C-Wire Ltd	36 Rowan Drive, Castlebar, Co. Mayo
C.E.S Electronic Security	Attymon, Athenry, Co. Galway
Castle Alarms Ltd.	6 Lower Dorset Street, Dublin 1
Catch Security Systems Ltd.,	Farranlea House, Farranlea Road, Cork
CCTV Intruder Access Syste	277 Crodaun Forest Park, Celbridge, Co. Kildare
Cell Security Systems Limited	Killyon, Longwood, Enfield, Co Meath
Celtic Alarms	5 Brookhaven Grove, Blanchardstown, Dublin 15
Centaur Alarms Limited	DJM House, Kilkerrin Park 11, Co. Galway
Central Electrical Services	4 Warner's Lane, Dublin 6
Central Security Systems	Woodlane, Hillside, Birr, Co. Offaly
Central Surveillance Ltd.	Long Road, Vicarstown, Co. Laois
Choice Security Installations L	6 Beechwood Lawns, Rathcoole, Co. Dublin
Chubb Ireland Limited	2 Stillorgan Industrial Park, Blackrock, Co. Dublin
Citadel Security Solutions	Derrymoyle, Oughterard, Co. Galway
Clare Alarms Security Ltd	Drim, Quin, Ennis, Co. Clare
Clarke Security Systems	54 Cedar View, Ridgewood, Swords, Co. Dublin
Clifford Security Alarms Ltd	16 Wickham Street, Limerick

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Company	Address
CLS Ltd	The Green, Cashel, Co. Tipperary
CMG Security	Mullagreenan, Newbliss, Co. Monaghan
Coleman Electronics Ltd	Ardnaree, Ballina, Co. Mayo
Colm Roche Security Systems	19 Glenpark Close, Palmerstown, Dublin 20
Comsec Protection Systems L	Unit 26 Stadium Business Park, Ballycoolin Road, Dublin 11
Cork Security Systems	3 Manor Avenue, Maryborough Ridge, Douglas, Co. Cork
Corrib Fire Protection Co Ltd	Clarenbridge, Co. Galway
Covert Security Solutions	45 Westbrook Park, Hillcrest, Lucan, Co. Dublin
Craft Alarms	1 Brookvale, Rathfarnham Road, Rathfarnham, Dublin 14
Craft Security Ltd	Ballinrea Business Park, Ballinrea, Carrigaline, Co. Cork
Crime Prevention Security Ltd	Unit 5. Feltrim Business Park, Feltrim Road, Swords, Co. Dublin
Crothers Security Ltd	Solution House, 139 St. Peters Road, Walkinstown, Dublin 12
CSE Services	Stranooden, Co. Monaghan
Cuala Security Ltd	2A Convent Road, Dun Laoghaire, Co. Dublin
Cube Fire & Security Systems	Rathkip, Ballina, Co. Mayo
Custodian Electronic Security	Unit A6, Network Enterprise Park, Kilcoole, Co. Wicklow
CYB@SES Ltd	9 Victoria Villas, Clontarf, Dublin 3
D F Security	20 Kinvara Park, Navan Road, Dublin 7
D J Flanagan Security System	Knockliscerane, Milltown Malbay, Co. Clare
D S A Alarms	Pallaskenry, Co. Limerick
D-Tect Alarms	33-34 Main Street, Rathfarnham, Dublin 14
Day Night Alarms	65 Glenthorn Drive, Dublin Hill, Cork
De-Jay Royale	Block 2, Millbank House, Lucan, Co. Dublin
Declan Carty & Ronan Mannio	Attidermot, Auhgrim, Ballinasloe, Co. Galway
Declan Winders & Norman Gly	Thomastown, Naas, Co. Kildare
Defence Line Systems LTD	Unit 22, The Rocks, Longford, Co. Longford
Delta Alarms ( Dundalk ) Ltd	9, Priorland Grove, Dundalk, Co. Louth
Design Security Systems Ltd	Unit 14, Newtown Business & E, Newtownmountkenedy, Co Wicklow
DFS Security	15 Summerhill Rise, Tramore, Co. Waterford
Diamond Security Systems	15, Sorrel Heath, Clonsilla, Dublin 15
Digital Security	Montpelier House, Montpelier Hill, Dublin 7
Dignam Electrical and Security	Unit 21, Block 503C, Greenogue Business Park, Rathcoole, Co. Dublin
DNA Security Ltd	Dublin 16, 16 Ballyboden Crescent
Dobbyn Electrical Installations	Unit 3 Block 1, Waterfront Business Park, Little Island, Cork
Doc Dob Enterprises Ltd	16b Southville Gardens, Ballinacurra, Co. Limerick
Domestic Security	No 8 Toureen Terrace, Passage West, Co. Cork
Dow-Tech Security Systems	Meenmore, Cloonloo, Via Boyle, Co. Sligo
Dowling Security Systems Ltd	“Sunville”, St. Joesph’s Road, Mallow, Co. Cork
Dundalk Communications & Se	4A Linen Hall Street, Dundalk, Co. Louth
Dunne Security Ltd	28 Doonsalla Park, Dun Laoghaire, Co. Dublin
E T I Security Systems Ltd	Glebe Street, Ballinrobe, Co. Galway
Eastmore Electronics Ltd	65 Allen Park Road, Stillorgan, Co. Dublin
Edward Ennis	Lower Barrack Street, Wexford Town, Co. Wexford
EHS Security Systems Ltd	Unit 2A Station Road Business, Clondalkin, Dublin 22
eircom	Unit 4 Sandyford Park, Burton Hall Road, Sandyford Industrial, Dublin 18
Electra-Tek Ltd	Hillcrest, Rockdale, Portlaoise, Co. Laois



Company	Address
Electrical & Security Services	Glann, Oughterard, Co. Galway
Electronic Security Protection	“Crannog”, Mucklon, Enfield, Co. Meath
Electronic Technology (Cork)	19 Summerhill North, Cork
Elite Security Alarms	No 2 Birch Avenue, Caherdavin Height, Limerick
Emmet Keogh & Associates Lt	Emmet Keogh Associates Ltd, Leabeg, Newcastle, Co. Wicklow
Enfield Alarms Ltd	Ballycarn, Enfield, Co. Meath
Erin Security Systems	Dunkereen, Innishannon, Co. Cork
ETM Alarms	7 Abbeyfield, Kilcock, Co. Kildare
Euro Fire & Security Ltd	39B Clooney Terrace, Waterside, Londonderry
Excel Electrical	Unit 4, Westcourt Business Park, Callan, Kilkenny, Co. Kilkenny
Executive Security Ltd	1-2 Sandyford Centre, Furze Road, Sandyford Industrial, Dublin 18
Express Security Systems	Enterprise House, Mayfield Business Park, Cork
Fahavane Ltd	St Brendan’s Park Business Ce, Monavalley, Tralee, Co. Kerry
Federal Electronic Security Lt	12 Mill Bank Business Park, Strawberry Beds, Lucan, Co. Dublin
Filmcom Ltd.	Cornamagh, Co. Westmeath
Firecheck Limited	17 Chancel Drive, Churchill Meadows, Raheen, Co. Limerick
FK Security System Ltd	1st Floor, Unit 7 Cookstown Enterprise, Tallaght, Dublin 24
FMK Security Systems	Curramore, Kiltoom, Athlone, Co. Roscommon
Focus Security Ltd	Littlebridge, Bodeen, Ratoath, Co. Meath
Folyn Electrical Services Ltd	Dromlought, North Circular Road, Limerick
Forrester O’Shea Electrical Lt	Incorporating BFA Alarms, 5 Copeland Avenue, Clontarf, Dublin 3
Freeman Brothers (Electrical )	10 Gas Terrace, Tralee, Co. Kerry
Full View Security Systems Lt	41 Georgian Close, Drogheda, Co. Louth
Future Security Solutions	Chapel Street, Ballymore Eustace, Co. Kildare
G4S Security Services Ireland	51 Bracken Road, Sandyford Industrial, Dublin 18
Galaxy Security Systems	Moydrum Business Park, Athlone, Co. Westmeath
Galcom Security Electronics	Ballaun, Cumber, Tuam, Co. Galway
Gallant Security Systems Ltd	Unit 715, Northwest Business Park, Blanchardstown, Dublin 15
Gar-Sec Systems	Unit 1 West Tipperary Enterprise, Station House, Tipperary Town
Gavin Malone	460 Galtymore Road, Drimnagh, Dublin 12
GCS Alarms	133 The Oaks, Newbridge, Co. Kildare
General Electronic Alarms	Unit 3 Barryscourt Business Park, Carrigtwohill, Co. Cork
George Wilkin Security & Elect	1 Roselawn Drive, Bray, Co. Wicklow
Gerry Byrne Systems	Kilmeague, Naas, Co. Kildare
Glen Alarms Ltd	Glenballythomas, Tulsk, Castlereagh, Co. Roscommon
Grants Electrical Services	Cleenagh, Buncrana, Co. Donegal
Hall Alarms Ltd	Unit5D2, Gurtnafleur, Clonmel, Co. Tipperary
Hardy Security Solutions	7 Temple Manor Close, Greenhills, Dublin 12
Hayes Security Ltd	Hill Road, Killaloe, Co. Clare
Herbert Levingston Ltd	Eden House, Redmond Road, Wexford
Hi-Tech Security	Newcastle, Co. Dublin
Homelink Security	59 Whitethorn Park, Palmerstown, Dublin 20
HPG Security	Killeen, Vicarstown, Co. Cork
Hunt Security Limited	Room 5 — Unit 4 Marvick House, Kilcoole Industrial Estate, Kilcoole, Co. Wicklow
Hyland Security Systems	137 Lr. Glanmire Road, Cork
Ian Foley Electrical Services L	22 Prospect Lawn, Coolroe, Ballincollig, Co. Cork
Icon Electronic Security	14 St. Brigid’s Green, Artane, Dublin 5

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Company	Address
Intech Security (Waterford) Lt	Mullinabro, Ferrybank, Waterford
Integral Security Ltd	Unit B, 10/11 Greenogue Squar, Rathcoole, Co. Dublin
Intruder Alarms Ltd	Rock Lodge, 91 Coliemore Road, Dalkey, Co. Dublin
Iona Security Ltd	25 The Priory, Rathfarnham, Dublin 16
ISA Group	641 Howth Road, Raheny, Dublin 5
Jade Management Solutions L	Unit 24 Dunboyne Business Park, Dunboyne, Co. Meath
James Farrell Ltd	Edenderry Business Park, Edenderry, Co. Offaly
Jaynat Ireland Ltd.	74A Killester Ave, Killester, Dublin 5
JEC Security Limited	Ballinaneesagh, Cork Road, Waterford
Jetage International Ltd	Derryverogue, Donadea, Naas, Co. Kildare
Joe Curran Electrical Ltd	Toor, Waterville, Co. Kerry
John Joyce	Castleboro, Clonroche, Enniscorthy, Co. Wexford
John McBryde Electrical	Knockarlow, Clareen, Birr, Co. Offaly
John Treanor Security System	Flemings Department Store, Church Square, Monaghan
JPM Security Systems	48 Dalysfort Road, Salthill, Co. Galway
JVL Alarms Ltd	240A Glenwood, Dublin Road, Dundalk, Co. Louth
Kadium Ltd	Monaghan, 87 Glaslough Street
Kar-Tel Security Limited	Unit 104 St Patrick's Wooleen Mi, Douglas, Cork
Karl O'Doherty	35 Kinvara Avenue, Navan Road, Dublin 7
KDS Security	24B Marino Mart, Fairview, Dublin 3
Keane & Fitzgerald	Slaney Place, Enniscorthy, Co. Wexford
Keepsafe Alarms Ltd	Parsonstown, Mullingar, Co. Westmeath
KFS Fire & Security Ltd	35 Woodlawn Road, Killarney, Co. Kerry
Kierans Electrical & Security S	No 69a Newtown Business Park, Boyne Business Park, Drogheda, Co. Louth
Kilkenny Communications	Melrose House, Circular Road, Kilkenny, Co. Kilkenny
Knight Security Limited	10 Park Drive, Cabinteeley, Co. Dublin
Knightguard Security Systems	U 5 Meadowbrook, Heronswood, Carrigaline, Co. Cork
KPR Alarms and Security Syst	Ballough, Lusk, Co. Dublin
L&M Alarms	5 Lee Park, Shannon, Co. Clare
Lab Securities Systems Ltd	Tara Hill, Gorey, Co. Wexford
Lara Alarms Ltd	Unit D4, Centre Point Business Park, Dublin 12
Lazer Alarms and Security Lt	Little Acre, Walshestown, Lusk, Co. Dublin
Leddy Security Systems Limit	Carrickaboy, Co. Cavan
Leinster Alarms Ltd.	Tiglin, Johnstown, Hollywood, Co. Wicklow
Leisure Security Service Ltd	Elvana House, Ardee Road, Tallanstown, Co. Louth
Lenarm Security	Lurgankeel, Kilcurry, Dundalk, Co. Louth
Lenihan Security Systems	1 Dunlocha, Blackrock, Co. Cork
Liam Langtry	Sallaghan, Loch Gowna, Co Cavan
Link Security & Surveillance Lt	Station Road, Portarlinton, Co. Laois
Lock Up Alarms Ltd	Amorset, Manorhamilton, Co. Leitrim
Lynx Alarms	Woodstock, Old Road, Dunsany, Co. Meath
Lynx Security Systems Ltd.	105 Tymon Crescent, Old Bawn, Tallaght, Dublin 24
M & J Electronic Security	Unit 6C Station Road Business, Clondalkin, Dublin 22
M & J Fox Alarms	Market Street, Kells, Co. Meath
M F(Martin Ffrench) Fire & Se	Donanore, New Ross, Co. Wexford
M J Systems	Victoria Place, Newdocks, Galway, Co. Galway

Company	Address
M R Alarms	Cloughleigh, Golden, Co. Tipperary
M.G Security	Churchtown, Newcastlewest, Co. Limerick
M.J.C. Securities	Bohogue, Ballyhaunis, Co. Mayo
Mac Alarms Ltd	Suncroft, The Curragh, Co. Kildare
Malachy Gallagher Ballinrobe	Convent Road, Ballinrobe, Co. Mayo
Mantech Security Services Lt	Castle Bank, Ardnacrusha, Co. Clare
Marina Security Systems Ltd	Enterprise House, Marina Comm. Park Centr, Cork
Marino Alarms Ltd	71 Collins Avenue West, Dublin 9
Mark Tuohy Services Ltd	12-12A Belvedere Court, Dublin 1
Martin Loughnane Electrical Lt	16 Harbour Street, Tullamore, Co. Offaly
Matt Leahy	7 The Grove, Abbey Farm, Celbridge, Co. Kildare
Mavcom Ltd.	Pullerick, Crookstown, Co. Cork
Max Security Systems	140 Meadow View, Drogheda, Co. Louth
Maximum Security	10 Monastery Heath Ave, Monaster Road, Clondalkin, Dublin 22
MBA Systems	8 Ashtown, Roundwood, Co. Wicklow
MC Alarms Ltd	Stonewall Enterprise Centre, Virginia Road, Bailieborough, Co. Cavan
Mc Loughlin Security Systems	Knockdoemore, Claregalway, Co. Galway
Mc Mahon Security Systems	Six Crosses, Kilmurray McMahon, Kilrush, Co. Clare
MC Security	55 Rocklands, Carrigtwohill, Co. Cork
McDonald Group Services	Castle House, 17 Castle Street, Dalkey, Co. Dublin
McLoughlin Enterprises (Blarn	Killard, Blarney, Co. Cork
MD Security	28 Waterford Business Park, Cork Road, Waterford
Merrion Alarms Ltd	22 Castleknock Avenue, Castleknock, Dublin 15
Michael Dennehy	Toureen, Burnfort, Mallow, Co. Cork
Michael Moynihan & Sons Ltd	East End, Rathmore, Co. Kerry
Milandale Ltd	Unit C1 Bymac Centre, Northwest Business Park, Dublin 15
Mist.ie	Avondale', Church Road, Tullamore, Co. Offaly
ML Security	Hillside Cottage, Delgany, Co. Wicklow
Monitor Security Ltd	Unit 17, Tracklands Business Park, Clonroadmore, Ennis, Co. Clare
Moran CCTV Limited	63 Castletown Road, Dundalk, Co. Louth
Moss Fire & Security Services	33 Church Street, Listowel, Co. Kerry
Mr Aiden McGovern	Falsk, Ferbane, Co. Offaly
Mr Bernard Lennon	Maclyn House, Blackhall, Drogheda, Co. Louth
Mr Robert Connell	8 Bawnlea Green, Jobstown, Tallaght, Dublin 24
MT Security	Brocca, Fardrum, Athlone, Co. Westmeath
Muintir Security Systems Ltd.	12 Glenegad Drive, Clonmel, Co. Tipperary
Multec Ltd	17 Station Road, Leixlip, Co. Kildare
Munster Contracts Ltd	Unit 72 Eastlink Business Park, Ballysimon Road, Limerick
Muskerry Security Ltd	1 Glilncool Drive, Maglin Road, Ballincollig, Co. Cork
N.M.S. Limited	Security House, Ballyboughal, Co. Dublin
Napier Security Systems (Alar	Unit E7, Centrepoint Business Park, Dublin 12
Neptune Security Ltd	17 Castle Street, Dalkey, Co. Dublin
Net-Tec Security Solutions	23 Berwick Grove, Swords, Co. Dublin
Network Security Solutions	55 Parkwest Enterprise Centre, Nangor Road, Dublin 12
Niall Mc Carthy Security Syste	6 Castle Avenue, Carrigtwohill, Co. Cork
Niscayah Limited	A1-A3 Calmount Park, Calmount Road, Ballymount, Dublin 12
North West Alarm Systems Lt	Upper Main Street, Donegal
O C Electric Ltd	Ballymoneen Road, Salthill, Co. Galway

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Company	Address
O'Donovan Security	Ard Breac, Shanballymore, Mallow, Co. Cork
O'Mahony Security & Fire Alar	Woodlands, Newcestown, Bandon, Co. Cork
O'Neill Security Ltd	The Forge, Crosshaven, Co. Cork
O'Reilly Alarm Systems Ltd	25 Johnswood Drive, Ashbourne, Co. Meath
Omniguard Limited	Unit A1, Smithstown Industrial E, Shannon, Co. Clare
Orbit Alarms Ltd	Colvinstown, Tara, Co. Meath
Orbit Security Ltd	Pinehill Mountain Top, Letterkenny, Co. Donegal
Owenass Residential Develop	Barrowbank, Portarlinton, Co. Offaly
Oxley Security Systems	Kisha, Derrykearn, Abbeyleix, Co. Laois
P E L Security Ltd	5 Kilcloon Lawns, Kilcloon, Co. Meath
P McMahon Electrical & Securi	Rafeenan, Ballinode, Co. Monaghan
P.B. Alarms (Patrick Brophy)	56 Knockowen Road, Tullamore, Co. Offaly
Padraig Moore & Raymond Ca	Dunnamaggin, Co. Kilkenny
Paul Harris	Ellensborough, Knockmark, Drumree, Co. Meath
Paul Keane Services	42 Woodberry, Greenfields, Ballincollig, Co. Cork
Pensec Ltd	Carlow, 164 St Mary's Park
Pharos Security	Co. Tipperary, 37 Marine Village
Phoenix Alarms Ltd	640 South Circular Road, Kilmainham, Dublin 8
Phone Alarms Dundalk Ltd	10 Francis Street, Dundalk, Co. Louth
Pioneer Security	Usher House, Main Street, Dundrum, Dublin 14
Power Guard Ltd	Monksfield Park, Athlone, Co. Roscommon
Power Right Ltd.	Ardaghowen, The Mall, Co. Sligo
Precision Security Systems Lt	Unit 1E, Three Rock Road, Sandyford Industrial, Dublin 18
Pro Watch Security	Castleboro, Clonroche, Enniscorthy, Co. Wexford
Pro-Guard Security Systems	Halverstown Gate, Halverstown, Naas, o. Kildare
Pro-Tech Alarms Ltd	Unit 104, Saint Patricks Wollen Mill, Douglas, Co. Cork
Professional Protection Syste	52 Racehill Park, Ashbourne, Co. Meath
Prosafe Security Systems Lim	8 Millbank Court, Rush, Co. Dublin
Protec CCTV Ltd	Unit 52, Parkwest Enterprise Cen, Dublin 12
Prout Security Systems Ltd	Lismanus, Dunleer, Co. Louth
PSM Electronics	2 Oakridge Drive, Killeen Road, Tralee, Co. Kerry
Puma Security Systems Ltd	19 Borris Road, Portlaoise, Co. Laois
Quirke Security Limited	No 6 Greenview Terrace, Tralee, Co. Kerry
R R Alarms	Mullamagavan, Stradone, Co. Cavan
R T Communications Ltd	Mount Prospect, Raheen Road, Limerick
R.A.S. Security Systems	27 Parkwest Enterprise Centre, Park West Busine, Dublin 12
R.C. Security Systems	Laurence Gate, Drogheda, Co. Louth
Rath Security Systems	10 Lusmor, Whiterock Hill, Wexford, Co. Wexford
Raymond Walls	Tullymountain, Ramelton, Co Donegal
React Electrical & Alarms Ltd	25 Doonsalla Park, Dun Laoghaire, Co. Dublin
Reehill Electrical Ltd	Kilmahon, Drumlish, Co. Longford
Retec Security Systems	Unit F3 Centrepont, Rosemount Business Park, Blanchardstown, Dublin 15
Ross Alarms & Electrical Servi	16 Nowen View, Bantry Road, Dunmanway, Co. Cork
Ryetech Electrical and Alarms	Unit 77, Dunboyne Business Park, Co. Meath
S K Security Systems	Camheen, Mungret, Co. Limerick
S.M Mc Laughlin Security Solu	Clonsilla West, The Rock, Gorey, Co. Wexford

Company	Address
Safeguard Electronic	Unit 36 Southern Cross Busines, Boghall Road. Bray, Co. Wicklow
Safeguide Security Ltd	27 Westside Business Park, Old Kilmeaden Road, Waterford
Safenet Systems	69 St Peter's Terrace, Howth, Co. Dublin
Safewatch Security Systems	Castleroe West, Maganey, Athy, Co. Kildare
Sail Alarms Ltd	87 Drogheda Street, Balbriggan, Co. Dublin
Sandyford Securitry Solutions	Centauri House, 1 Sandyford Village, Sandyford, Dublin 18
Sapphire Security Limited	71 The Grove, Woodbrook Glen, Bray, Co. Wicklow
SAS Security Alarm Systems	Unit A2, Cookstown Business Ce, Tallaght, Dublin 24
Sasta Security	The Claddagh, Hill Head, Letterkenny, Co. Donegal
Scorso Services Limited	102 Castleland Court, Balbriggan, >Co. Dublin
Screen Security Ltd	Sherwood House, Robinhood Road, Dublin 22
Securelectric Ltd	Sorento Creagh, Bealnamulla, Athlone, Roscommon
Securerite	Seefin, Craughwell, Co. Galway
Securicom Ltd	4F Fingal Bay Business Park, Balbriggan, Co. Dublin
Security Masters	3 Botanic Villas, Glasnevin, Dublin 9
Security Support Ltd	Ballinakill, Loughrea, Co. Galway
Security Systems Solutions	Security House, 90 Mornington Court, Mornington, Co. Meath
Servtek Security Systems Ltd	The Tanyard, Tullamore, Co. Offaly
Sharp Alarms Ltd.,	411 Grants Park, Greenogue Business Park, Rathcoole, Dublin 24
Sheridan Security Alarms and Shield	John Crossan Business Park, Bronagee, Letterkenny, Co. Donegal
Shields Electrical Engineering	40 Verbena Lawn, Sutton, Dublin 13
Sigcom Ltd	Cahanagh, Newtownforbes, Longford
Sion Hill Security & Sound Sys	Bank House, 331 South Circular Road, Rialto, Dublin 8
Siren Security Ltd	Sion Hill, Castlebar, Co. Mayo
Smith Electrical & Security	Castlecomer, Co. Kilkenny
Solo Security Ltd	12 Parkvilla, Park Road, Longford, Co. Longford
Sound Security Systems	3 Glenhill Grove, Finglas, Dublin 11
South East Alarms Ltd	The Burgery, Abbeyside, Dungarvan, Co. Waterford
Sovereign Security Limited	Avolon Boley Hill, Fethard- on-Sea, Co. Wexford
Sparks Security	Valhalla, Coolgreaney Road, Arklow, Co. Wicklow
Spectra Alarms Ltd	Main Street, Ballybofey, Co. Donegal
Stephen Ryan	89 Shanganagh Vale, Cabinteely, Dublin 18
Storm Security Ltd	243 Dublin Road, Newry, Co. Down
Sureguard Securities Ltd	Unit 9, Block 1, Broomhall Busines Park, Rathnew, Co Wicklow
T C Alarms	32 Whitehall Road, Terenure, Dublin 12
T-Com Security Ltd	Corlust, Castleshane, Co. Monaghan
T.K.R Electrical & Alarms Servi	28 Woodlawn Rise, Santry, Dublin 9
Technique REMS	94 Arconagh, Naas, Co. Kildare
Teleguard Security Ltd.	Block B, Newtown Business Park, Co. Wicklow
Teltale Security	Abbeyview House, Ballybeg, Ennis, Co. Clare
Terry Murphy	Knockanooocra, Knockananna, Arklow, Co. Wicklow
The Electric Planet Ltd	Craan, Clonegal, Enniscorthy, Co. Wexford
The Lock Shop Ltd.	15 Oakley Park, Craiguecullen, Co. Carlow
Third Eye Technology	Millview House, Graiguecullen, Co. Carlow
Thomas Kenny & Co Ltd	Unit 3 Riverside Business Park, Old Birr Road, Nenagh, Co. Tipperary
Timmons Security	Garadice, Kilcock, Co. Meath
TMS Security Systems	133 Deerpark, Ashbourne, Co. Meath
	"Hillview", Killowen, Rhode, Co. Offaly



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Company	Address
Tolka Security Ltd	9 Coolmine Mews, Clonsilla, Dublin 15
Topguard Alarms	Lyrenamon, Carrignavar, Co. Cork
Toro Security & Electrical Ltd	Derrybeg, Tullamore, Co. Offaly
Trident Associated Securities	Guardian House, Portrane, Co. Dublin
Tristan and Kieran Alarms	1K Unit 3, Eastway Business Park, Ballysimon, Co. Limerick
Tritec Security Ltd	Cartron, Craughwell, Co. Galway
Turbet Alarms Ltd	138 St Lawrence Road, Clontarf, Dublin 3
Ultimate Security Technologie	John Street Industrial Estate, Ardee, Co. Louth
Vartek Security Ltd	Askeaton, Co. Limerick
Verified Security Systems	Breskamore, Clarina, Limerick
View With Mc Hugh	Lower Main Street, Ballybofey, Co. Donegal
Viking Security Ltd	Kilbride, Arklow, Co. Wicklow
VIP Security	The Farm House, Rivers, Lisnagry, Co. Limerick
Walsh & Emmet Security Syst	23 Doonanore Park, Dun Laoghaire, Co. Dublin
Wave Electrical Services	3 Crestfield View, Hazelwood, Glanmire, Co Cork
WDS Security Systems	6 Forest View, Swords, Co. Dublin
Weiser Systems Alarms	Garrenroe, Thurles, Co. Tipperary
Westech Electrical Panelling L	Castlebo, Kilchreest, Loughrea, Co. Galway
Westlink Electrical Services	11 Rochford Drive, Kill, Co. Kildare
Westside Security Systems	31 Swiftbrook Drive, Fortunestown Way, Tallaght, Dublin 24
Westside Security Systems Lt	Rathuard, Donoughmone, Limerick
Whelan Security	Unit 1F Three Rock Road, Sandyford Industrial Est, Dublin 18
Whoriskey Security Systems	5 Oak Road, Connell Drive, Newbridge, Co. Kildare
Widerange Security Services	Tiermurrin Lane, Rockfield, Kells, Co. Meath
Wilec Ltd.	Unit 6, Charvey Business Park, Rathnew, Co. Wicklow
Woodlark Ltd	1 Wendon Park, Delgany Wood, Delgany, Co. Wicklow
Wyer Alarms	73 Whitecliff, Rathfarnham, Dublin 16
Xtra Security Systems	Monksland, Athlone, Co. Roscommon
Z Tec Ltd	22 Butterfield Avenue, Rathfarnham, Dublin 14

### Business Regulation.

66. **Deputy Damien English** asked the Tánaiste and Minister for Enterprise, Trade and Employment the intellectual property protections afforded to a company (details supplied) that is fully registered in the State for taxation, VAT and with the Companies Registration Office that faces competition from a company based outside the State but that uses a similar name in the promotion of its services to the detriment of the indigenous company; and if she will make a statement on the matter. [32734/08]

67. **Deputy Damien English** asked the Tánaiste and Minister for Enterprise, Trade and Employment the protections afforded to a company (details supplied) that is fully registered here for taxation, VAT and with the Companies Registration Office that faces competition from a company based outside the State but that uses a similar name in the promotion of its services to the detriment of the indigenous company; and if she will make a statement on the matter. [32733/08]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy John McGuinness):** I propose to take Questions Nos. 66 and 67 together.

My officials have already corresponded with the company concerned on this matter from a Company Law perspective and explained that the Companies Acts provide that a company may not be registered with a name that is, in the opinion of the Registrar of Companies, “too like” that of a company already on the Register. Insofar as intellectual property protections are concerned, legislation relating to trademarks and other forms of protection would not normally protect directly against others using similar company names in the promotion of their services; an exception would be if, for example, the company name itself has been trademarked.

I understand that the company has already been in contact with the Irish Domain registry, which maintains and manages the database of registered Top Level domain names. The Deputy will be aware that the regulation of internet domain matters, including name disputes, rests with the Minister for Communications, Energy and Natural Resources.

68. **Deputy Charles Flanagan** asked the Tánaiste and Minister for Enterprise, Trade and Employment if her attention has been drawn to delays in the registration of business names in the Companies Registration Office; if, having regard to the importance of such procedure, the situation will be addressed; and if she will make a statement on the matter. [32850/08]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy John McGuinness):** The volume of applications for registration of business names has increased consistently in recent years. That increase in volume, coupled with the recent adoption of a new system for effecting registrations, has led to the build-up of a backlog in the registration of business names and the issuing of business name certificates to applicants. The Companies Registration Office has recently reallocated with the objective of eliminating the business names backlog and I am confident that these measures will have the required effect.

#### **Industrial Development.**

69. **Deputy Ulick Burke** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of visits by Industrial Development Authority representatives with potential investors in job creation to the centres in Gort, Loughrea and Ballinasloe during 2005, 2006 and 2007; the availability of potential sites or developed facilities; and if she will make a statement on the matter. [32904/08]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** IDA Ireland is the agency with statutory responsibility for the attraction of foreign direct investment (FDI) to Ireland and its regions. The marketing of individual areas for new or expansion FDI investments and jobs is a day-to-day operational matter for the Agency. While I may give general policy directives to the Agency, I am precluded under the Industrial Development Acts from giving directives regarding individual undertakings or from giving preference to one area over others.

I have been informed by the Agency that in 2005 there was one visit by potential investors to Gort and 6 visits to Ballinasloe. In 2006, there was one such visit to Loughrea but in 2007 there were no visits to any of these towns. While IDA Ireland can and does encourage clients to visit particular locations, the final decision on where to visit or locate is taken in all cases by the clients. A central goal for IDA Ireland is the achievement of balanced regional development. In line with the National Spatial Strategy, the Agency is concentrating its efforts on the gateway city of Galway and the hub town of Tuam.

In addition IDA is investing significantly in the provision of world class property solutions in the area and is developing Business and Technology Parks in both Tuam, and Ballinasloe. Furthermore, in order to cater for the specialised high utility intensive needs of the Biotechnol-

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ogy and ICT sectors, IDA Ireland is in the process of developing, fully-serviced industrial sites with advance planning permission ranging in size from 200-500 acres throughout the country. In the West, these sites are located at Athenry and Oranmore.

70. **Deputy Ulick Burke** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of site visits by the Industrial Development Authority to Athenry, County Galway and the initiatives undertaken to attract new industries to the town during 2006 and 2007; the cost of land purchase by the IDA in Athenry; the plans and development costs incurred on these lands to prepare for future job creation in the town; and if she will make a statement on the matter. [32905/08]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** IDA Ireland is the agency with statutory responsibility for the attraction of foreign direct investment (FDI) to Ireland and its regions. The marketing of individual areas for new or expansion FDI investments and jobs is a day-to-day operational matter for the Agency. While I may give general policy directives to the Agency, I am precluded under the Industrial Development Acts from giving directives regarding individual undertakings or from giving preference to one area over others. I have been informed by the Agency that, there have been no site visits by potential investors to Athenry over the past two years. While IDA Ireland can and does encourage clients to visit particular locations, the final decision on where to visit or locate is taken in all cases by the clients.

In order to cater for the specialised high utility intensive needs of the Biotechnology and ICT sectors, IDA Ireland is in the process of developing a number of large scale, fully-serviced industrial sites throughout the country. In this connection IDA has purchased a site of 97ha (240 acres) which is located approximately 1km to the south west of Athenry. The purchase of the Athenry site is a significant part of IDA's plans to position the West of Ireland to be able to compete for global investment. IDA is currently preparing a major planning application for this site.

The site purchase was completed in December 2007 but for reasons of confidentiality and commercial sensitivity the purchase price of this land is not disclosed. The land was previously owned by Teagasc. When developed, this strategic site will be marketed by IDA to attract key capital intensive type clients in the Life Sciences, Biopharma, ICT or similarly related sectors.

#### **Tax Code.**

71. **Deputy Richard Bruton** asked the Minister for Finance his plans to make changes in tax practice that would result in tips being subject to VAT; the reason for this tax on a gift; and if he will make a statement on the matter. [32719/08]

**Minister for Finance (Deputy Brian Lenihan):** I am advised by the Revenue Commissioners that tips and gratuities, which are discretionary and not included on the customer's bill as part of the amount legally obliged to be paid by the customer, have always been, and will continue to be, outside the scope of VAT. Revenue operated a concession for a number of years, whereby service charges in hotels and restaurants were not regarded as part of the amount subject to VAT provided those charges were distributed in full to staff. Unlike tips and gratuities, service charges are mandatory in nature and are part of the amount that customers are legally obliged to pay for the service.

In a European Court of Justice Case involving the EU Commission and France, the Court ruled that any amount that a supplier (restaurant, hotel, etc.) is entitled to receive for services

supplied to customers forms part of the taxable amount for VAT. Revenue initiated discussions in August 2007 with hotel and restaurant trade representative bodies on the necessity of withdrawing the concession on service charges in the light of the Court's decision. In order to allow the sector reasonable time to make the necessary changes to systems and prepare staff for the change, Revenue announced in April 2008 that the concession on service charges would be withdrawn with effect from 1 September 2008. As on and from that date, taxable persons are obliged to account for VAT on the total consideration receivable, including service charges. However, as already stated, discretionary tips and gratuities continue to be outside the scope of VAT.

### **Financial Services Regulation.**

72. **Deputy Paul Connaughton** asked the Minister for Finance his plans to raise the limit of guarantee on deposits held by Irish banking institutions; the planned new level of guarantee; if his attention has been drawn to the anxiety people, particularly the elderly, have about losing their life savings; and if he will make a statement on the matter. [32742/08]

**Minister for Finance (Deputy Brian Lenihan):** I refer the Deputy to the answer to Questions Nos. 18 (Ref: 31447/08), 60 (Ref: 31320/08 and 87 (Ref: 31660/08) on Thursday's Order Paper (25 September 2008).

### **Decentralisation Programme.**

73. **Deputy Willie Penrose** asked the Minister for Finance if he will expand in a more comprehensive way on his letter of 15 September 2008 (details supplied) regarding the status of the planned relocation of 300 personnel of the Department of Education and Science to Mullingar; if his attention has been drawn to the fact that a site has been acquired, appropriate planning permission secured and comprehensive consultation has already taken place in readiness to accommodate the move; when the building will be ready to accommodate the 300 personnel who wish to move; and if he will make a statement on the matter. [32826/08]

**Minister for Finance (Deputy Brian Lenihan):** I can confirm that the position in relation to the planned relocation of the Department of Education and Science to Mullingar remains as outlined in my letter of 15th September, 2008 to the Deputy. I expect to present the reports referred to in my letter to Government over the coming weeks and I will be in touch with the Deputy again when the reports have been considered.

### **Tax Yield.**

74. **Deputy Lucinda Creighton** asked the Minister for Finance if 2008 corporate tax projections take into account the fact that companies liquidated in 2009 and 2010 will seek a retrospective three-year tax rebate; the amount, according to his estimates, of this year's tax-take that will be lost due to future tax rebates due to liquidations; and if he will make a statement on the matter. [32944/08]

**Minister for Finance (Deputy Brian Lenihan):** Section 397 of the Taxes Consolidation Act 1997 deals with losses arising on the cessation of a trade, generally referred to as "terminal losses". On the cessation of a trade, losses incurred in the last twelve months may be set back against profits for the preceding three years and corporation tax will be repaid accordingly. The currently expected yield from corporation tax in 2008 takes into account the collection trend in payments and repayments made during the course of the year to date, including repayments made under the provisions of Section 397. The cost of similar repayments implemented in 2009 and 2010 will be funded out of current receipts in those years and will not have a

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retrospective impact on the outturn from corporation tax in 2008 as reported at the end of this year.

#### **Tax Code.**

75. **Deputy Paul Kehoe** asked the Minister for Finance if a person of pension age can claim a refund for dental treatment done in another EU country; and if he will make a statement on the matter. [32949/08]

**Minister for Finance (Deputy Brian Lenihan):** The position is that, under section 469 of the Taxes Consolidation Act 1997, expenses incurred in respect of medical or dental treatment in an EU country are eligible for income tax relief, provided the treatment is carried out by a practitioner or in a hospital. However, health expenses relief has a specific exclusion in relation to the provision of routine dental treatment, which is defined as the extraction, scaling and filling of teeth, and the provision and repairing of artificial teeth or dentures. Relief for health expenses is allowed as a deduction at the taxpayer's marginal rate of tax by way of review of their liability at the end of the year. Relief is available as a deduction up to the amount of tax paid.

#### **Medical Cards.**

76. **Deputy Brian Hayes** asked the Minister for Health and Children the decision on an application for a medical card by a person (details supplied) in Dublin 24; and if she will make a statement on the matter. [32936/08]

**Minister for Health and Children (Deputy Mary Harney):** As the Health Service Executive has the operational and funding responsibility for the medical card benefit, it is the appropriate body to consider the particular case raised by the Deputy. My Department has therefore requested the Parliamentary Affairs Division of the Executive to arrange to address this matter and to have a reply issued directly to the Deputy.

#### **Hospital Services.**

77. **Deputy Joe Carey** asked the Minister for Health and Children her views on the specific increase in funding both capital and revenue for mammography services at the Midwest Regional Hospital, Limerick since the suspension of services at Ennis General Hospital in 2007; and if she will make a statement on the matter. [32702/08]

**Minister for Health and Children (Deputy Mary Harney):** The specific questions raised by the Deputy relate to the management and delivery of health and personal social services, which are the responsibility of the HSE under the Health Act 2004. Accordingly, my Department has requested the Parliamentary Affairs Division of the Executive to respond directly to the Deputy in this regard.

#### **Nursing Homes Repayment Scheme.**

78. **Deputy Michael Ring** asked the Minister for Health and Children the number of claimants who have appealed and the amount offered to them under the Health (Repayment Scheme) Act 2006; the number of appeals that have been successful; and the number of appeals that have resulted in the moneys offered remaining the same. [32454/08]

**Minister for Health and Children (Deputy Mary Harney):** The Health Repayment Scheme Appeals Office is an independent office established to provide an appeals service to those who wish to appeal the decision of the Scheme Administrator under the Health (Repayment



Scheme) Act 2006. Up to 19 September 2008 the Health Repayment Scheme Appeals Office had received 1020 completed appeal forms from claimants who have appealed the amounts offered to them. Decisions have issued in 415 of these cases and 182 of these decisions will result in a revised offer to the claimant while 233 of these decisions have resulted in the amounts offered remaining the same.

79. **Deputy Michael Ring** asked the Minister for Health and Children the number of claimants who have been awarded under an Act (details supplied); the number of applications received and verified; the number of applications that have been validated but are awaiting payment; and the number of applications that have been refused with all details on a county basis. [32455/08]

**Minister for Health and Children (Deputy Mary Harney):** The Health Service Executive (HSE) has responsibility for administering the health repayment scheme in conjunction with the appointed scheme administrator KPMG/McCann Fitzgerald. The HSE has advised my Department that to date over 38,900 claim forms have been received under the Health Repayment Scheme. It is estimated that following adjustments for rejections and duplicate claims, the number of valid claims will be approximately 19,300. To date 17,684 claimants have received an offer of repayment and the value of these offers is €330m. 12,756 claimants have received payment to date under the Scheme and the value of these payments is €260m. It is anticipated that the remaining offers will be processed by end November 2008.

The HSE has also informed my Department that to date 13,923 letters of rejection have been sent to applicants who are deemed to fall outside the scheme. There are a variety of reasons for applications being rejected and these include instances where the relevant person died prior to 9 December 1998, where the relevant person resided in an institution not within the scope of the scheme and where duplicate applications were received on behalf of the relevant person. A breakdown of the following 11,224 applications that have been rejected is set out on a county basis:

County	No. of Rejections	County	No. of Rejections
Antrim	1	Leitrim	140
Armagh	2	Limerick	618
Carlow	144	Longford	108
Cavan	172	Louth	264
Clare	278	Mayo	285
Cork	1,111	Meath	248
Derry	7	Monaghan	101
Donegal	286	Offaly	161
Down	5	Roscommon	177
Dublin	2,994	Sligo	280
Fermanagh	3	Tipperary	415
Galway	653	Tyrone	2
Kerry	369	Waterford	319
Kildare	339	Westmeath	185
Kilkenny	219	Wexford	295
Laois	118	Wicklow	199
		Outside of Ireland	726

A breakdown for probate rejections is not available on a county basis.

### **Mental Health Services.**

80. **Deputy Dan Neville** asked the Minister for Health and Children the progress of the mental health in primary care project. [32870/08]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** 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. The Executive, therefore, is the appropriate body to consider the particular 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 directly to the Deputy.

81. **Deputy Dan Neville** asked the Minister for Health and Children the agreed target between the Office of the Minister for Disability and Mental Health concerning the implementation of A Vision for Change as outlined by An Taoiseach and the Minister for Health and Children on 30 January 2008. [32872/08]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** The Office for Disability and Mental Health was established in January 2008 to support me as Minister of State for Disability and Mental Health at the Department of Health and Children in exercising my responsibilities in four Government Departments, namely the Departments of Health & Children, Justice, Equality & Law Reform, Education & Science and Enterprise, Trade & Employment. In relation to mental health, the Office is responsible for driving the implementation of the recommendations in ‘A Vision for Change’ and ‘Reach Out’ — the National Strategy for Action on Suicide Prevention working in conjunction with the Health Service Executive and other Government Departments.

Earlier this year, the HSE approved an Implementation Plan for ‘A Vision for Change’ which sets out six key priorities for 2008 and 2009. They include:

- Catchments Area Definition and Clarification
- Modernisation of the Mental Health Infrastructure
- Community Based Mental Health Teams
- Child and Adolescent Mental Health Teams
- Mental Health Services for People with Intellectual Disability
- Mental Health Information Systems

A more detailed implementation plan for the period 2009 and beyond is being developed by the HSE and will be submitted to me before the end of this year.

### **Suicide Prevention.**

82. **Deputy Seán Sherlock** asked the Minister for Health and Children the amount spent on suicide prevention initiatives to date in 2008; the breakdown of those initiatives; and if she will make a statement on the matter. [32889/08]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** Since the establishment in 2005 of the National Office for Suicide Prevention (NOSP), additional funding of €3.55 million has been provided for the implementation of ‘Reach Out’. This brings

the total funding available to support suicide prevention initiatives to €8 million in 2008. The NOSP has an annual budget of €4.5 million which is used to develop and implement national training programmes, implement awareness campaigns and progress actions identified in the All-Island Action Plan for Suicide Prevention. Other suicide prevention initiatives, which include the funding for dedicated suicide resources officers, deliberate self-harm response nurses in A&E departments, funding to local voluntary groups etc, are delivered and funded directly by the HSE.

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. Therefore, the Executive is the appropriate body to provide the particular details requested by the Deputy and my Department has requested the Parliamentary Affairs Division of the HSE to arrange to have the matter investigated and to have a reply issued directly to the Deputy.

The Deputy may also wish to be aware that the Dormant Accounts Fund, which is managed by the Department of Community, Rural and Gaeltacht Affairs, allocated €1 million in 2008 for community-based initiatives in the area of suicide prevention.

### **Services for People with Disabilities.**

83. **Deputy Seán Sherlock** asked the Minister for Health and Children if her attention has been drawn to a survey by Enable Ireland in which more than half of the participants admitted they did not find it easy to access public buildings, 70% said they had not found the process of finding work easy, 34% found education had not been very accessible and just over two thirds of people with disabilities had difficulty accessing community events, social and leisure activities in their own areas; and if she will make a statement on the matter. [32890/08]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** I am aware of the survey mentioned by the Deputy. The matters referred to come within the scope of the Government's National Disability Strategy and I will raise the issues concerned with my colleagues, the Ministers for Justice, Equality & Law Reform; Enterprise, Trade & Employment and Education & Science, in that context.

### **Health Service Staff.**

84. **Deputy Ulick Burke** asked the Minister for Health and Children the number of new home help persons appointed between 1 April and end of September 2008 by the Health Service Executive in County Galway; the cost involved; the number of people who benefited from these appointments; and if she will make a statement on the matter. [32899/08]

**Minister for Health and Children (Deputy Mary Harney):** 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 Annual Service Plan for the delivery of health and personal social services to the public. Therefore, the Executive is the appropriate body to consider the particular issues raised by the Deputy. My Department has requested the Parliamentary Affairs Division of the Executive to arrange to have these matters investigated and to have a reply issued directly to the Deputy.

### **Health Services.**

85. **Deputy Ulick Burke** asked the Minister for Health and Children the process and procedure followed in the awarding of a contract by the Health Service Executive west, amounting to circa €16.8 million, for the provision of facilities at a centre (details supplied) in County

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Galway; the locations at which and when tenders were invited and advertised; and if she will make a statement on the matter. [32900/08]

**Minister for Health and Children (Deputy Mary Harney):** Responsibility for the management and delivery of health and personal social services including estate management was assigned to the Health Service Executive under the Health Act 2004. Therefore the Executive is the appropriate body to consider the particular matter raised by the Deputy. 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.

#### **Health Service Staff.**

86. **Deputy Ulick Burke** asked the Minister for Health and Children, further to Parliamentary Question No. 272 of 1 July 2008, the cost to the Health Service Executive in each of the HSE areas of investigating, processing and compensating where appropriate, cases of bullying; and if she will make a statement on the matter. [32901/08]

**Minister for Health and Children (Deputy Mary Harney):** As previously indicated to you in response to Parliamentary Question no. 272 of 1 July 2008, under the Health Act 2004, the Health Service Executive has the responsibility to manage and deliver, or arrange to have delivered on its behalf, health and personal social services in a safe and secure setting. This includes responsibility for dealing with any complaints an employee may have concerning his or her working environment. As the Executive was the appropriate body to consider the matter raised by the Deputy, my Department requested that the Parliamentary Affairs Division of the Executive arrange to have the matter investigated and to have a reply issued to the Deputy.

I am informed by the HSE that a reply issued directly to the Deputy on 16 July 2008, which contained information about the number of alleged bullying cases currently active, the number of cases resolved and the number of cases which have proceeded to arbitration during 2007. Information was also provided about the Dignity and Work Policy which was introduced across the organisation in 2004. As the HSE continue to be the appropriate body to answer the further queries raised by the Deputy on this matter, my Department has again requested that the Parliamentary Affairs Division of the Executive arrange to have the matter investigated and to have a reply issued to the Deputy.

#### **Nursing Homes Repayment Scheme.**

87. **Deputy Enda Kenny** asked the Minister for Health and Children the reason a person (details supplied) in Dublin 22 who made a claim seeking a rebate of nursing home charges has not received a rebate; and if she will make a statement on the matter. [32921/08]

**Minister for Health and Children (Deputy Mary Harney):** The Health Service Executive has responsibility for administering the Repayment Scheme and the information sought by the Deputy relates to matters within the area of responsibility of the Executive. 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.

#### **Care of the Elderly.**

88. **Deputy Enda Kenny** asked the Minister for Health and Children the funding allocated for home care packages; if she will provide a breakdown of this funding by region; and if she will make a statement on the matter. [32922/08]

**Minister of State at the Department of Health and Children (Deputy Máire Hackett):** Home Care Packages form a key component of the Government's strategy of supporting older people to live at home and in their communities for as long as possible. In this context, funding of €120 million was allocated to the Health Service Executive over the years 2006-8 inclusive to underpin this initiative. The Deputy will appreciate that 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. Therefore, the Executive is the appropriate body to consider the detail of the allocations raised by him. 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.

#### **Hospitals Building Programme.**

89. **Deputy Enda Kenny** asked the Minister for Health and Children the cost to date of the new national children's hospital; the estimated total cost of this hospital; if she will provide a progress report on the project; the estimated date of completion; and if she will make a statement on the matter. [32923/08]

**Minister for Health and Children (Deputy Mary Harney):** The development of the National Paediatric Hospital is a priority project for the Government. The Capital Plan includes provision for the development of the new hospital and the associated Ambulatory and Urgent Care Centre at Tallaght. The National Paediatric Hospital Development Board was established in May, 2007. Its primary function is to plan, design, furnish and equip the new national paediatric hospital. The HSE is working closely with the Board in progressing the project.

The project is currently at initiation stage. A contract has been awarded for business advisory services. A detailed Development Brief for the new hospital is being prepared and is due for completion by the end of the 1st Quarter 2009. The Development Brief will be converted into a detailed design, outlining the exact dimensions and specifications for the new hospital, to allow the project proceed to tender for construction. A more accurate estimate of costs will be available at that point. The legal requirements to enable the transfer of the designated site for the hospital to the HSE have been agreed. My Department has asked the Parliamentary Affairs Division of the Executive to revert directly to the Deputy on the other issues raised by him.

#### **National Treatment Purchase Fund.**

90. **Deputy Enda Kenny** asked the Minister for Health and Children the cost of the National Treatment Purchase Fund to the Exchequer in the years 2005, 2006, 2007 and to date in 2008; and if she will make a statement on the matter. [32924/08]

91. **Deputy Enda Kenny** asked the Minister for Health and Children if she will provide a breakdown of the number of procedures carried out by the National Treatment Purchase Fund to date in 2008 and in the years 2005, 2006 and 2007; and if she will make a statement on the matter. [32925/08]

**Minister for Health and Children (Deputy Mary Harney):** I propose to take Questions Nos. 90 and 91 together.

The information requested by the Deputy is set out in the tables. Table 1 shows the annual revenue allocations, in-patients treated and out-patient appointments in the years in question. Table 2 indicates in-patient activity to the end of August 2008. The Annual Reports of the National Treatment Purchase Fund contain detailed statistics in relation to both in-patient and



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out-patient activity for the period 2005 to 2007. I have arranged for a copy of the report for each year to be furnished to the Deputy.

Table 1

Year	2005	2006	2007	2008
Revenue Allocation	€64.00m	€78.45m	€88.80m	*€100.337m
Number of in-patients treated	14,580	16,931	22,069	23,300 (projection)
Number of out-patient consultations arranged	4,500	7,480	10,569	13,400 (projection)

\*€75.5m has been expended up to 30 Sept.

Table 2

In-Patient Activity in 2008 to end August	
Cardiac	652
ENT	1,584
General Surgery	2433
Gynae	388
Max. Fax.	459
Neurosurgery	124
Ophthalmology	2,971
Orthopaedic	1,193
Pain Management	69
Non Cosmetic Plastic	802
Urology	1,191
Vascular	503
Other	1,918
Total Procedures	14,287

### Hospitals Building Programme.

92. **Deputy Enda Kenny** asked the Minister for Health and Children the number of co-located hospitals under construction; the location of these hospitals; when construction will begin on the other proposed co-located hospitals; the expected date of completion of these projects; and if she will make a statement on the matter. [32926/08]

**Minister for Health and Children (Deputy Mary Harney):** The Board of the Health Service Executive (HSE) has approved preferred bidder status for the development of co-located hospitals at the following six sites: Beaumont Hospital, Cork University Hospital, Limerick Regional Hospital, St. James's Hospital, Waterford Regional Hospital and Sligo General Hospital. Project Agreements for the Beaumont, Cork and Limerick sites have been signed. The necessary preparatory work for Project Agreements in respect of St. James's Hospital, Waterford Regional Hospital and Sligo General Hospital is proceeding. Planning permission has been sought for the Beaumont and Cork projects and has been granted by the local authorities concerned and appealed in both cases to An Bord Pleanála. Planning permission has been granted for the Limerick project.

The HSE has indicated that it anticipates that the overall construction and commissioning period will be approximately 26 to 30 months in each case. Connolly Hospital and Tallaght Hospital, which are also participating in the co-location initiative, are at an earlier stage of the procurement process. A tender in respect of Connolly Hospital has been received and is under consideration. Work is being undertaken to finalise the Invitation to Tender (ITT) for Tallaght Hospital.

### **Community Pharmacy Services.**

93. **Deputy Enda Kenny** asked the Minister for Health and Children the waiting list for methadone in an area (details supplied) in County Dublin; and if she will make a statement on the matter. [32927/08]

**Minister for Health and Children (Deputy Mary Harney):** The Deputy's question relates to the 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.

### **Health Services.**

94. **Deputy Joe Costello** asked the Minister for Health and Children when a person (details supplied) in Dublin 7 will receive orthodontic treatment; and if she will make a statement on the matter. [32970/08]

**Minister for Health and Children (Deputy Mary 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.

95. **Deputy Joe Costello** asked the Minister for Health and Children the number of people who are considered to be blocking beds in the Mater Hospital at present; the length of time that each has spent in the hospital to date; the length of time that each is considered to be a bed blocker; the average length of time that patients are considered to be blocking beds in the Mater; and if she will make a statement on the matter. [32971/08]

**Minister for Health and Children (Deputy Mary Harney):** Operational responsibility for the management and delivery of health and personal social services is a matter for the Health Service Executive 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 issue 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.

### **Mental Health Services.**

96. **Deputy David Stanton** asked the Minister for Health and Children, further to Parliamentary Question No. 623 of 24 September 2008, if she has received a copy of the Waiting List Report on Child and Adolescent Mental Health Services; if so, the policy decisions she will take as a result of the report; and if she will make a statement on the matter. [32974/08]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** A copy of the Waiting List Report on Child and Adolescent Mental Health Services which was

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completed by the HSE in 2007, was made available to the Department of Health and Children. Government policy in relation to Child and Adolescent Mental Health Services is outlined in “A Vision for Change”, implementation of which is a matter for the Health Service Executive (HSE). I welcome the fact that the HSE has prioritised the development of Child and Adolescent Mental Health Services in 2008. In this regard the Service Plan for 2008 includes the completion of eight additional child and adolescent multidisciplinary teams to further support the provision of child psychiatric services.

In relation to in-patient facilities the position is that the HSE expect to provide an additional 18 children’s beds in the current year; the provision of these beds will increase the acute bed complement to 30. Four of the additional beds have already been commissioned in St Anne’s, Galway, and a further 6 at St Vincent’s Fairview and 8 at St Stephen’s in Cork will be provided in the last quarter of the year. The HSE also hopes to begin construction on two 20 bedded child and adolescent units — one in Galway and one in Cork — later this year.

### **Services for People with Disabilities.**

97. **Deputy Bernard Allen** asked the Minister for Health and Children the reason a person (details supplied) in County Cork is not receiving the physiotherapy treatment that was recommended for them in view of the fact that they had surgery seven years ago but have been confined to a wheelchair for 14 to 15 hours per day for the past four years due to a lack of physiotherapy. [32978/08]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** The Deputy’s question relates to the management and delivery of health and personal 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 case investigated and to have a reply issued directly to the Deputy.

98. **Deputy Finian McGrath** asked the Minister for Health and Children if her Department will continue to fund a group (details supplied); and if she will make a statement on the matter. [32981/08]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** 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. The Executive, therefore, is the appropriate body to consider the particular 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 directly to the Deputy.

99. **Deputy Finian McGrath** asked the Minister for Health and Children the position regarding a matter (details supplied); and if she will make a statement on the matter. [32985/08]

**Minister for Health and Children (Deputy Mary Harney):** I have identified the need to improve services for persons with cystic fibrosis as a priority in the Estimates process over recent years. Since 2006, additional revenue funding of €6.78m has been allocated to the Health Service Executive (HSE) to develop services for patients with cystic fibrosis. I asked the HSE to place a particular focus on the development of services at St. Vincent’s Hospital, the National Adult Tertiary Centre for the treatment of persons with cystic fibrosis, where concerns had been raised regarding the need to improve facilities.

A number of capital projects have been completed at the hospital and further developments are in progress. A new ward block is being planned at St. Vincent's which will include 120 replacement beds in single en-suite accommodation. The new facility will accommodate cystic fibrosis patients and will include appropriate isolation facilities. Recent refurbishment of accommodation has provided eight single en-suite rooms for patients with cystic fibrosis. 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.

100. **Deputy Finian McGrath** asked the Minister for Health and Children if she will support a matter (details supplied); and if she will make a statement on the matter. [32986/08]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** As the Deputy is aware, it is custom and practice for a number of organisations, including those in the disability sector, to forward pre-budget submissions to the relevant Ministers and their Departments in the run up to the Budget. Such submissions are considered as part of the discussions on the Estimates and Budget each year. While it is not appropriate to comment further on the Disability Federation of Ireland's pre-budget submission, I would point out that this year's Budget is being framed against the background of challenging economic circumstances.

In relation to health services for people with a disability, I would like to take the opportunity to highlight the significant resources which have been expended on disability services in 2008. The Multi Annual Investment Programme for Disability Services makes provision for the development of additional residential, respite places and day care places each year between 2006 and 2009 for people with Intellectual Disability and Autism and additional residential care and home support services for people with physical and sensory disabilities. In the 2008 Budget, €50m was provided to the Health Service Executive (HSE) to fund a range of additional services under the Multi-Annual Investment Programme for Disability.

Although the commencement of the planned developments in disability services this year had been delayed due to a financial review, I am pleased to inform you that the Executive has informed the Department of Health and Children that it is now in the process of rolling out the planned developments. The HSE has indicated that due to the delayed start to some of these developments it expects to spend €33m of the €50m by the end of 2008. The resulting €17m time related savings were included in this Department's budgetary consolidation measures announced to the House in July 2008. It is not appropriate for me or my Department to comment on the resources that will be allocated in 2009, prior to the announcement of the Budget 2009 package.

### **Comharthaí Bóithre.**

101. D'fhiafraigh **Deputy Dinny McGinley** den Aire Iompair cad iad na hiarrachtaí atá á ndéanamh ag a Roinn le comhstádas don Ghaeilge a bheith ar fáil ar chomharthaí bóithre; agus an ndéanfaidh sé ráiteas ina thaobh. [32715/08]

**Minister of State at the Department of Transport (Deputy Noel Ahern):** Féach ar an bhfeara a tugadh ar cheist Uimhir 217 de 28ú Feabhra 2007 ar an ábhar seo. Is féidir leis an Aire Iompair, faoi alt 95 den Act um Thrácht ar Bhóithre 1961, treoracha ghinearálta nó áirithe a thabhairt dos na h-údaráis bóthair maidir le síneacha tráchta. Tá treoracha le fáil san lámhleabhar "Lámhleabhar na Síneacha Tráchta 1996" maidir leis an úsáid a bhaintear as an nGaeilge agus an Béarla ar shíneacha tráchta. Táim sásta leis na treoracha seo agus níl sé ar intinn agam aon leasú a dhéanamh.

### **Job Losses.**

102. **Deputy Thomas P. Broughan** asked the Minister for Transport the contacts he has had with Aer Lingus management and unions over new cost cutting proposals that may result in job losses of up to 1,300 people at the airline; the directions he has given to the Government appointed directors on the board of Aer Lingus on this matter; the mandate that the Government appointed directors have been charged with; the regularity with which they report to him; and if he will make a statement on the matter. [32686/08]

**Minister for Transport (Deputy Noel Dempsey):** The management of Aer Lingus met with officials of my Department on 16 September, 2008 to present the financial results for the first half of 2008. The meeting took place in the context of a round of meetings with major shareholders which the management undertakes twice yearly in relation to the annual and half-year results. At the meeting on 16 September the management set out the challenges facing the airline due to sustained high fuel prices and pointed out that proposals to achieve further cuts in the cost base were being developed and would be brought before the Board.

I am aware through the State's role as shareholder of the Dublin Airport Authority that Aer Lingus has been in negotiations about possible ways of reducing its cost base at Shannon airport. The Company has made no secret of the challenges that it is facing and the need to reduce its cost base. This has been widely reported in the media and there has been some speculation as to how the costs might be reduced. Aer Lingus is an independent company and has to take decisions on a commercial basis. Commercial decisions are a matter for the Board and management of the Company and it is not open to the Government to intervene as a shareholder in the company.

Under Company law all directors are obliged to pursue the best interest of the Company. Subject to that duty the State's nominees on the Board of Aer Lingus have been issued with a mandate to ensure that all future decisions of the company that have significant implications for wider Government, aviation or regional development policies are considered at Board level. The mandate specifically states that the possible decisions concerned would include decisions on proposals with significant local or national economic implications including a direct impact on employment. In accordance with the mandate the State's nominees are directed to seek to reconcile commercial and public policy objectives. I understand that the company will be meeting with trade unions representing staff this week with the assistance of the conciliation service of the Labour Relations Commission.

### **Road Safety.**

103. **Deputy Shane McEntee** asked the Minister for Transport the additional resources he has given the Road Safety Authority to meet new standards set down in recent legislation; and if he will make a statement on the matter. [32960/08]

**Minister of State at the Department of Transport (Deputy Noel Ahern):** While my Department provides annual funding to the Road Safety Authority, the allocation of resources to the various programmes is a matter for the Authority itself. Exchequer funding of €39.1 million is provided to the RSA in 2008.

### **Public Transport.**

104. **Deputy Seán Barrett** asked the Minister for Transport the reason bus lanes are operational on a 24-hour 7-day basis in some locations in which buses do not provide 24-hour services; and if he will make a statement on the matter. [25454/08]



**Minister for Transport (Deputy Noel Dempsey):** Regulations regarding the operating times of bus lanes are decided upon by the relevant local authorities. I have discussed this matter with the DTO and the Quality Bus Network Project Office (QBNPO), and I understand that locations where bus lanes operate 24 hours a day for the most part fall into two categories. Some are cases where hard shoulders have been converted into running lanes and been designated as bus lanes. In such cases, there is obviously no issue in regard to road space which might otherwise have been used by traffic. The second category of twenty-four hour bus lanes covers those cases where contra-flow bus lanes are designated. In these cases, and indeed in the case of bus lanes on hard shoulders, the safest way for all of operating such lanes is to operate them continuously.

An example of one situation other than converted hard shoulders or contra-flow lanes where twenty-four hour bus lanes have been introduced is the with-flow bus lanes provided on the Outer Ring Road by South Dublin County Council. In this case, An Bord Pleanála specified 24-hour designation as a planning condition attached to its approval of the upgrade of the road. An Bord Pleanála indicated that this condition was introduced to ensure priority for public transport. I understand that South Dublin County Council is also of the view that this decision enhances safety in relation to the bus lane.

*Question No. 105 answered with Question No. 52.*

#### **Ferry Services.**

106. **Deputy Jim O’Keeffe** asked the Minister for Transport if progress has been made on the re-establishment of the Cork- Swansea ferry route; and if he will make a statement on the matter. [32713/08]

**Minister of State at the Department of Transport (Deputy Noel Ahern):** The Cork Swansea Ferry Company suspended its service in 2007. I can appreciate the concerns that have been expressed in the region in response to this development. I understand that a number of interested parties and stakeholders have been in discussions with the Port of Cork Company about the possibility of commencing a new passenger and freight service out of the port. Port of Cork Company has also carried out a commercial examination of the route. This indicates that, subject to procuring a suitable vessel, the service could be feasible on a year round basis. As Minister of State for Transport, I feel it is important that the market offers a diverse range of maritime links in and out of the State. This is vital to facilitate trade and tourism. I certainly hope that the current efforts show that the service is commercially viable and that it can be resumed as soon as possible.

#### **Rail Network.**

107. **Deputy Seán Sherlock** asked the Minister for Transport the progress on works on the Midleton to Cork railway line; and if he will make a statement on the matter. [32745/08]

**Minister for Transport (Deputy Noel Dempsey):** The implementation of this project, for which my Department has approved funding, is a matter for Iarnród Éireann. I understand that good progress is being made on the Midleton line and that construction works are expected to be completed by mid 2009.

#### **Traffic Management.**

108. **Deputy Seymour Crawford** asked the Minister for Transport his views on allowing cars carrying three or more people to use the bus lanes in Dublin or elsewhere in order to encourage

[Deputy Seymour Crawford.]

car pooling and minimise the city centre traffic as is being done in Canada and elsewhere; and if he will make a statement on the matter. [32880/08]

**Minister for Transport (Deputy Noel Dempsey):** It is my view that the best way to reduce congestion and to minimize city centre traffic is to encourage people to switch from private cars to public transport. This is the principal reason for providing bus lanes and other measures to promote bus priority on our roads. I am aware that quite a number of cities around the world have introduced High Occupancy Vehicle (HOV) lanes. The results have varied greatly. I am not aware of any local authorities which have plans to introduce any such lanes in Ireland. However, the possible use of HOV lanes will be considered as part of the development of my Department's forthcoming Sustainable Travel and Transport Action Plan.

#### **Coast Guard Service.**

109. **Deputy Jimmy Deenihan** asked the Minister for Transport his plans to install a coastal radio in the headquarters of his Department in Dublin and open a new centre in Shannon; and if he will make a statement on the matter. [32885/08]

**Minister of State at the Department of Transport (Deputy Noel Ahern):** It is my intention that the Irish Coast Guard and Maritime Administration will be strengthened to meet the needs of this country well into the 21st century. I am still considering the matter referred to by the Deputy.

#### **Light Rail Project.**

110. **Deputy Lucinda Creighton** asked the Minister for Transport the reason only one possible route for the proposed Rathfarnham-Terenure Luas line was examined in the feasibility study recently undertaken under Transport 21; the alternative routes possible for that line; the reason they were not studied; and if he will make a statement on the matter. [32941/08]

**Minister for Transport (Deputy Noel Dempsey):** The report of the feasibility study on a possible Luas line connecting Dundrum to the city centre via Rathfarnham, Terenure and Harold's Cross (known as Line E) was published by the Railway Procurement Agency in May 2008. The purpose of the feasibility study was to examine, on the basis of a high level assessment, whether at least one potential corridor exists that could be capable of reasonably accommodating a Luas scheme connecting the Dundrum, Terenure and Rathfarnham areas with the city centre. If the option assessed in the study had not been deemed to be feasible, alternative corridors would have been considered. The study identifies a feasible route corridor and sets out the issues to be considered in relation to the corridor. Following the publication of the feasibility report the Railway Procurement Agency engaged in a consultation process. The Agency is currently assessing the responses received during this consultation process.

111. **Deputy Lucinda Creighton** asked the Minister for Transport if the metro north will proceed on schedule; and if he will make a statement on the matter. [32942/08]

**Minister for Transport (Deputy Noel Dempsey):** The target date for the completion of Metro North is 2013 but this is dependent on the outcome of the planning and procurement processes. A final decision on the project will be taken once the planning and procurement processes are complete. The RPA continues to make good progress on the PPP tender process for Metro North. The initial phase of the PPP public procurement process was conducted in 2007 resulting in the formation of four pre-qualified consortia for the purpose of tendering for the project. Tender documentation was formally issued to the four pre-qualified consortia on 12 May 2008.

Since then the Railway Procurement Agency (RPA) has held a number of meetings with the consortia. Following on from a request from some of the consortia, the RPA recently agreed to extend the closing date for submission of tenders by two months. Receipt of tenders is now required by 6 February 2009. In addition, good progress is being made in the planning process. The RPA placed copies of the Railway Order application on display on 17 September in accordance with the 6 week statutory public notice requirement pursuant to section 37 of the Transport (Railway Infrastructure) Act 2001.

### **Planning Issues.**

112. **Deputy Lucinda Creighton** asked the Minister for Transport his views on the assertion made during the oral hearing into appeal PL29S/228512 that the proposed development would have a negligible effect on traffic in the area; and if he will make a statement on the matter. [32979/08]

**Minister for Transport (Deputy Noel Dempsey):** Planning matters come under the remit of my colleague the Minister for Environment, Heritage and Local Government. As the question refers to an ongoing appeal, it would not be appropriate for me to comment on it.

### **Traffic Management.**

113. **Deputy Bernard J. Durkan** asked the Minister for Transport if he has taken particular steps to ensure that measures calculated to address traffic congestion affecting the commuter towns throughout County Kildare in the context of the Transport 21 programme or otherwise will be implemented; and if he will make a statement on the matter. [32992/08]

**Minister for Transport (Deputy Noel Dempsey):** There are several investment programmes under Transport 21 in Co. Kildare, which will be of major benefit to the County. Irish Rail is progressing the 4-tracking of the railway between Hazelhatch and a point approximately 1 km west of Heuston Station, which upon completion, will permit the suburban service between Kildare towns and the western side of the city to be significantly improved. Bus Éireann has also recently significantly increased the level of service on its network of commuter services between Dublin city and towns in Kildare.

In addition, Kildare County Council has been allocated grants towards the costs of providing the following improved facilities by the DTO Traffic Management Grants Committee during 2007 and 2008:

- €510,000 (90% funding rate) to prepare traffic management plans for the towns of Maynooth, Celbridge, Kilcock, Naas and Kildare, building on the recommendations of previously conducted Integrated Framework Plans for Land Use and Transport for those towns.
- €247,500 (90% funding rate) to provide a network of on-street cycle lanes on the radial routes and off-street cycle tracks on orbital routes in and around the town of Naas.
- €178,900 (90% funding rate) for the provision of off-road cycle tracks along Naas Southern Ring Road (Newbridge Road to Ballymore Road section)
- €237,150 (90% funding rate) for the provision of on-road cycle advisory lanes along Naas Southern Ring Road (Ballymore Road to Blessington Road section)

This funding is being provided to the DTO by my Department under the Transport 21 Programme.

**Public Transport.**

114. **Deputy Bernard J. Durkan** asked the Minister for Transport if he has received from Bus Átha Cliath or Iarnród Éireann proposals for an enhanced feeder bus service to meet the requirements of commuters using the rail stations of Kilcock, Maynooth, Leixlip, Confey, Hazelhatch, Newbridge, Kildare, Monasterevin and Athy; if an assessment has been carried out to determine the extent to which road traffic congestion could be alleviated as a result of such measures; if he proposes to take initiatives in this regard; and if he will make a statement on the matter. [32997/08]

115. **Deputy Bernard J. Durkan** asked the Minister for Transport if he intends to further increase the daily commuter throughput at each rail station throughout County Kildare; and if he will make a statement on the matter. [32999/08]

117. **Deputy Bernard J. Durkan** asked the Minister for Transport when it is intended to increase rail and bus services to Kilcock, County Kildare having particular regard to repeated requests from consumers; and if he will make a statement on the matter. [33001/08]

118. **Deputy Bernard J. Durkan** asked the Minister for Transport the extent to which the daily commuter capacity at each rail station throughout County Kildare has been increased in the past five years; his plans for further improvements in this area in each of the next five years; and if he will make a statement on the matter. [33002/08]

**Minister for Transport (Deputy Noel Dempsey):** I propose to take Questions Nos. 114, 115, 117 and 118 together.

The capacity and frequency of rail services on the Maynooth and Kildare lines have increased substantially in recent years. Capacity, for example, on the Kildare and Maynooth lines has increased by 125% and 250% respectively since 2000. In addition, the opening of the Docklands Station has enabled Iarnród Éireann to operate extra services between Clonsilla and Docklands on the Maynooth line. The completion of the Kildare Route upgrade project in 2010 and the Maynooth line development programme will further improve services on both lines. Iarnród Éireann have been asked to provide the Deputy with data regarding passenger throughput at each station in Co. Kildare.

The provision of bus services, including, feeder bus services to railway stations, is a matter for bus transport providers including Bus Éireann. It is open to any private bus operator to submit proposals to my Department seeking authorization to operate new bus services.

116. **Deputy Bernard J. Durkan** asked the Minister for Transport the full intended extent of increased car parking spaces anticipated for each rail station throughout County Kildare in the next five years; when it is intended that the extra spaces will become available in each case; and if he will make a statement on the matter. [33000/08]

120. **Deputy Bernard J. Durkan** asked the Minister for Transport if in view of the ongoing increased costs on motorists and the need to encourage the use of public transport, he will take steps to increase free car parking spaces at all rail stations throughout County Kildare and the greater Dublin area and to desist from the growing practice of charges for car parking spaces which are counter to an incentive to use public transport; and if he will make a statement on the matter. [33004/08]

**Minister for Transport (Deputy Noel Dempsey):** I propose to take Questions Nos. 116 and 120 together.

The provision and operation of car parking facilities at railway stations, including the imposition of charges towards the costs thereof, is a matter for Iarnród Éireann. I understand that Iarnród Éireann has already provided information to the Deputy regarding existing and proposed car parking capacity at railway stations in Co. Kildare.

*Questions Nos. 117 and 118 answered with Question No. 114.*

### **Transport 21.**

119. **Deputy Bernard J. Durkan** asked the Minister for Transport the extent to which all of the projects in the Transport 21 project relative to north Kildare will be implemented in full as originally announced within the projected time frame; and if he will make a statement on the matter. [33003/08]

**Minister for Transport (Deputy Noel Dempsey):** A number of Transport 21 projects have already been completed or are under construction, which have benefited the Kildare region, including:

- the continuing development of the major inter-urban roads, such as the N7, N8 and N9
- the opening of Docklands station providing extra capacity on the Maynooth line
- the four-tracking of the Kildare line from Cherry Orchard to Hazelhatch.

The start and completion dates of Transport 21 projects which have not yet commenced will be determined by the funding allocation available during the current difficult economic climate. The commencement dates for these projects will also be influenced by the time taken for public consultation, the relevant statutory process and the procurement and contract award processes.

*Question No. 120 answered with Question No. 116.*

### **Decentralisation Programme.**

121. **Deputy Fergus O'Dowd** asked the Minister for Transport the progress to date of decentralisation to Drogheda, including the progress on sites selected; and if he will make a statement on the matter. [33376/08]

**Minister for Transport (Deputy Noel Dempsey):** The original proposal to move 37 posts to Drogheda was recently reviewed in the context of an efficiency review by my Department. I considered that decentralising a combination of safety investigation functions, the Railway Safety Commission (which was to be relocated originally to Ballinasloe), and other areas to bring the numbers up to the total requirement of 37 for Drogheda offers greater potential for operational efficiency as well as value for money. No site has been selected to-date.

### **Proposed Legislation.**

122. **Deputy Joe Costello** asked the Minister for Justice, Equality and Law Reform when he proposes to introduce the promised legislation on the regulation of management companies; and if he will make a statement on the matter. [32968/08]

129. **Deputy Eamon Gilmore** asked the Minister for Justice, Equality and Law Reform if his attention has been drawn to the ongoing financial burden and practical difficulties being caused to residents of apartments and estates by the non-regulation of management companies; the reason for the delay in publishing the proposed legislation; when the Property Services Regulatory Authority Bill will be published; and if he will make a statement on the matter. [32937/08]



**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** I propose to take Questions Nos. 122 and 129 together.

The Government Legislation Programme published on 23 September 2008 provides for publication of the Property Services (Regulation) Bill during the current Dail session. The Bill will establish the Property Services Regulatory Authority on a statutory basis. The primary task of the new Authority will be to maintain and improve standards in the provision of property services by auctioneers, estate agents and property management agents through a new licensing regime and a system for investigating and adjudicating on complaints against property service providers. As regards property management companies, the position is that the Law Reform Commission's Report on Multi-Unit Developments contains recommendations concerning multi-unit developments and the regulation and governance of such companies. The Commission does not however recommend that the Property Services Regulatory Authority be given a role in relation to these companies.

Work on the preparation of legislative proposals to respond the Law Reform Commission's recommendations on property management companies is currently under way across a number of Departments. A decision will be made shortly as to whether it would be more expeditious to introduce a single Bill or to adopt a sectoral approach to amending existing legislation. The Government's decision on the matter will be made on the basis of how quickly the required legislation can be enacted.

#### **Citizenship Applications.**

123. **Deputy Damien English** asked the Minister for Justice, Equality and Law Reform the position regarding an application for citizenship by a person (details supplied) in County Cork; and when he expects this application to be decided on. [32727/08]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** 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 in March 2008. Officials in that Section are currently processing applications received in April 2006. All applications are dealt with in chronological order as this is deemed to be the fairest to all applicants. The current processing time for certificates of naturalisation is approximately 28 months.

124. **Deputy Damien English** asked the Minister for Justice, Equality and Law Reform when an application for family reunification by a person (details supplied) in County Meath will be decided on; and if he will make a statement on the matter. [32729/08]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** I am informed by the Immigration Division of my Department that the person in question made an application for Family Reunification in respect of his wife in August 2006. 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. The Immigration Division has recently written to the person concerned requesting additional documentation. This matter will be further examined on receipt of the requested documentation.

#### **Garda Investigations.**

125. **Deputy Damien English** asked the Minister for Justice, Equality and Law Reform the position regarding the ongoing investigation into a scheme (details supplied); when the investigation will be finalised; and if he will make a statement on the matter. [32735/08]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** I have been informed by the Garda Authorities that a number of complaints have been received at Kells Garda Station with regard to the operation of a “People in Profit” System (PIPS — Investment Scheme). Officers of An Garda Síochána have made enquiries, via Interpol, with the Malaysian authorities. A reply was received in November 2007 and following this communication further enquiries have been made through Interpol channels with the Malaysian Authorities. The Garda Bureau of Fraud Investigation is assisting local officers with the investigation into these complaints. This process is ongoing and it has not yet been determined when these investigations will be brought to a conclusion.

### **Asylum Support Services.**

126. **Deputy Pat Rabbitte** asked the Minister for Justice, Equality and Law Reform the statutory body which has responsibility for providing accommodation to asylum seekers who have been evicted from direct provision facilities; and if he will make a statement on the matter. [32740/08]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** Section 10 of the Housing Act, 1988, while not putting a statutory obligation on local authorities, confers powers on them to directly arrange and fund emergency accommodation, make arrangements with the HSE or a voluntary body for the provision of emergency accommodation, and/or make contributions to voluntary bodies towards the cost of accommodation provided by them. The structures in that Act were unsuited to the situation facing the Government in 1999 and subsequent years when the number of asylum seekers arriving in Ireland increased dramatically. A total of 7,724 asylum applications were received in 1999 and a further 10,938 in the following year. Of these, most presented themselves in Dublin. The homeless service of the then Eastern Health Board could not cope and there was a serious prospect of widespread homelessness among asylum seekers.

In response to this serious and unprecedented challenge, the Directorate for Asylum Support Services (DASS), was established in November, 1999 under the aegis of my Department to coordinate the scheme of dispersal and direct provision for asylum seekers. DASS was subsequently replaced by the Reception and Integration Agency (RIA) which continues to accommodate asylum seekers under the system of dispersal and direct provision. Today, there are 62 accommodation centres around the country accommodating just over 6,800 persons.

Direct provision provides asylum seekers with full board accommodation and certain ancillary services while their applications for asylum are being processed. It needs to be understood that there is no obligation placed upon asylum seekers to avail of the accommodation offered by RIA. Some choose to live with relatives or friends, or make use of their own resources to source accommodation. The rights and obligations of an asylum seeker in a RIA accommodation centre are clearly spelt out in a document entitled ‘Direct Provision Reception and Accommodation Centre Services, Rules and Procedures’, a copy of which is provided upon arrival in the centre. Specific reference is made to the right of RIA to expel a resident in extreme circumstances.

In this respect, while every effort is made by the RIA and other State service providers in each centre to facilitate its smooth running, a very small number of residents have chosen — through their own actions — to exclude themselves from such accommodation. Expulsion arises as a result of, inter alia, persistent violent and aggressive behaviour, threats to persons and property, assault, violence, vandalism and damage to property. The RIA has a duty of care towards the 6,800 residents in its care, to centre staff under contract to it, to staff providing services on-site and to visitors, and cannot turn a blind eye to such behaviour.

[Deputy Dermot Ahern.]

Quite properly, Ireland honours its international obligations in allowing asylum seekers entry into the State so that their international protection claims can be assessed in accordance with the law. In doing so, the State allows to asylum seekers generous access to services, including the direct provision system. All asylum seekers have a personal obligation to ensure that their behaviour is fully consistent with their status in the State. No other State body is obliged to provide accommodation to asylum seekers, even when — through their own actions — they effectively lead to their own departure from a centre. It should be noted that at all points in the asylum process, it is open to an applicant to withdraw from the process and seek a voluntary return to his or her country of origin.

### **Prison Building Programme.**

127. **Deputy Seán Sherlock** asked the Minister for Justice, Equality and Law Reform the position regarding plans to construct a new prison in Kilworth, County Cork; and if he will make a statement on the matter. [32746/08]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** The Government decided to assign a site owned by the Department of Defence to the Irish Prison Service as the location for the development of a prison facility to replace Cork Prison and serve the Munster region. A preliminary site suitability report has been carried out on the site and this has confirmed that there are no significant constraints to the development of this site. I can confirm also that the Prison Service Interim Board, in accordance with Department of Finance Guidelines, has approved a preliminary Business Case for this project and has forwarded it to my Department for sanction to proceed to the next stage of the process. I see the Prison Service moving to the next stage of the process, the preparation of a detailed Business Case, in the coming months.

### **Garda Deployment.**

128. **Deputy John Deasy** asked the Minister for Justice, Equality and Law Reform if his attention has been drawn to the shortfall in the number of gardaí that are needed to deal with the ongoing violence which has occurred in Waterford city over the past few months; if he will address this situation by increasing the number of gardaí in Waterford city; and if he will make a statement on the matter. [32935/08]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** It is the responsibility of the Garda Commissioner to allocate personnel throughout the Force taking everything into account. In that regard, the needs of the Garda District referred to by the Deputy will be fully considered by the Commissioner within the overall context of the needs of Garda Districts and Divisions throughout the country. I am informed by the Garda Commissioner that as of 31 August 2008, the personnel strength of Waterford / Kilkenny Garda Division and Waterford Garda District was 436 and 176 respectively. I am further informed that the policing and public safety challenge posed by the ongoing incidents referred to has not been encountered previously in Waterford / Kilkenny Garda Division. However during this period, no incident of public disorder, anti-social behaviour or other criminality reported to An Garda Síochána has gone un-investigated by Garda personnel. Additional resources from within the Garda Region were also utilised by local Garda Management in this regard.

*Question No. 129 answered with Question No. 122.*

### **Garda Investigations.**

130. **Deputy Joe Costello** asked the Minister for Justice, Equality and Law Reform the steps he proposes to take to deal with the case of a person (details supplied); and if he will make a statement on the matter. [32972/08]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** I have received an interim report from the Garda Commissioner about this case and I expect to receive a full report on it from him, as soon as possible, after certain enquiries have been completed. When I have received the full report I will consider the question of any further action which may be necessary on my part. I should mention also that I understand that there have been contacts between An Garda Síochána and the Garda Síochána Ombudsman Commission about the case and I have agreed to a request from the Commissioner that the interim report furnished to my Department should be made available to the Commission.

### **Visa Applications.**

131. **Deputy Brendan Howlin** asked the Minister for Justice, Equality and Law Reform the circumstances relating to a visa application in respect of a person (details supplied) in County Wexford which has been refused on the grounds that it is contrary to general policy that comprise compelling grounds as to the reason an exception to this policy should be made; if this visa application will be reconsidered on an exception to policy basis; and if he will make a statement on the matter. [32980/08]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** The visa application referred to by the Deputy was received in the Visa Office, Dublin on 30 May 2008. It was refused by the Visa Officer on 3 July 2008 as it is not general policy to grant a visa to dependant family members over the age of 18 to join or visit persons granted residency/residing in the State. The applicant's case was fully examined and there were no compelling grounds shown as to why an exception to this policy should be made. The time period within which an appeal may be submitted (two months) has elapsed. It is open to the applicant to make a fresh visa application at any time. If doing so, the applicant may include details which they feel are compelling reasons as to why their case should be regarded as being exceptional to the general policy.

### **Firearms Licences.**

132. **Deputy Finian McGrath** asked the Minister for Justice, Equality and Law Reform the number of legally held firearms in this State; and if he is satisfied with public safety aspects. [32983/08]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** I understand from the Garda Authorities that the total number of licensed firearms in the State is approx. 232,000. The number of licensed firearms has increased by approximately 10% over the last five years in line with the overall increase in population. Section 4 of the Firearms Act 1925 sets out the conditions of grant of a firearm certificate and specifies that the Superintendent shall, before granting a firearm certificate, be satisfied that the applicant:

- (a) has a good reason for requiring the certificate,
- (b) can be permitted to have in his possession, use, and carry a firearm or ammunition without danger to the public safety or to the peace, and
- (c) is not a person declared by this Act to be disqualified to hold a firearms certificate.

[Deputy Dermot Ahern.]

Obviously, the safety of the public is paramount. While I accept that the vast majority of persons who hold licensed firearms use them legitimately, I have already indicated my concern at the increase in the number of handguns being licensed. That is why I directed a review of our firearms legislation. That review is being finalised at present and I will bring legislative proposals arising from it forward as quickly as possible.

#### **Prison Staff.**

133. **Deputy Charles Flanagan** asked the Minister for Justice, Equality and Law Reform if he will seek a report from the Irish Prison Service on the transfer without reason or adequate explanation of a person (details supplied); and if he is satisfied that proper and accepted procedure and practice were adopted and followed. [33005/08]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** I am advised by the Director General of the Irish Prison Service that the Officer in question was transferred for operational reasons and was advised accordingly. I am satisfied that proper procedures were followed in this case.

#### **Swimming Pool Projects.**

134. **Deputy Enda Kenny** asked the Minister for Arts, Sport and Tourism if he will make funds available for a swimming pool at a location (details supplied) in County Dublin. [32909/08]

**Minister for Arts, Sport and Tourism (Deputy Martin Cullen):** The current round of the Local Authority Swimming Pool Programme provides grant aid to a maximum of €3.8 million towards the capital costs of new swimming pools or the refurbishment of existing pools. The current round of the Programme closed to applicants on 31 July 2000 and no application was submitted by South Dublin County Council, on behalf of Lucan, by that date. As such it is not possible to make funding available under the current round of the programme for a swimming pool in Lucan. Given the current budgetary constraints, it is not intended to launch a new round of the Programme at this time. However, when a new round of the Programme is launched it will be open to all Local Authorities, including South Dublin County Council on behalf of Lucan, to submit an application under the terms that will apply.

#### **Arts Funding.**

135. **Deputy Finian McGrath** asked the Minister for Arts, Sport and Tourism if he will support a matter (details supplied). [32987/08]

**Minister for Arts, Sport and Tourism (Deputy Martin Cullen):** It is the Government's responsibility to ensure that the arts and culture are well funded and placed at the centre of policy making in Ireland. To this end funding for the Arts and Culture sector has increased significantly in recent years. Funding for the Arts and Culture, which includes the Arts Council, the Film Board, Culture Ireland, the National Cultural Institutions and the capital arts infrastructure programme ACCESS (Arts and Culture Capital Enhancement Support Scheme) and the National Gallery is approximately €220m in 2008.

As Minister for Arts I am committed to securing the best possible funding for the Arts Council and the arts sector generally. The Arts Council's funding requirement for the year ahead will be addressed in the context of the 2009 Estimates. In doing so, the Government must balance competing demands from all other sectors of our economy and society. Funding



for the Arts Council has increased from €47.67m in 2002 to €81.6m this year –an increase of over 71%. These are significant amounts of money in any context. This funding has transformed the arts, increasing access to and participation in the arts, and has provided an excellent platform for future development. My policy on the arts is to promote and strengthen the arts in all its forms, increase access to and participation in the arts and make the arts an integral and valued part of our national life.

#### **Dormant Accounts Fund.**

136. **Deputy Pat Breen** asked the Minister for Community, Rural and Gaeltacht Affairs the reason funding in respect of an organisation (details supplied) in County Clare has been withdrawn; and if he will make a statement on the matter. [32739/08]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** At present, there are eight Government Departments involved in the disbursement of grants from the DAF. While my Department has an overall management and administrative role in relation to the Dormant Accounts Fund, the management of individual priority measures and disbursement of funds to beneficiaries of these measures is a matter for the relevant lead Department. In relation to the Deputy's enquiry, the measure concerned is the Older Persons Measure and the Department of Health and Children is the lead Department with regard to funding and management of this measure. I understand that there is a difficulty at present and I am raising this with my colleague, the Minister for Health and Children.

#### **Family Support Services.**

137. **Deputy Olwyn Enright** asked the Minister for Social and Family Affairs the details of the pilot scheme for lone parents which has been running, including any evaluation undertaken into the project; and if she will make a statement on the matter. [32762/08]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** The Government discussion paper, "Proposals for Supporting Lone Parents," put forward proposals to tackle obstacles to employment for lone parents and other low income families. Under the proposals the lone parenthood category of payment would no longer exist. Instead, a new payment would be made to all parents (living alone or with a partner), with young children, on low income. The non-income recommendations contained in the discussion paper were examined in two areas: Coolock and Kilkenny. These studies, which took place between November 2007 and February 2008, were carried out to facilitate the development of the policy and operational details of the new scheme. The process involved both lone parents and qualified adults and was on a voluntary basis; the take-up was low. However, the experience has highlighted how both lone parents and qualified adults are not a homogenous group, are of different ages, have experienced different routes into their current situation and have different needs.

Educational levels of those who participated were generally low, there was little or no engagement with FÁS, some participants intended to return to full or part-time work when their child was a few months old; others, however, had been out of the work force for a considerable period of time. Earnings from previous employment were generally low. In Kilkenny access to transport was an issue with regard to taking up employment or training, with those outside the city of Kilkenny having problems in this regard. For almost all of those intending to return to work affordable child care is a critical issue. The experience of this engagement process is feeding into the development of our approach to working with lone parents and qualified adults to support them into education, training and employment.

138. **Deputy Dinny McGinley** asked the Minister for Social and Family Affairs if her attention has been drawn to the difficulties caused to an organisation (details supplied) in County Donegal by the withdrawal of funding; if she will have this case re-assessed with a view to reinstating funding; and if she will make a statement on the matter. [32688/08]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** I am committed to supporting families and value the role that the Family Resource Centres play in communities all over the country. Funding from the Family Support Agency helps with staffing and equipping these centres. By the end of 2007, the number of Family Resource Centres had expanded from an original 10 to 106 nationwide. The funding for the Programme increased from €317,000 in 1994 to nearly €19 million in 2007.

In the context of the National Development Plan, it was intended to expand the number of Family Resource Centres by up to 6 centres this year and to provide some existing ones with additional staff. The organisation referred to by the Deputy was one of the projects in line for inclusion in the Family Resource Centre Programme. However, as part of the Government's collective approach to controlling short-term expenditure in the interests of Ireland's future prosperity, with the exception of a new centre in Killeshandra that was approved earlier this year, no new Family Resource Centres will open in 2008. It will also not be possible to increase the staffing complement of the existing centres. Government support for family services will however remain strong. Last year, additional staff were funded for 40 Family Resource Centres. It should also be noted that in June I approved counselling grants of almost €11 million to 600 voluntary and community groups supporting families nationwide.

#### **Social Welfare Code.**

139. **Deputy Catherine Byrne** asked the Minister for Social and Family Affairs if she will remove the six month rule for qualifying for training and education schemes when in receipt of jobseekers payments, in order to encourage people back into the workforce, particularly those who do not want to be dependent on social welfare for longer than necessary; and if she will make a statement on the matter. [32701/08]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** I understand that the Deputy is referring to the back to education allowance scheme (BTEA) administered by the Department. This scheme is designed to encourage people on certain social welfare payments to improve their skills and qualifications and, therefore, their prospects of returning to the active work force. It enables qualified people who have been getting a social welfare payment to continue to receive a payment while pursuing an approved full-time education course.

There are two strands to the scheme, a second level option (SLO) and a third level option (TLO). To qualify for participation in either strand an applicant must be in receipt of a relevant social welfare payment and must be at least 21 years of age prior to commencing an approved full time course of study. A person must have been in receipt of a social welfare payment immediately prior to commencing an approved course of study for at least six months (156 days) for a second level option course and 12 months (312 days) for a third level option course. The twelve month requirement is reduced to nine months for people participating in the National Employment Action Plan (NEAP).

The requirement to be in receipt of a relevant social welfare payment for a minimum period has always been a feature of the BTEA scheme because the purpose of the scheme is to assist people who are at risk of becoming dependent on the social welfare system on a long term basis. People who have been unemployed for a short time are not the main focus of the scheme and it was never intended to be a support for people in general who are pursuing full time

education courses. It is recognised that early intervention is appropriate but an unemployed person needs time to explore alternative employment and training opportunities before opting for BTEA. The current duration parameters are considered reasonable for this purpose. The operation of the scheme will continue to be monitored but I believe that the current arrangements are optimal in terms of meeting the objectives of the scheme and targeting limited resources at those who are most in need.

### **Social Insurance.**

140. **Deputy Michael Ring** asked the Minister for Social and Family Affairs the reason the PPS number of a person, now deceased, was not furnished to the solicitors acting on behalf of persons (details supplied) in County Mayo. [32710/08]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** The Department has no record of this request. If the solicitors' details or any copy of the correspondence is furnished to Client Identity Services, the request will be dealt with promptly.

### **Data Protection.**

141. **Deputy Damien English** asked the Minister for Social and Family Affairs if she is satisfied that all customers whose personal and payment information that was on the reported stolen laptop computers have been identified, contacted and informed of this incident; the number of calls that were received by her Department's free phone number on this matter; the number of emails received; the number of letters received; the security measures taken by her to ensure data protection of her Department's customers; and if she will make a statement on the matter. [32728/08]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** The laptop belonging to the Office of the Comptroller and Auditor General (C&AG) was reported missing in April 2007. On 1st of August, 2008 some 16 months after the laptop went missing, the Office of the C&AG informed the Department that the missing laptop contained a number of files used in connection with the audit of the Social Insurance Fund for 2004 and 2005. These files contained some 374,000 individual personal customer records.

On being notified of the contents of the laptop on 1 August, 2008, the Department immediately put a range of measures in place to identify the customers involved and to confirm if they were currently in receipt of a payment. This involved doing data matching exercises to identify and exclude deceased customers and to confirm the current address and payment arrangements for the remaining 340,318 customers. The necessary software development and production arrangements were put in place to issue a personalised letter to each of these customers.

One of the Department's primary concerns was to minimise the anxiety that publication of the fact that one of the missing C&AG laptops contained personal social welfare customer data, was likely to cause to its customers, particularly pensioners. The Department put in place a dedicated free-phone help-line, email service and post office box number to provide further clarification and advice to customers. To date, some 16,500 calls have been made to the special helpline number, 161 e/mails have been received and responded to, and some 750 letters have been received and are being dealt with. Of the letters issued, some 2,300 letters have been returned to the Department and are being processed as a matter of priority.

The Department has been engaged in a programme of continuous development and deployment of measures to enhance data security. Since this incident came to light, the Department has further reviewed and enhanced its protocols in relation to the transfer of data to third

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parties, including the Office of the C&AG. All bulk data is now transferred in an encrypted format, in accordance with the Department's 'External Party Electronic Data Transfer Policy'.

### Social Welfare Benefits.

142. **Deputy Damien English** asked the Minister for Social and Family Affairs the average waiting time in County Meath for an application of jobseekers allowance from date of application to receipt of benefit; and if she will make a statement on the matter. [32730/08]

143. **Deputy Damien English** asked the Minister for Social and Family Affairs the average waiting time in County Meath for an application of jobseekers benefit from date of application to receipt of benefit; and if she will make a statement on the matter. [32731/08]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** I propose to take questions number 142 and 143 together.

The Department is committed to providing a quality customer service to all its customers. This includes ensuring that applications are processed and that decisions on entitlement are issued as expeditiously as possible having regard to the eligibility conditions which apply. These conditions vary between the two jobseeker schemes and involve, among other things, the need to establish the person's social insurance record, establish the person's identity or their place of habitual residence and to assess means where appropriate. In some cases delays arise where the person fails to supply all pertinent information in support of their application.

The average processing time in weeks for claims for jobseekers allowance (JA) and jobseekers benefit (JB) in offices in Co. Meath., are set out in the following table.

Office	Parent Office	JA	JB
Navan	Navan	14	5
Kells	Navan	11	9
Trim	Navan	15	9

### Social Welfare Code.

144. **Deputy Damien English** asked the Minister for Social and Family Affairs if she has plans to increase the payment for each dependent child under the widow's and widower's contributory pension scheme; and if she will make a statement on the matter. [32736/08]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** Improvements in the rate of the qualified child increase for the widow's and widower's contributory pension scheme and other schemes will be considered in a Budgetary context.

145. **Deputy Arthur Morgan** asked the Minister for Social and Family Affairs the cost of increasing all personal basic rates of social welfare at present set at €197.80 to €225. [32748/08]

146. **Deputy Arthur Morgan** asked the Minister for Social and Family Affairs the cost of increasing the qualified adult allowance to €157.50. [32749/08]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** I propose to take Questions Nos. 145 and 146 together.

The cost of increasing the lowest rate of payment from €197.80 to €225 per week is €818 million in a full year. The cost of increasing the increase for a qualified adult (for all lowest rates of payment) from €131.30 to €157.50 per week is €97.5 million in a full year.

147. **Deputy Enda Kenny** asked the Minister for Social and Family Affairs if she will extend the number of hours a carer can work; if she will remove the cap of 15 hours per week; and if she will make a statement on the matter. [32928/08]

148. **Deputy Enda Kenny** asked the Minister for Social and Family Affairs if she will extend the number of hours a carer can spend on training courses per week; and if she will make a statement on the matter. [32929/08]

149. **Deputy Enda Kenny** asked the Minister for Social and Family Affairs her views on whether carers should be eligible to participate in community employment schemes; and if she will make a statement on the matter. [32930/08]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** I propose to take Questions Nos. 147 to 149, inclusive, together.

Supporting and recognising carers in our society is, and has been, a priority of the Government since 1997. Over that period, weekly payment rates to carers have been greatly increased, qualifying conditions for carer's allowance have been significantly eased, coverage of the scheme has been extended and new schemes such as carer's benefit and the respite care grant have been introduced and extended. One of the fundamental qualifying conditions for carer's allowance, carer's benefit and the respite care grant is that the person be providing full-time care and attention to a person who needs such care.

Since the introduction of the carer's allowance scheme this full time care and attention requirement has been eased in order to facilitate carers in engaging in employment, education or training. The number of hours a person may engage in employment, self employment, training or education outside the home and still be considered to be providing full-time care and attention was increased from 10 to 15 hours per week in June 2006.

Participation on a community employment scheme involves a placement of 39 hours per fortnight and so carer's payments are not payable to people engaged on community employment schemes. There are no plans to increase the number of hours for which people can engage in employment, education or training outside the home and still be eligible for carer's payments from the Department.

150. **Deputy Enda Kenny** asked the Minister for Social and Family Affairs if she will change the means test for eligibility for carer's allowance; and if she will make a statement on the matter. [32931/08]

151. **Deputy Enda Kenny** asked the Minister for Social and Family Affairs if she will increase the carer's allowance or benefit; and if she will make a statement on the matter. [32932/08]

152. **Deputy Enda Kenny** asked the Minister for Social and Family Affairs if she will introduce a needs assessment for family carers; and if she will make a statement on the matter. [32933/08]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** I propose to take Questions Nos. 150 to 152, inclusive, together.



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Supporting and recognising carers in our society is, and has been, a priority of the Government since 1997. Over that period, weekly payment rates to carers have greatly increased, qualifying conditions for carer's allowance have significantly eased, coverage of the scheme has been extended and new schemes such as carer's benefit and the respite care grant have been introduced and extended. Carer's allowance, in line with other social assistance schemes, is means tested. This ensures scarce resources are directed at those in greatest need. The primary objective of the carer's allowance is to provide income support to low income carers. The carer's allowance means test is one of the more flexible tests in terms of the assessment of household incomes. It has been significantly eased over the years, most notably with regard to spouse's earnings.

Increases to the carer's allowance income disregard provided for in Budget 2008 mean that, since April, a single person can have an income of €332.50 per week and a couple can have an income of up to €665 per week and still qualify for the maximum rate of carer's allowance. The previous levels were €320 and €640 per week respectively. This ensures that a couple can have an income in the region of €37,200 per year and still qualify for the maximum rate of carer's allowance as well as the associated free travel, household benefits package and the respite care grant. This increase surpasses the "Towards 2016" commitment to ensuring that those on average earnings can qualify for carer's allowance.

Rates of carer's allowance for those caring for one person were increased to €214 per week for those aged under 66 and to €232 per week for those aged over 66 from January 2008. Where people are caring for more than one person they receive a higher rate of payment. People aged under 66 who are eligible for the maximum rate of carer's allowance and who are caring for more than one person receive €321 per week. People aged 66 or over in that situation receive €348 per week.

Budget 2007 provided for new arrangements whereby people can receive a maximum payment equivalent to a half rate carers allowance while receiving another social welfare payment, other than jobseekers benefit or allowance. To date over 13,000 carers have benefited from these arrangements. In June 2006 the number of hours for which a person could engage in employment, self-employment, education or training and still be considered to be providing full time care for the purposes of carer's allowance, carer's benefit and the respite care grant was increased from 10 to 15 hours per week.

From June 2005, the annual respite care grant was extended to all carers, providing full time care, regardless of their income. A carer who is caring for two or more people is entitled to a full grant for each of the care recipients. The rate of the grant increased to €1,700 per year from June 2008. A needs assessment for carers is one of the many issues being considered as part of the National Carers' Strategy which is currently being developed by an inter-departmental working group.

### **Decentralisation Programme.**

153. **Deputy Fergus O'Dowd** asked the Minister for Social and Family Affairs the progress to date of decentralisation to Drogheda, including the progress in relation to sites selected; and if she will make a statement on the matter. [33375/08]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** Under the current decentralisation programme, the Department's Head Quarters, Social Welfare Appeals Office, Information and Communications Technology Division are designated to relocate to Drogheda. In addition, the Citizens Information Board is also scheduled to relocate to Drogheda. According

to figures received from the Central Application Facility (CAF), through which all applications for decentralisation must be submitted, 565 applicants have recorded this Department's Drogheda Office as their first preference. To date, 188 applicants have accepted offers of relocation with this Department to Drogheda. In addition, some 19 employees of the Citizens Information Board have relocation clauses included in their contracts.

The Office of Public Works has purchased a parcel of lands from Drogheda Borough Council in connection with the decentralisation of this Department to Drogheda. It is intended that the accommodation will be procured by Public Private Partnership (PPP), the procurement process to be conducted by the National Development Finance Agency (NDFA). In that regard, accommodation requirements were being assessed and the matter of bringing the Project to the point of procurement were being progressed within the Office of Public Works. The Government, on 8th July last, decided that further expenditure on the acquisition of accommodation for decentralisation (including Drogheda) would be paused pending the detailed consideration by the Government of reports from the Decentralisation Implementation Group and the Implementation Group of Secretaries General. I expect that such consideration by the Government will take place in the near future.

#### **Defence Forces Allowances.**

154. **Deputy Joe Costello** asked the Minister for Defence the number of soldiers who still receive a Border allowance; the reason this allowance is paid; the amount of money paid annually under this heading; the way in which he will respond to the comments of the Comptroller and Auditor General; and if he will make a statement on the matter. [32965/08]

**Minister for Defence (Deputy Willie O'Dea):** Border Allowance was introduced in 1972 for personnel engaged on duties in Border Units. The duties of the personnel involved was of a most arduous and responsible nature involving service far in excess of normal duty hours. The accommodation and the amenities at the time were below standard and the personnel who were deployed from their permanent stations on a temporary basis to Border Units suffered considerable disruption to family life.

At the end of August 2008 there were 64 officers and 999 other ranks in receipt of Border Allowance. The total amount of Border Allowance paid in 2007 was €5,378,888.00. To-date in 2008 €3,674,556.00 has been paid out in Border Allowance. It should be noted as stated in the Comptroller and Auditor General's Report that those in receipt of Border Duty Allowance do not receive the security duty allowance which is payable to Defence Force personnel when engaged in specific security duties. The removal of the Border Duty Allowance therefore would be partly offset by the payment of security duty allowance where appropriate.

I am satisfied that the conditions that led to the introduction of Border Duty Allowance no longer exist. However, changes in pay and conditions have to be addressed through the Conciliation and Arbitration machinery. This position was addressed by the inclusion of a review of Border Duty Allowance in the Defence Forces Modernisation Agenda, agreed under "Towards 2016" with the Representative Associations. The review with the Associations is progressing. It is intended that implementation of changes agreed through the review will begin during the lifetime of the "Towards 2016" agreement. As discussions between the Department and the Representative Associations are confidential to the parties involved it would not be appropriate to comment further on this aspect of the issue.

#### **National Spatial Strategy.**

155. **Deputy Olwyn Enright** asked the Minister for the Environment, Heritage and Local

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Government the way the gateway innovation fund will be allocated; the way it is proposed to evaluate same; and if he will make a statement on the matter. [32763/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** I refer to the reply to Question No. 327 of 9 July 2008. Decisions on the projects to be approved under the Gateway Innovation Fund, and the timing of any such approvals, will be subject to the overall capital funding position to be determined as part of the estimates process.

#### **Planning Issues.**

156. **Deputy Fergus O'Dowd** asked the Minister for the Environment, Heritage and Local Government if his attention has been drawn to the fact that heritage trees listed for preservation in the Drogheda development plan and cut down by a developer had no protection due to the failure of the local authority to implement tree protection orders; his views on such a failure; if he will communicate this concern to the local authority concerned; his further views on putting in place regulations controlling the removal of heritage trees identified in development plans but for which no TPO's have been put in place; and if he will make a statement on the matter. [32687/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** I am aware of the case referred to in the Question. The making of a Tree Preservation Order, in exercise of the powers provided under section 205 of the Planning and Development Act 2000, is a matter for the relevant planning authority. I have no function in the matter. However, my Department will shortly write to planning authorities again bringing to their attention Tree Preservation Guidelines issued by the Department and requesting them to take all necessary action, including the making of Tree Preservation Orders, to ensure that the important amenity value of trees is protected and enhanced wherever possible.

Under the Planning and Development Act 2000, planning authorities may include objectives in a development plan for the preservation and protection of trees. The inclusion of such an objective conveys a policy intention and, to be effective, it should be implemented by means of Tree Preservation Orders. In serving and publishing notice of its intention to make such an Order, a planning authority must attach a map to such notice indicating the tree, trees, group of trees or woodland to be preserved. Without such a site specific map, there is no meaningful way of identifying which, out of potentially many trees on a major site, should be classified as being of "heritage" value and to be protected accordingly. Therefore, I do not consider that a general regulatory provision controlling the removal of "heritage" trees prior to the making of a specific Tree Preservation Order would be useful or enforceable.

#### **National Monuments.**

157. **Deputy Ulick Burke** asked the Minister for the Environment, Heritage and Local Government his plans for the retention and protection of the Turoe Stone at its present location in County Galway; and if he will make a statement on the matter. [32700/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** In May 2008 my Department received a further report on the condition of the Turoe Stone commissioned by the Office of Public Works (OPW) from one of the country's foremost stone conservation experts. The report re-emphasised the continuing threat to the integrity of the Stone, arising from the unsatisfactory nature of the current conditions in which it is kept. The Department had previously proposed an alternative location for this national monument in the Galway City Museum but this proposal met with considerable local opposition in the area

where the Stone is currently located. In the circumstances a number of interim, possible alternative locations in County Galway were inspected by my Department and OPW. However, none of these were found to meet the conditions necessary to protect the integrity of the Stone into the future.

The most recent report on the Stone's condition and the outcome of the site inspections were relayed to Galway City and County Councils and the Director of the National Museum in May 2008. My Department's letter to the County Council indicated that we are prepared to consider the future arrangements for the conservation and curation of the Turoe Stone in the context of any plans or proposals the Council might have for the provision of a premises which would provide for a permanent suitable location within the County. A response from the local authority is awaited.

In the absence of any such proposals, my Department is of the view that there may be no alternative but to revisit the original proposals for the relocation of the Stone to the Galway City Museum and its replacement by a high quality replica at Turoe, subject to a review of these arrangements should proposals for the provision of a suitable premises in County Galway emerge at some time in the future. However, before any final decision is taken, I intend to consult further with the Galway local authorities and with community representatives in the area where the Stone is currently located.

#### **Proposed Legislation.**

158. **Deputy Andrew Doyle** asked the Minister for the Environment, Heritage and Local Government if the proposed Animal Welfare Bill due to be published will incorporate the proposed regulations governing the control of dog breeding establishments; and the reason a simple single temporary regulation could not be published to close down abusive puppy farms on the grounds of animal cruelty and welfare as in farm animal welfare while the entire issue of management of dog breeding establishments is being reviewed. [32704/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** Animal welfare issues are a matter for my colleague the Minister for Agriculture, Fisheries and Food. I understand that he is preparing an Animal Health and Welfare Bill at present. Work is underway in my Department in drafting measures to implement the majority recommendations of the Working Group to review the Management of Dog Breeding Establishments. The issues involved are quite complex and have required detailed consideration. My Department has also been engaged in consultation with relevant stakeholders. It is my intention to advance this matter as quickly as possible.

#### **Special Areas of Conservation.**

159. **Deputy Brendan Howlin** asked the Minister for the Environment, Heritage and Local Government if, in relation to the proposed special area of conservation for Wexford Harbour, regard was given to the submissions received and the public meetings which were held in Wexford regarding the proposed boundaries of the SAC; if a decision has been made in relation to the boundaries; and if he will make a statement on the matter. [32706/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** My Department is engaged in a nationwide roll-out of Special Protection Areas in accordance with the EU Birds Directive. The exercise includes redesignation of SPA sites some of which, like Wexford Harbour, were first designated ten years ago. This work is particularly required as part of Ireland's response to an adverse judgment by the European Court of Justice against Ireland in December 2007.

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In November 2007, my Department proposed three sites in County Wexford for designation as SPAs, one being Wexford Harbour and Slobs. While these are not new designations the boundaries have been extended in some areas. Landowners, and others identified by my Department's National Parks and Wildlife Service, as having land or holding rights or licences in SPAs were notified directly in writing. They were provided with a site map and description, list of activities that may damage the site, procedures for objecting to the designation proposal and details of compensation provisions. Objections on scientific grounds to these proposals could be submitted within three months from the date of their publication and appeals are being processed at the moment. My Department continues to be in dialogue with representative groupings. However, I have not as yet made any decisions as to changes in the proposed boundaries.

### **Greenhouse Gas Emissions.**

160. **Deputy Seán Sherlock** asked the Minister for the Environment, Heritage and Local Government the breakdown of the figures for methane produced here and released into the atmosphere from agricultural production, industrial production and from landfill activity; and if he will make a statement on the matter. [32717/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** The Environmental Protection Agency is responsible for the preparation of annual inventories of greenhouse gas emissions to meet the reporting requirements of both the United Nations Framework Convention on Climate Change (UNFCCC) and the European Union. The Agency publishes a National Inventory Report each year on foot of these requirements. The most recent report published by the Agency shows that methane emissions in 2006 are at a similar level to 1990, having fallen significantly since their peak in 1998. The following is a breakdown of methane emissions in 2006:

Agriculture Gg CH <sub>4</sub>	Waste Gg CH <sub>4</sub>	Industrial Gg CH <sub>4</sub>	Other Sectors Gg CH <sub>4</sub>	Total Gg CH <sub>4</sub>	Total Gg CO <sub>2</sub> e
542	81	1	9	633	13,287

Further information on methane and other greenhouse gas emissions is available on the website of the EPA at [www.epa.ie](http://www.epa.ie)

### **Waste Disposal.**

161. **Deputy Richard Bruton** asked the Minister for the Environment, Heritage and Local Government if his attention has been drawn to the fact that an industry based proposal in the jewellery and watches sector to meet the obligations under the recycling regulations has not been approved; the perceived defects in the proposal by the industry; his estimate of the extra compliance costs that would be imposed on the industry by requiring an alternative external system to meet the obligations; and if he will make a statement on the matter. [32718/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** European Parliament and Council Directive 2002/96/EC on waste electrical and electronic equipment (WEEE) as amended by European Parliament and Council Directive 2003/108/EC of 8 December 2003 was transposed into Irish Law on 5 July 2005 by the Waste Management (Waste Electrical and Electronic Equipment) Regulations 2005. The WEEE take back scheme, which came into effect on 13 August 2005, has been a remarkable success. 37,812 tonnes of



household WEEE was collected during 2007, a 20% increase over the 2006 collection rate. This represents approximately 6.7 million electrical and electronic products or 8.7kg per inhabitant. This is over double the 4 Kgs target the WEEE Directive requires Ireland to achieve by the end of 2008 and indicates widespread public support for the scheme.

Implementation of the Directive involved the establishment in 2005, by producers, of three new structures: two compliance schemes to fund the recovery of the waste equipment — WEEE Ireland Ltd. and the European Recycling Platform (ERP), who are responsible for the recycling of all household WEEE deposited at designated collection points including civic amenity facilities and retail outlets and ensuring that recovered WEEE is recycled in an environmentally sound manner, and for putting in place tracking and auditing systems for materials recovery in line with the requirements of the Directive, and an independent National Producer Registration body — WEEE Register — whose job it is to register all producers of electronic and electrical equipment, determine market share, and approve visible Environmental Management Costs (EMCs) where these are displayed by producers.

To avail of synergies with the implementation of the European Parliament and Council Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators, the Waste Management (Waste Electrical and Electronic Equipment) Regulations were recently amended, following consultation through the WEEE Monitoring Group, by the Waste Management (Waste Electrical and Electronic Equipment) (Amendment) Regulations 2008. Numerous representative bodies, including the Irish Jewellers Association, were invited to submit comments to my Department on these regulations before they were made. These new regulations do not impose any significant constraints on industries in their efforts to maintain compliance — on the contrary they will help streamline the compliance process.

Whereas the WEEE Regulations do not require an alternative external system to enable producers and/or distributors fulfil their obligation, they do contain enabling provisions to allow producer groups to apply for approval to establish collective compliance schemes. Producers, however, will not establish additional bodies to aid compliance unless it will bring cost savings. No application from any group representing the jewellery and watches sector has been received by my Department; however my Department is prepared, if requested, to meet with representatives of this and other sectors.

162. **Deputy Damien English** asked the Minister for the Environment, Heritage and Local Government the local authorities that have provided a farm plastic collection and drop service in 2008; the local authorities that have not provided such a service or do not intend to provide such a service in 2008; the reason such a service was not or will not be offered in 2008; and if he will make a statement on the matter. [32725/08]

163. **Deputy Damien English** asked the Minister for the Environment, Heritage and Local Government his plans to extend the farm plastic collection scheme; and if he will make a statement on the matter. [32726/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** I propose to take Questions Nos. 162 and 163 together.

A successful Producer Responsibility Initiative has been in operation since mid 1997 in relation to farm film/silage bale wrap. Producers — i.e. manufacturers and importers of farm film/bale wrap — pay a levy of €127 per tonne of farm plastic placed on the market to a compliance scheme, the Irish Farm Films Producers Group (IFFPG), who in turn are required to meet targets for the recovery and recycling of farm plastics. IFFPG estimate that over 80,000 tonnes of farm plastics were collected for recycling since its inception in mid 1997.

[Deputy John Gormley.]

In the period up to 2005, demand for the service provided by IFFPG grew to exceed the capacity of the scheme. Consideration was given by my Department in early 2006, in consultation with various stakeholders including farming organisations, to various mechanisms to address the need to ensure that sufficient resources were available to the scheme to meet future demand for collections while at the same time dealing fairly with accumulations of farm plastics on farms across the country. Following these consultations, my predecessor announced in May 2006 that IFFPG could derive an additional income from weight-based collection charges. This was aimed at improving the operational efficiency of the scheme by incentivising the presentation of clean, dry plastic by farmers. The effect of the introduction of a charge has been to ensure that supply of collections of farm plastics to farmers can match demand on an ongoing basis and to improve the quality of the material being collected. In addition, IFFPG have also introduced a labelling system to improve traceability of levied plastic which in turn will support compliance with the Waste Management (Farm Plastics) Regulations 2001.

To address the issue of accumulated backlogs of farm plastic on farms in 2005, designated facilities were provided on a temporary basis by local authorities where farmers could deposit stockpiled farm plastic free of charge. These once-off free collections allowed farmers the opportunity to deposit any accumulated plastic purchased under the terms of the original scheme, which was based upon free farm-to-farm collections. In total, some 35,000 tonnes of materials were collected at these temporary facilities over the period 2006 to 2007.

The operation of temporary bring facilities has proved popular with farmers and earlier this year, in consultation with the Irish Farmers' Association, the IFFPG developed a calendar of some 130 collections nationwide where farmers could deposit bale wrap and silage wrap. These collections have now commenced, will run through to the autumn and are based on weight-based charges. Farmers who produce the aforesaid labels indicating that levied plastic is being presented for recycling will avail of a substantially reduced collection fee by virtue of the fact that the producer levy is being used to subsidise all legitimately declared farm plastic.

Farmyard collections are still available from IFFPG but as they are more expensive to operate, they involve a higher charge. Information on the dates, locations and fees for collections are available on IFFPG's website, [www.farmplastics.ie](http://www.farmplastics.ie). In summary, very few local authorities provided a drop service in spring 2008. This was a once off solution to the problems outlined above and there are no plans to extend the scheme further.

### **Housing Aid for the Elderly.**

164. **Deputy Edward O'Keeffe** asked the Minister for the Environment, Heritage and Local Government if grant aid is available from his Department for the installation of equipment by a person (details supplied) in County Cork. [32751/08]

**Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Michael Finneran):** The Scheme of Housing Aid for Older People is available to assist older people, generally over 60 years, to have necessary repairs or improvements carried out to their homes. Where a suite of works is being grant aided under this scheme, local authorities may also, as part of the package of works, assist with the provision of radon remediation works, where applicable. There is no other scheme of grant assistance that exclusively targets remediation works in private dwellings with radon levels that exceed the National Reference Level. The Government's approach, which is similar to that of the majority of EU member states, is instead to concentrate efforts on increasing public awareness of the risks posed by radon in the home.

The Building Regulations require all new buildings, including new houses, built since 1st July 1998 to incorporate radon protection measures at the time of construction. This includes the fitting of an inactive radon sump, which can be activated at a later stage to reduce radon concentrations if this is found to be necessary.

#### **Local Authority Funding.**

165. **Deputy Olwyn Enright** asked the Minister for the Environment, Heritage and Local Government when the local government fund will be advised to the local authorities; and if he will make a statement on the matter. [32764/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** Local Government Fund general purpose grants, which are financed from the proceeds of motor tax and an Exchequer contribution, will be notified to local authorities in the coming weeks.

#### **Local Authority Housing.**

166. **Deputy Olwyn Enright** asked the Minister for the Environment, Heritage and Local Government when permission will be given to a housing association and Offaly County Council to purchase a property (details supplied) in County Offaly; and if he will make a statement on the matter. [32765/08]

**Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Michael Finneran):** An application for post-tender approval in respect of this project, costing an estimated €181,724, was received in my Department in June 2008. A decision will be made as soon as possible.

167. **Deputy Willie Penrose** asked the Minister for the Environment, Heritage and Local Government the position of the application by Westmeath County Council to his Department for the required funding under the remedial works scheme in respect of the rebuilding and refurbishment of houses in an estate (details supplied) in County Westmeath; if his Department has considered the additional information provided by the council in response to his Department's request at the end of May 2008; when the budget costs for this phase will be approved for this scheme; and if he will make a statement on the matter. [32824/08]

**Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Michael Finneran):** In May, 2005 my Department approved a pilot remedial works scheme for 10 units in Ennel Court. The pilot phase was completed in May, 2007 after which the local authority reviewed its position and submitted new proposals for a scheme encompassing the whole estate. A number of issues were raised with the local authority at this stage, including public procurement compliance issues, and the Council undertook to revise its proposals. These have recently been received by my Department and are currently under consideration.

168. **Deputy Willie Penrose** asked the Minister for the Environment, Heritage and Local Government when a decision will be made in relation to an application by Westmeath County Council for finance to enable a remedial works scheme to proceed in an estate (details supplied) in County Westmeath; and if he will make a statement on the matter. [32825/08]

**Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Michael Finneran):** My Department has received proposals from Westmeath County Council for a remedial works scheme at Dalton Park Estate. This proposal is being considered

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for funding under the 2008 Call for Proposals for Remedial Works. A decision on this proposal will be taken in the context of the examination of all proposals received by the 31 October 2008 closing date for applications.

169. **Deputy Dan Neville** asked the Minister for the Environment, Heritage and Local Government when moneys allocated to a group (details supplied) in County Limerick will be awarded to Limerick County Council for the purchase of a rural bungalow in Feenagh.

[32874/08]

**Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Michael Finneran):** A revised application for approval in respect of this project, costing an estimated €178,000, was received in my Department in June 2008. A decision will be made as soon as possible.

#### **Rental Accommodation Scheme.**

170. **Deputy Róisín Shortall** asked the Minister for the Environment, Heritage and Local Government if up-front payments are currently being made to developers under the rental accommodation leasing scheme; the guidelines that are in place in relation to up-front payments under this scheme; the cost to the Exchequer of up-front payments to date in 2008; the controls that are in place to ensure that the State secures a return on this funding; the controls that are in place to ensure that funds used for up-front payments under such an arrangement do not adversely affect other social housing funding; and if he will make a statement on the matter. [32888/08]

**Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Michael Finneran):** Up front payments in the form of a deposit, usually of one month's rent, are a standard element in the leasing of private rented properties, including under the Rental Accommodation Scheme. In addition, the Affordable Homes Partnership is currently undertaking the procurement of a Public Private Partnership for the leasing of private rented property in the Dublin region which is based on the combination of an up-front grant and a monthly rental payment. The procurement exercise is still underway and no properties have been secured or no payments made as yet.

It is a matter for individual local authorities in the first instance, subject to compliance with public procurement rules and having regard to the Capital Appraisal Guidelines of the Department of Finance, to seek to obtain the best value for money possible in the procurement of properties in current market conditions. My Department is open to considering proposals for securing leased properties for social housing that involve a combination of up-front and regular rental payments. At this point, however, the Department is not aware of any procurement of leased properties from developers where up-front payments, other than normal deposits, have been made.

As part of the process of agreeing the annual social housing investment programme, my Department meets with each housing authority to review its Housing Action Plan for the year. As part of this process objectives and output targets are set, including for the number of leased units to be provided in the year, and a budget agreed accordingly. The programme is then reviewed later in the year to assess progress and to make any necessary adjustments.

#### **Water and Sewerage Schemes.**

171. **Deputy Ulick Burke** asked the Minister for the Environment, Heritage and Local

Government the funding that has been allocated for the upgrade of the Gort water treatment plant and the Gort regional water scheme; if money has been allocated for the Gort sewerage scheme; and if he will make a statement on the matter. [32894/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):**

The Gort Regional Water Supply Scheme, including the treatment plant, is included in my Department's Water Services Investment Programme 2007-2009 as a scheme to start construction in 2009 at an estimated cost of €35.1m. My Department is awaiting Galway County Council's Design Review Report for the scheme.

The Gort Sewerage Scheme was fourteenth on the list of sewerage schemes submitted to my Department by Galway County Council in its most recent assessment of needs for water services capital works. The assessment was taken into account in framing the Water Services Investment Programme 2007-2009. Given the level of competing demands for available funding, and the priorities identified by the elected members of Galway County Council, it was not possible to include the Gort scheme in the current Programme. Funding for water and sewerage facilities, which are now completed, for new housing in Gort was provided by my Department under the Serviced Land Initiative.

172. **Deputy Ulick Burke** asked the Minister for the Environment, Heritage and Local Government the status of the Craughwell, County Galway sewerage scheme; if the proposed scheme includes the area where the local primary school is situated which caters for approximately 200 children; and if he will make a statement on the matter. [32895/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):**

The Craughwell Sewerage Scheme is being funded under my Department's Water Services Investment Programme 2007-2009. Further consideration will be given by my Department to Galway County Council's Contract Documents for the collection networks for Craughwell, Claregalway and Milltown, which are being combined for procurement purposes, on receipt of additional information requested from the Council. The Council's combined tender documents for the treatment plants for these three schemes, and for Carraroe, are awaited by my Department. Detailed information on the areas to be serviced by the Craughwell scheme may be sought from Galway County Council.

173. **Deputy Ulick Burke** asked the Minister for the Environment, Heritage and Local Government if funding has been allocated by his Department for a sewerage scheme in Eyrecourt, County Galway; and if he will make a statement on the matter. [32896/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):**

The Eyrecourt Sewerage Scheme is being funded under my Department's Water Services Investment Programme 2007-2009 at an estimated cost of €4.9 million. My Department has requested Galway County Council to review its Preliminary Report for the scheme and the Council's response will be examined as quickly as possible on receipt.

174. **Deputy Ulick Burke** asked the Minister for the Environment, Heritage and Local Government if funding has been granted for the provision of a sewerage treatment plant in Woodford, County Galway; and if he will make a statement on the matter. [32897/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):**

The Woodford Sewerage Scheme was eighth on the list of sewerage schemes submitted to my Department by Galway County Council in its most recent assessment of needs for water services capital works. The assessment was taken into account in framing the Water Services Investment Programme 2007-2009. Given the level of competing demands for available funding,



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and the priorities identified by the elected members of Galway County Council, it was not possible to include the Woodford scheme in the current Programme.

175. **Deputy Ulick Burke** asked the Minister for the Environment, Heritage and Local Government the position regarding the request for funding for the Athenry, County Galway sewerage scheme; and if he will make a statement on the matter. [32898/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** The Athenry Sewerage Scheme has been approved for funding under my Department's Water Services Investment Programme 2007-2009 at an estimated cost of €11.6 million. Galway County Council's Design Review Report for the scheme, received last week, is being examined in my Department.

#### **Special Amenity Areas.**

176. **Deputy Enda Kenny** asked the Minister for the Environment, Heritage and Local Government the progress on putting in place a new area of special amenity in a location (details supplied) in County Dublin; the position regarding discussions with South Dublin County Council on this project; and if he will make a statement on the matter. [32920/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** On 10 September 2008 I requested the Manager of South Dublin County Council to arrange, as a matter of urgency, for an evaluation to be carried out of lands between Palmerstown and Lucan Bridge, the existing area of Special Amenity and the N4/Old Lucan Road/Old Hill Road, in order to assess the suitability of some or all of these lands to be designated as a new area of special amenity, having regard to the provisions of section 202 of the Planning and Development Act 2000.

#### **Waste Management.**

177. **Deputy David Stanton** asked the Minister for the Environment, Heritage and Local Government, further to Parliamentary Question Nos. 1498 and 1499 of 24 September 2008, the previous guidance which was issued to local authorities in relation to the national strategy on biodegradable waste prior to the circular issued by his Department in July 2008; and if he will make a statement on the matter. [32976/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** EU Directive 1999/31/EC required member states to put in place national strategies to address the issue of biodegradable waste. Ireland published its national strategy in draft form in 2004 and my Department wrote to all local authorities on 7 April 2004 inviting submissions in relation to the draft strategy. On 11 June 2004, all local authorities were asked to ensure that the implications of the draft Strategy were taken into account in the review of Waste Management Plans, particularly in relation to the roll out of segregated collection of household dry recyclables and organic wastes and the provision of associated materials recovery/biological treatment infrastructure.

Following extensive consultation, the National Strategy on Biodegradable Waste was published in April 2006. The Programme for Government contains a commitment to its implementation which aims to divert 80% of biodegradable waste from landfill through segregated collection of biodegradable waste and the generation of compost. At the end of July 2008 my Department wrote to all local authorities outlining the arrangements for a national roll-out of source-segregated collection systems for biodegradable waste. I have also indicated my intention to introduce primary legislation to allow significant increases to be made to the landfill

levy and consultants have been engaged to carry out a Regulatory Impact Analysis which is currently underway.

My Department in addition, is working with industry regarding the development of a Statutory Instrument for the segregation of commercial biodegradable waste. I am confident that these measures will contribute significantly to the attainment of the targets for the diversion of biodegradable waste from landfill.

### Natural Heritage Areas.

178. **Deputy Joanna Tuffy** asked the Minister for the Environment, Heritage and Local Government the location of proposed natural heritage areas, special areas of conservation and special protection areas; when it will be determined which of these are to be designated as such; and if he will make a statement on the matter. [32990/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** I am arranging to have a schedule of the proposed National Heritage areas, (NHAs) Special Areas of Conservation (SAC) and Special Protection Areas (SPAs) forwarded to the Deputy. At present my Department is prioritising work on the European SAC and SPA designations. As this process is brought to conclusion over the next year or so I envisage greater attention then being given to the NHA designations.

### Local Authority Funding.

179. **Deputy Joanna Tuffy** asked the Minister for the Environment, Heritage and Local Government the amount of funding under the local government fund that was paid to each local authority for the years 2007 and 2008 in tabular form; and if he will make a statement on the matter. [32991/08]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** The amount of funding paid to local authorities by way of general purpose grant for 2007 and in the period from 1 January to 30 September 2008 is set out in the table. General purpose grants from the Local Government Fund are my contribution to meet the difference between the cost to local authorities of providing an acceptable level of day to day services and the income available to them from local sources and from specific grants. These grants are allocated having regard to a range of factors including the overall funding available for the grants, the cost to each local authority of providing its services, the income available to each local authority from local sources and specific grants and the need to ensure that each local authority receives a baseline allocation that will provide financial stability.

Local Government Fund General Purpose Grants Paid 2007 & to 30 September 2008

Local Authority	2007	To 30 Sep 2008
	€	€
Carlow County Council	12,536,458	12,118,106
Cavan County Council	19,526,749	19,035,148
Clare County Council	15,672,190	15,158,443
Cork County Council	54,809,504	52,779,064
Donegal County Council	41,556,957	40,569,964
Dun Laoghaire Rathdown County Council	39,451,937	37,960,733
Fingal County Council	32,231,264	31,055,521
Galway County Council	38,490,666	37,381,501
Kerry County Council	27,600,743	26,808,396
Kildare County Council	26,476,801	25,922,713

[Deputy John Gormley.]

Local Authority	2007	To 30 Sep 2008
	€	€
Kilkenny County Council	20,827,594	20,260,165
Laois County Council	18,336,335	17,811,936
Leitrim County Council	15,465,369	15,026,034
Limerick County Council	26,101,406	25,284,581
Longford County Council	14,657,063	14,281,146
Louth County Council	13,390,136	12,945,283
Mayo County Council	38,012,273	37,036,694
Meath County Council	28,583,173	27,873,841
Monaghan County Council	15,718,151	15,282,055
North Tipperary County Council	19,357,349	18,842,804
Offaly County Council	16,230,539	15,845,028
Roscommon County Council	22,198,317	21,443,644
Sligo County Council	17,723,150	17,233,139
South Dublin County Council	26,194,505	25,204,557
South Tipperary County Council	23,696,915	23,057,146
Waterford County Council	22,848,496	22,318,550
Westmeath County Council	21,387,695	20,894,833
Wexford County Council	22,172,296	21,551,627
Wicklow County Council	20,311,251	20,216,823
Cork City Council	26,892,180	26,113,059
Dublin City Council	100,310,537	96,636,581
Galway City Council	9,357,649	9,012,287
Limerick City Council	11,721,449	11,277,948
Waterford City Council	8,537,496	8,226,595
Clonmel Borough Council	3,454,446	3,349,229
Drogheda Borough Council	4,947,336	4,775,865
Kilkenny Borough Council	2,001,672	1,930,116
Sligo Borough Council	3,335,745	3,209,608
Wexford Borough Council	2,467,405	2,397,116
Arklow Town Council	1,706,267	1,656,859
Athlone Town Council	2,032,113	1,956,984
Athy Town Council	777,620	774,777
Ballina Town Council	1,676,625	1,650,277
Ballinasloe Town Council	963,718	934,069
Birr Town Council	846,550	828,971
Bray Town Council	4,778,238	4,615,525
Buncrana Town Council	945,020	1,001,298
Bundoran Town Council	638,050	613,926
Carlow Town Council	1,937,239	1,867,556
Carrickmacross Town Council	628,815	614,110
Carrick-on-Suir Town Council	1,211,246	1,178,375
Cashel Town Council	717,796	695,347
Castlebar Town Council	1,101,201	1,059,582
Castleblaney Town Council	510,858	503,619
Cavan Town Council	912,873	882,688
Clonakilty Town Council	662,163	638,439

Local Authority	2007	To 30 Sep 2008
	€	€
Clones Town Council	606,735	590,156
Cobh Town Council	1,327,858	1,279,781
Dundalk Town Council	5,599,979	5,396,257
Dungarvan Town Council	1,101,346	1,059,714
Ennis Town Council	2,583,037	2,511,791
Enniscorthy Town Council	1,310,009	1,261,873
Fermoy Town Council	916,133	888,767
Kells Town Council	527,987	512,228
Killarney Town Council	1,942,242	1,890,789
Kilrush Town Council	675,554	657,262
Kinsale Town Council	445,408	428,591
Letterkenny Town Council	1,249,170	1,201,939
Listowel Town Council	841,180	811,035
Longford Town Council	1,308,623	1,259,161
Macroom Town Council	656,139	639,862
Mallow Town Council	1,175,365	1,149,968
Midleton Town Council	602,134	582,431
Monaghan Town Council	1,256,710	1,209,722
Naas Town Council	1,512,195	1,496,214
Navan Town Council	616,374	593,855
Nenagh Town Council	1,197,754	1,162,518
New Ross Town Council	1,033,315	1,002,042
Skibbereen Town Council	478,655	460,555
Templemore Town Council	688,381	668,787
Thurles Town Council	1,069,192	1,032,989
Tipperary Town Council	917,384	886,713
Tralee Town Council	3,482,699	3,351,079
Trim Town Council	614,994	593,446
Tullamore Town Council	1,402,227	1,352,208
Westport Town Council	911,907	877,438
Wicklow Town Council	1,737,757	1,679,197
Youghal Town Council	1,231,917	1,186,998

### Energy Conservation.

180. **Deputy Edward O’Keeffe** asked the Minister for Communications, Energy and Natural Resources if grant aid is available from his Department for a person (details supplied) in County Cork. [32750/08]

**Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan):** Supports for improving the energy performance of homes are currently available under two schemes administered by Sustainable Energy Ireland (SEI). Individual grant applications are a matter for SEI. For households on low incomes, such as those in receipt of fuel allowance, invalidity or disability benefit, the Warmer Homes Scheme managed by SEI will install cavity wall insulation, attic insulation, a boiler lagging jacket, draught proofing measures and CFLs. Advice is also provided to householders on minimising energy use. These measures are provided free or at a token cost. I have made €5 million available to SEI for this Scheme in 2008.

[Deputy Eamon Ryan.]

The Pilot Home Energy Saving Scheme which I launched earlier this year is designed to incentivise householders to undertake energy efficiency improvements. The pilot scheme is being tested in a limited number of areas. This pilot phase, will inform decisions in relation to the wider scheme in line with the commitment in the Programme for Government, subject to overall budgetary considerations.

### **Electricity Generation.**

181. **Deputy Enda Kenny** asked the Minister for Communications, Energy and Natural Resources the projected amount and monetary value of electricity that is expected to be exported over the proposed east-west interconnector in the first ten years by way of its operation; and if he will make a statement on the matter. [32910/08]

**Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan):** The East West Interconnector will be operational by 2012 and will have a capacity of 500MW. The interconnector will, as a national strategic asset, remain in public ownership and will be owned and operated by EirGrid. The advantages that the development of the East West Interconnector will bring include, improved security of supply; increased competition in the single electricity market; and environmental benefits including:

- The increased ability to accommodate wind generated energy and the potential to export surplus wind-generated electricity.
- Assisting in achieving our ambitious renewable targets.
- The reduction in the need for a carrying reserve. This reserve, which is a back-up for times of low wind generation, would otherwise need to be provided from fossil fuel plants, which would be at a higher cost than can be provided by the interconnector, and
- The reduction in expected carbon credit payments.

It is anticipated that the initial flows from the interconnector will be predominantly from the UK to Ireland. However, this has the potential to change as the share of renewable electricity on our grid increases. EirGrid will shortly publish their Grid Development Strategy to 2025, which will outline the various strategic options for the development of Irish electricity networks out to 2025. I understand that this will look at various alternative dispatch scenarios, including those with high wind penetration and high export potential.

The East West Interconnector will play a critical role in these scenarios. However, it would be premature to provide estimates at this early stage as to the amount of electricity that may be exported in the first ten years of the interconnector's operation or the value of such exports.

### **Employment Rights.**

182. **Deputy Joe Costello** asked the Minister for Communications, Energy and Natural Resources if his attention has been drawn to the fact that the ship employed by Shell Ireland to lay the pipeline for the Corrib gas field is operating under a Panamanian flag of convenience and that it refuses to pay its staff the minimum wage; and if he will make a statement on the matter. [32964/08]

**Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan):** As Minister for Communications, Energy and Natural Resources I have no statutory function in this matter. I understand that the payment of wages on foreign flagged ships is a matter for the flag state where the ship is registered and for the internal domestic laws of that country.



**Foreshore Licences.**

183. **Deputy Finian McGrath** asked the Minister for Agriculture, Fisheries and Food if he will support a matter (details supplied). [32988/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The primary concern of my Department in assessing applications of this nature for foreshore consents are the protection and sustainable development of the foreshore. Decisions on applications are made following comprehensive expert advice from a range of consultees including the Department of the Environment, Heritage and Local Government. This approach is of general application.

**Seafood Imports.**

184. **Deputy Martin Ferris** asked the Minister for Agriculture, Fisheries and Food if he will provide a list detailing the origin and nature of seafood imports into Ireland in 2007. [32681/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** Information requested contained in the following tables.

Irish Fish Imports by Origin for Year 2007

Country	Tonnes	€000
Great Britain	21,783	100,280
Germany	2,457	11,980
Iceland	1,020	7,800
Northern Ireland	2,596	6,067
France	1,214	5,682
Denmark	867	4,512
Netherlands	1,076	3,499
Faroe Islands	339	1,644
Canada	414	2,186
Norway	234	808
Spain	340	937
Thailand	654	2,590
USA	504	2,040
Poland	417	468
Greece	796	528
Greenland	224	821
Chile	96	352
Belgium	134	388
China	84	319
Sweden	57	278
South Africa	330	1,260
Vietnam	149	467
Turkey	90	292
Sub Total	35,875	155,198
Other	10,815	22,094
Total Imports from all Countries	46,696	177,291

[Deputy Brendan Smith.]

## Irish Fish Imports by Variety for Year 2007

Variety of Products Imported	Tonnes	€000
Total Freshwater Fish Fresh/Chilled Or Frozen	8,943	28,522
Total Saltwater Fish Fresh/Chilled Excl. Fillets	2,879	11,572
Total Saltwater Frozen Exc. Fillets	1,721	3,108
Total Saltwater Fish Fillets Fresh/Chilled	1,231	5,747
Total Saltwater Fish Fillets Frozen	3,218	16,883
Total Liers And Roes	377	1,627
Total Fish Dried, Salted Or In Brine	435	1,437
Total Fish Smoked	1,010	5,317
Total Fish Prepared Or Preserved	16,744	63,267
Total Crustaceans Fresh/Chilled	2,826	6,776
Total Crustaceans Frozen	3,450	19,293
Total Molluscs Fresh/Chilled	2,097	3,129
Total Molluscs Frozen	387	1,477
Total Shellfish Prepared Or Preserved	1,376	9,128
Total Imports of Seafood in all product forms	46,696	177,291

**Data Protection.**

185. **Deputy John O'Mahony** asked the Minister for Agriculture, Fisheries and Food, further to a previous parliamentary question, the type of data that was stored on the laptop that was reported stolen from his Department; and if the people whose data was stored on these laptops were notified. [32708/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** Laptops distributed to staff within my Department are used primarily to facilitate secure remote access to the Department's computer network and applications and to assist staff in preparing work related presentations, spreadsheets and documents. While accessing the system remotely, the corporate data continues to be stored in the Department's secure data centre rather than on the laptop.

Regarding the laptops that were reported stolen, the data contained on these laptops was work related presentations, spreadsheets and documents. None of the laptops contained personal information. When a laptop is reported lost or stolen, access by that device to the Department's computer network is immediately suspended and use of the device is blocked. All laptops are protected by use of a user-id and password. In addition, the Department has commenced a programme of encrypting all laptops used by its staff.

**Rural Environment Protection Scheme.**

186. **Deputy Martin Ferris** asked the Minister for Agriculture, Fisheries and Food his views on farmers in receipt of REP scheme and set aside payments being allowed to use their land to grow energy crops. [32714/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The growing of energy crops by farmers in the Rural Environment Protection Scheme (REPS) is permitted. The area allowed for the growing of miscanthus or willow in REPS is 25% of the utilizable agricultural area of the holding or 10 hectares, whichever is the greater. Farmers who have declared land as set-aside and are in receipt of set-aside payments receive no additional payment under the EU Energy Crops Premium. However, it is likely that the requirement for

obligatory set-aside will be permanently dispensed with as and from 2009. A decision of the EU Agriculture Ministers on this issue, in the context of the CAP health Check, is expected in November.

**Fisheries Protection.**

187. **Deputy Martin Ferris** asked the Minister for Agriculture, Fisheries and Food the period of time Danish vessels have fished off the Irish coast. [32720/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The Sea-Fisheries Protection Authority (SFPA) is the body responsible for the collection of all data relating to sea-fisheries under national and Community law. I have asked the SFPA to revert directly to the deputy on these matters.

**Rural Environment Protection Scheme.**

188. **Deputy Michael Ring** asked the Minister for Agriculture, Fisheries and Food the number of farmers in County Mayo who are participants in the REP scheme over the past four years; the number who have opted out of the schemes; the number of farmers who have had penalties incurred under each of the schemes during these years; and if he will make a statement on the matter. [32452/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The number of farmers in Co. Mayo active in REPS at the end of each year is set out as follows:

	REPS 2	REPS3	REPS 4
2004	4,070	1,331	N/A
2005	2,994	2,696	N/A
2006	1,463	5,285	N/A
2007	740	5,340	36

Statistics are not readily available on the number of farmers who have opted out of the Scheme.

The numbers of farmers in Co. Mayo who have had REPS penalties imposed is set out as follows:

	REPS 2	REPS 3
2004	295	42
2005	231	137
2006	104	264
2007	51	243

No penalties were imposed in REPS 4 in 2007, the year the scheme was launched.

189. **Deputy Michael Ring** asked the Minister for Agriculture, Fisheries and Food if he is satisfied that the application of sanctions under the REP scheme in the west region is consistent with the standards applied in other regions in view of the number of inspections, penalties and appeals and so on; and if he will make a statement on the matter. [32453/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The risk analysis criteria for selection of cases for REPS inspection is laid down in EU Regulations and apply

[Deputy Brendan Smith.]

equally to all regions. With minor exceptions cases for inspection are selected centrally based on this criteria by my Department's REPS headquarters based in Wexford. Procedure manuals are provided to all inspectorate staff who follow a standard checklist when they carry out inspections. This helps to ensure that REPS is administered consistently in all regions and that sanctions applied in accordance with the terms and conditions of the REP schemes are applied impartially in all regions. All decisions made by the inspectorate are subject to a local appeals process and, if the farmer is still not satisfied with the decision, it can then be appealed to the independent Agriculture Appeals Office.

### **Aquaculture Licences.**

190. **Deputy John Cregan** asked the Minister for Agriculture, Fisheries and Food when an aquaculture licence will issue to a person (details supplied) in County Limerick; and if he will make a statement on the matter. [32724/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The individual concerned is already the holder of the aquaculture licence in question. However, he applied last year to my Department for approval for partial assignment to another company of a portion of the area covered by his licence. Consideration of the proposal required technical and legal advice which has now been obtained. I expect to be in a position to make a determination in this case in the near future.

*Question No. 191 withdrawn.*

### **Farm Waste Management.**

192. **Deputy Bobby Aylward** asked the Minister for Agriculture, Fisheries and Food when payment of a grant under the farm waste management scheme will be awarded to a person (details supplied) in County Kilkenny. [32756/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The claim for payment lodged by the person concerned under the Farm Waste Management Scheme is being processed by my Department. I would expect that payment will be made in the near future provided that the claim is in compliance with the terms and conditions of the Scheme.

### **Rural Environment Protection Scheme.**

193. **Deputy Martin Ferris** asked the Minister for Agriculture, Fisheries and Food his views on farmers in receipt of REP scheme payments being allowed to use their land to grow energy crops. [32759/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The growing of energy crops by farmers in the Rural Environment Protection Scheme (REPS) is permitted. The area allowed for the growing of miscanthus or willow in REPS is 25% of the utilizable agricultural area of the holding or 10 hectares, whichever is the greater.

### **Fisheries Protection.**

194. **Deputy Martin Ferris** asked the Minister for Agriculture, Fisheries and Food the basis on which the Danish quota for the ICES VI and ICES VII zones was established. [32760/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** Quota allocations for the main fish stocks were set in the early 1980's when fish stocks were being shared out between Member States. The share allocations were based on catch records and reflected the fishing levels by the various fleets at that time in all areas including ICES Area VI and VII.

195. **Deputy Fergus O'Dowd** asked the Minister for Agriculture, Fisheries and Food his views on correspondence from a committee (details supplied); and if he will assist it in being allowed to fish for cockles at Annagassan, County Louth when the season opens. [32887/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The Shellfish Management Framework is the normal mechanism for the development of management plans for inshore fisheries. It consists of Local Advisory Committees (LACs), which are industry led, and Species Advisory Groups (SAGs) who present plans to the Inshore Fisheries Review Group (IFRG) who if appropriate will recommend the management plans to me for effective implementation. The Cockle fishery in Dundalk is currently closed and the most recent indications from an August 2008 cockle survey is that about 90% of the cockles in the bay are below the market size; additionally 1 and 2 year old cockles are poorly represented in the samples. On this basis it would not be expected to re-open the fishery in the short term.

The Dundalk Cockle Fishery also occurs in a Natura 2000 designated site. In this situation the opening of the fishery will have to have regard for the requirements in the EU Birds and Habitats Directives. My Department, and its agencies are working closely with the National Parks and Wildlife Service in developing an approach which will lead to this and other similarly impacted fisheries meeting the requirements of those directives.

#### **Farm Inspections.**

196. **Deputy Ulick Burke** asked the Minister for Agriculture, Fisheries and Food if, following the rejection of the Lisbon treaty, he has requested the EU Commission to review his position in relation to unannounced farm inspections under the various schemes operated by his Department; and if he will make a statement on the matter. [32902/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The position is that an EU Commission report on the application of cross-compliance was presented to the April 2007 Agriculture Council and Council conclusions were adopted in June 2007. The following issues were covered in the conclusions:

- Tolerance for minor non-compliance
- Introduction of a “de minimis” rule for penalties
- Harmonisation of control rates
- Advance notice of Inspections
- Reviewing the “10 month rule”
- Making better use of the results of existing controls in the context of risk analysis for cross-compliance.
- Phasing in of cross-compliance for new Member States operating the SAPS



[Deputy Brendan Smith.]

Council and Commission Regulations are now in place implementing the new arrangements with effect from 1 January 2008. Under the new regime, while inspections in general should be unannounced, we can give up to 14 days notice for land eligibility and cross-compliance inspections involving Statutory Management Requirements (SMRs) other than those related to animal identification and registration, food, feed, and animal welfare. For checks involving cattle identification and registration the maximum advance notice is 48 hours provided we are satisfied that the purpose of the inspection is not jeopardised. For SMRs dealing with feed, food and animal welfare no advance notice may be given.

My Department is required to ensure that the control environment established under cross-compliance is robust and meets with regulatory and audit requirements. Nevertheless, I believe that the cross-compliance provisions were overly complex for farmers and I have sought and gained appropriate simplification in the context of the review of cross-compliance conducted by the Commission and the Regulations introduced as a result. It is intended however, that further simplification of the cross-compliance arrangements will be pursued in the context of the CAP Health Check. Specifically, I am committed to pursuing indent 14 of the June 2007 Council conclusions which requested the Commission “to study ways of improving the coherence and practicability of the control provisions in the different sectors covered by the Statutory Management Requirements (SMRs) for example as regards control rates and advance notice for on-the-spot checks”.

#### **Agriculture Appeals Office.**

197. **Deputy Ulick Burke** asked the Minister for Agriculture, Fisheries and Food if he will justify the imposition of a penalty and confirmation of it on appeal to the local regional inspector (details supplied) and subsequent successful appeal to the independent appeals board; the cost of this case to his Department; his views on whether this is a time wasting exercise for all involved; if he will refund the professional costs to the farmer in this case; and if he will make a statement on the matter. [32907/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** Under the Agriculture Appeals Act 2001, the Agriculture Appeals Office was established to provide an appeals service to farmers who may be dissatisfied with decisions of the Department of Agriculture, Fisheries and Food concerning their entitlements under designated schemes operated by the Department. This case was received at the Agriculture Appeals Office on 13th March 2008 and decision was given on 23rd June 2008. There are no charges for this service. However, any costs arising from the engagement of professional services on behalf of the appellant are a matter for the individual concerned.

#### **Farm Improvement Scheme.**

198. **Deputy Enda Kenny** asked the Minister for Agriculture, Fisheries and Food the amount of funding that has been made available for the farm improvement scheme for 2008; the level of funding still available for 2008; if the amount of funding for the scheme has been decided for 2009; the amount of funding that has been allocated; and if he will make a statement on the matter. [32908/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** A sum of €15 million was made available in the 2008 Estimates for the Farm Improvement Scheme of which €6.518

million has been paid out to date. The allocation for the Scheme next year will be determined in the context of the 2009 Estimates process. A total allocation of €79 million was provided for the Scheme in the 2006 Partnership agreement, Towards 2016, and the Scheme was suspended on 31 October 2007 as applications received had reached this level of funding.

### **Horticulture Sector.**

199. **Deputy Paul Kehoe** asked the Minister for Agriculture, Fisheries and Food if within the code of good farming practice, provision is made in respect of horticultural farmers who grow blackcurrants, gooseberries, and so on; if he will guarantee that no penalties will be applied in the event of an inspection to such people; and if he will make a statement on the matter. [32945/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The position is that Article 21 of the European Communities (Good Agricultural Practice for Protection of Waters) Regulations 2006 (SI No. 378 of 2006) contains a number of requirements in relation to ploughing and the use of non-selective herbicides including a requirement under Article 21 (2) to provide for emergence by 1 November of green cover from a sown crop where grassland has been ploughed between 1 July and 15 October. The reason for this requirement is to minimise the significant losses of nitrates to waters that can occur when grassland, or arable land, is ploughed and where there is no crop present to take up the released nutrients. Fruit trees such as blackcurrant and gooseberry utilise such released nutrients and satisfy the requirements of the Regulations.

Adherence on the part of fruit growers to good horticultural practices should avoid any difficulties arising as far as cross-compliance inspections are concerned. The requirements of Article 21 are a fundamental part of the National Action Programme under the Nitrates Directive negotiated with the EU Commission and were finalised following an extensive consultation process that led to the enactment by the Minister for the Environment, Heritage and Local Government of the Regulations in 2006.

### **Grant Payments.**

200. **Deputy Michael Ring** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Mayo will receive their REP scheme payment. [32950/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The application in this case was submitted on 17/1/08 and, if found to be valid, his REPS 4 contract will commence from 1 February 2008. Advance payments of 75% under the EU regulations governing REPS 4 can only issue when all administrative checks on applications for REPS 4 and the 2008 Single Payment Scheme are completed. This work is still ongoing and it is expected that payments will commence within the next five to six weeks. The balancing 25% payment will follow when all 2008 REPS on-farm inspections have taken place.

201. **Deputy Michael Ring** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Mayo will receive the disadvantaged area scheme payment in view of the fact that their sheep numbers are restricted according to their REP scheme plan. [32951/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The position is that an application under the Single Payment Scheme /Disadvantaged Area Compensatory Allowance

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Scheme was received from the person named on the 7th April 2008. As part of the control procedures under EU legislation governing these Schemes, the application was selected for and was the subject of a ground eligibility inspection. The inspection was carried out on the 8th August and the details of the inspection have been entered on the Department's system. The application has been cleared and the payment will issue shortly.

### **Compensation Schemes.**

202. **Deputy David Stanton** asked the Minister for Agriculture, Fisheries and Food when a payment will issue to a person (details supplied) in County Cork under the sugar compensation scheme; and if he will make a statement on the matter. [32975/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** Following resolution of outstanding issues, payment in respect of the Retro-active Restructuring element of the EU Sugar Reform package, €10,114.50, issued in full today to the person named.

### **Animal Diseases.**

203. **Deputy Finian McGrath** asked the Minister for Agriculture, Fisheries and Food if there is a possibility of setting up a compensation scheme for farmers whose cattle die from incurable disease, and there is no evidence of neglect (details supplied). [32982/08]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** There are no funds at my disposal to compensate farmers whose cattle die from diseases and conditions that are not regulated by my Department. If disease outbreaks occur, owners of affected herds should seek advice from their veterinary surgeons and my Department's Veterinary Laboratory Service is also available to provide advice if required. Animal health is a critical factor for optimal farm efficiency and my Department is working with relevant stakeholders to actively progress a herd health initiative to deal with non-regulated diseases in an integrated manner. The initiative complements existing animal health programmes and aims to develop effective national plans for action and facilitate Ireland achieving international best practice in the area of animal health.

### **Schools Building Projects.**

204. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Education and Science the history and the status of the application for approval to carry out essential accommodation works at a school (details supplied) in County Cavan; the date of receipt of same; the works required; the reason for the delay in granting approval to proceed; the prospects of said approval issuing, and in full, in 2008; and if he will make a statement on the matter. [32682/08]

**Minister for Education and Science (Deputy Batt O'Keeffe):** An application for an extension project at the school referred to by the Deputy was received in my Department in 1996. The proposed extension project is currently at an early stage of architectural planning. Officials from my Department's professional and technical unit recently visited the school and, as a result, a revised schedule of accommodation to meet the long term accommodation needs for 650 pupils has issued to the school for consideration.

The progression of all large scale building projects from initial design stage through to construction phase, including this project, will be considered in the context of my Department's Multi-Annual School Building and Modernisation Programme. However, in light of current

competing demands on the capital budget of the Department, it is not possible to give an indicative timeframe for the progression of the project at this time.

### **School Transport.**

205. **Deputy Andrew Doyle** asked the Minister for Education and Science his policy on the excise duty relief scheme for school buses as referred to in Question No. 700 of 24 September 2008. [32703/08]

**Minister of State at the Department of Education and Science (Deputy Seán Haughey):** As the Deputy is aware, the Finance Act 2008 provided the legislative changes to withdraw relief in respect of fuel used for public transport vehicles with effect from 1 November 2008 in line with the European Union Energy Tax Directive. The appropriate full excise duties will apply from that date. My Department is in discussions with the Department of Finance on the impact of the withdrawal of the relief in respect of fuel used by school transport operators in the context of the 2009 Estimates.

### **Special Educational Needs.**

206. **Deputy John O'Mahony** asked the Minister for Education and Science if he will sanction a visiting teacher in respect of visually impaired students (details supplied) in County Mayo. [32709/08]

**Minister for Education and Science (Deputy Batt O'Keeffe):** The issue of additional resources for the Visiting Teacher service for the Visually Impaired will be considered in the context of the overall funding being made available to my Department for 2009. Referral agencies, schools and parents of pre-school children with visual impairment currently are being informed by Visiting Teacher management of an interim telephone advisory service that is now being provided while alternative arrangements for a Visiting Teacher presence in Co. Mayo, are being explored.

### **School Accommodation.**

207. **Deputy Paul Connaughton** asked the Minister for Education and Science if his attention has been drawn to the state of a school (details supplied) in County Galway; if his attention has further been drawn to the fact that the limited ongoing repair work is nothing more than a cosmetic exercise and will not solve the poor infrastructural problems that beset the school; when a new school will be provided; and if he will make a statement on the matter. [32741/08]

**Minister for Education and Science (Deputy Batt O'Keeffe):** An application for capital funding towards the provision of a new school building has recently been received from the school referred to by the Deputy. The commencement and progression of all large scale building projects from initial design stage through to construction phase, including this project, will be considered in the context of my Department's Multi-Annual School Building and Modernisation Programme. However, in light of current competing demands on the capital budget of the Department, it is not possible to give an indicative timeframe for the progression of this project at this time. In the interim, an official from my Department's Planning and Building Unit recently visited the school and, as a result, an amount of €26,862 including VAT has been sanctioned to carry out remedial works on the school.

### Site Acquisitions.

208. **Deputy Olivia Mitchell** asked the Minister for Education and Science if his attention has been drawn to the future need for either one 32 class school or two 16 class schools in the greater Kilternan area as is provided for in the Kilternan local area plan; the communication there has been between Dún Laoghaire Rathdown County Council and his Department; when it is envisaged that he will purchase land in order to begin construction of the new schools; and if he will make a statement on the matter. [32757/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** I can confirm that the Department in its submission to the Kilternan/Glenamuck Local Area Plan requested that it would be prudent for Dun Laoghaire Rathdown County Council to reserve suitable sites, approximately 19 acres in total, for two primary schools and one post-primary school to meet the future school accommodation needs of the area. In general, the Department considers site acquisition in accordance as needs arise, taking into account the availability of capital resources and in the overall context of the Departments Multi-Annual School Building and Modernisation Programme.

### Higher Education Grants.

209. **Deputy Joe Costello** asked the Minister for Education and Science if he will ensure that a person (details supplied) in Dublin 7 is not discriminated against and refused a higher education grant and is allowed to pursue the course applied for with the support of a higher education grant; and if he will make a statement on the matter. [32758/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** My Department received an appeal on the 18 September 2008 in relation to the candidate referred to by the Deputy. It will be necessary for officials in my Department to examine the appeal. As soon as this examination is complete a decision will be issued to the individual concerned.

### School Accommodation.

210. **Deputy Willie Penrose** asked the Minister for Education and Science if he will take steps to provide the additional accommodation required at a primary school (details supplied) in County Westmeath; and if he will make a statement on the matter. [32819/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** An application for additional accommodation was received in late 2007 from the school referred to by the Deputy. The commencement and progression of all large scale building projects, including this project, will be considered in the context of my Department’s multi-annual School Building and Modernisation Programme. However, in light of current competing demands on the capital budget of the Department, it is not possible to give an indicative timeframe for the progression of the project at this time.

### Schools Building Projects.

211. **Deputy Willie Penrose** asked the Minister for Education and Science when he will be in a position to allow a new school in an area (details supplied) in County Westmeath to proceed to construction, as same was ready to commence in the summer of 2007, based upon commitments given to the board of management in this regard; and if he will make a statement on the matter. [32820/08]



**Minister for Education and Science (Deputy Batt O’Keeffe):** The proposed project for the school in question is at an advanced stage of architectural planning. The progression of all large scale building projects, including this project, will be considered in the context of my Department’s multi-annual School Building and Modernisation Programme. However, in light of current competing demands on the capital budget of the Department, it is not possible to give an indicative timeframe for the progression of the project at this time.

#### **Schools Refurbishment.**

212. **Deputy Willie Penrose** asked the Minister for Education and Science when he will be in a position to allow a refurbishment project at a school (details supplied) in County Longford to proceed in view of the fact that this long standing project has passed through all the necessary phases; and if he will make a statement on the matter. [32821/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The school to which the Deputy refers is at an advanced stage of architectural planning. The progression of all large scale building projects, including this project, from initial design stage through to construction phase will be considered in the context of my Department’s multi-annual School Building and Modernisation Programme. However, in light of current competing demands on the capital budget of the Department, it is not possible to give an indicative timeframe for the progression of the project at this time.

#### **Vocational Education Committees.**

213. **Deputy Willie Penrose** asked the Minister for Education and Science the reason he did not allow Westmeath Vocational Education Committee to utilise a portion of internal funding it had acquired through the disposal of capital projects in its jurisdictional area (details supplied); if he will give the VEC the necessary approval; and if he will make a statement on the matter. [32822/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The proposal from Co. Westmeath VEC to which the Deputy refers was considered by officials of my Department and funding was not approved. The decision was upheld on appeal, and my Department wrote to the CEO of the VEC on 26 May 2008 advising him of the position. The decision was again confirmed at a meeting between officials of my Department and the CEO on 23 July 2008.

#### **Decentralisation Programme.**

214. **Deputy Willie Penrose** asked the Minister for Education and Science the position and progress made to date in the decentralisation project of 300 posts to Mullingar, County Westmeath; if his attention has been drawn to the fact that a significant number of personnel wish to relocate to Mullingar immediately as part of the decentralisation process; if he will take steps to expedite the plans in this regard; and if he will make a statement on the matter. [32823/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The Mullingar element of the decentralisation of my Department’s Headquarters will take place when new permanent accommodation is ready for occupation. This is likely to be sometime in 2010. The Office of Public Works (OPW) has procured a site in Mullingar for the development of the new headquarters of my Department. In December 2007, the OPW announced a preferred tenderer for a bundle of three Public Private Partnerships projects to include my Department’s new headquarters in Mullingar. Full planning permission for this development was received in July 2008.

[Deputy Batt O’Keeffe.]

Approximately 130 posts in Dublin are now held by officers who will relocate to Mullingar with their posts. Volunteers for decentralisation will be assigned to the remaining posts as the current post-holders transfer out under the Dublin Arrangements or to decentralise to other locations. There are no plans to secure temporary accommodation for an advance party to Mullingar, prior to the provision of the permanent office accommodation in 2010. However in June 2008, my Department utilised existing available accommodation in its Regional Office in Mullingar, to decentralise seven posts from Dublin to that location.

### **Schools Building Projects.**

215. **Deputy Charles Flanagan** asked the Minister for Education and Science the status of a building project at a school (details supplied) in County Laois ; the reason the project has not progressed to date; and if he will make a statement on the matter. [32846/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The proposed building project for the school to which the Deputy refers is at an early stage of architectural planning and is currently awaiting the appointment of a Design Team. The commencement and progression of all large scale building projects from initial design stage through to construction phase, including this project, will be considered in the context of my Department’s Multi-Annual School Building and Modernisation Programme. However, in light of current competing demands on the capital budget of the Department, it is not possible to give an indicative timeframe for the further progression of the project at this time.

### **School Accommodation.**

216. **Deputy Brian Hayes** asked the Minister for Education and Science the number of school pupils in the Lucan area who are in temporary or prefabricated buildings; and if he will make a statement on the matter. [32854/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The information sought by the Deputy is not held in my Department in a readily accessible format. The demand for additional accommodation in schools has risen significantly over the last number of years, with the appointment of 6,000 extra teachers in the primary sector alone since 2002. In considering the need to provide extra resources and teachers to schools in recent years, the Government prioritised putting the extra teachers into schools as soon as possible rather than making children wait until permanent accommodation could be provided in all cases.

Some schools with immediate additional accommodation needs are accommodated in prefabricated buildings, while others rent permanent premises. My Department grant aids schools to enable them to pay rent for approved temporary accommodation. This grant aid is paid to the schools on submission to my Department of valid invoices verifying that the school is renting the accommodation in accordance with the terms under which sanction was given. My Department will continue to provide funding for such prefabricated accommodation and the decision on whether to rent or purchase will depend on the likely length of time it will be required. In all cases, the approach will be to ensure best value for money.

### **Schools Building Projects.**

217. **Deputy Brian Hayes** asked the Minister for Education and Science when the building

of a second level school in Lucan, County Dublin will commence; the duration it will take for this building to be completed; and if he will make a statement on the matter. [32855/08]

218. **Deputy Brian Hayes** asked the Minister for Education and Science his plans to provide an Educate Together second level school in Lucan, County Dublin in view of the fact that there are five Educate Together national schools in Lucan with no second level school; and if he will make a statement on the matter. [32856/08]

224. **Deputy Enda Kenny** asked the Minister for Education and Science if a decision has been made on the patronage of a school (details supplied) in County Dublin; and if he will make a statement on the matter. [32912/08]

230. **Deputy Enda Kenny** asked the Minister for Education and Science the timeframe for the opening of a new secondary school (details supplied) in County Dublin; and if he will make a statement on the matter. [32918/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** I propose to take Questions Nos. 217, 218, 224 and 230 together.

My Department has asked South Dublin County Council to identify a site for the development of a second level school in Lucan. A timeframe for the delivery of the school will be known when a suitable site has been identified and acquired. The local authority has a number of Local Area Plans in train and it is likely that a site will be identified under this process. My Department is conscious of the lead-in period for the delivery of a post-primary school and the importance of concluding the site issue as soon as possible. My Department is currently considering a number of issues relating to the recognition process for second-level schools and the matter of the recognition of further patrons at post-primary level, including Educate Together, will be considered in that context.

219. **Deputy Brian Hayes** asked the Minister for Education and Science his plans for a permanent building for a school (details supplied) in County Dublin in view of the fact that this Gaelscoil is in existence since 2002 and all children are in prefabs; and if he will make a statement on the matter. [32857/08]

229. **Deputy Enda Kenny** asked the Minister for Education and Science the status of plans for the development at a school (details supplied) in County Dublin; and if he will make a statement on the matter. [32917/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** I propose to take Questions Nos. 219 and 229 together.

The Department is in negotiation with County Dublin Vocational Education Committee regarding the provision of a site for the school in question. The acquisition of the site will be considered in the context of the capital budget available to my Department for school buildings generally. I am not in a position to say at this stage when the acquisition will be concluded.

220. **Deputy Jimmy Deenihan** asked the Minister for Education and Science if funding will be made available to a school (details supplied) in County Kerry, to improve accommodation to meet present and future needs; and if he will make a statement on the matter. [32881/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** My Department has received an application for major capital funding from the school to which the Deputy refers. The progression of all large scale building projects, including this project, from initial design stage through to construction phase will be considered in the context of my Department’s multi-annual School Building and Modernisation Programme. However, in light of current competing demands on the capital budget of the Department, it is not possible to give an indicative timeframe for the progression of the project at this time.

#### **Educational Disadvantage.**

221. **Deputy Jimmy Deenihan** asked the Minister for Education and Science if he will approve DEIS status for a school (details supplied) in County Kerry; and if he will make a statement on the matter. [32882/08]

**Minister of State at the Department of Education and Science (Deputy Seán Haughey):** As the Deputy is aware 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). The DEIS plan states that as well as provision being made for schools with a concentrated level of disadvantage, financial support will also continue to be provided for other primary schools where the level of disadvantage is more dispersed. 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.

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. As a result of the identification and review processes, 673 primary and 203 second-level schools were invited to participate in the programme. The school referred to by the Deputy was not identified for inclusion in the programme nor did it make an application for a review. The school continues to receive financial support in line with the level of disadvantage among its pupils for the duration of the DEIS action plan.

The school also participates in the LINK School Completion Programme since 2002. The objective of the School Completion Programme is to provide a range of interventions in areas of disadvantage that support the retention of young people in education and aims to develop local strategies to ensure maximum participation levels in the education process, entails targeting individual young people of school-going age, both in and out of school, and arranging supports to address inequalities in education access, participation and outcomes. It is based on an integrated approach involving primary and post primary schools, parents, relevant statutory, voluntary and community agencies. The programme is funded on a multi-annual basis under the National Development Plan (NDP) and was assisted from the European Social Fund (ESF) up to 2007.

#### **Departmental Reports.**

222. **Deputy Ulick Burke** asked the Minister for Education and Science if he has received or if his attention has been drawn to the report for his Department and the Higher Education Authority regarding the suggested sale of part of the University College Dublin research farm

at Lyons Estate, Celbridge, County Kildare which was promised three years ago; if it is still policy to dispose of part of these lands; if his attention has further been drawn to the consequences of continued and ongoing stripping of these resources to part fund other UCD faculties; and if he will make a statement on the matter. [32906/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The Lyons Estate is in the ownership of University College Dublin. The Institution is an autonomous body, with the day-to-day management of the Institution’s affairs being a matter for its Governing Body. I have been informed by the HEA that in March 2006, UCD’s Governing Authority approved a review of the suitability of the Lyons Estate for the University’s future needs and the possible development of the property. This report for the UCD Finance Remuneration and Asset Management Committee is currently being finalised.

#### **Site Acquisitions.**

223. **Deputy Enda Kenny** asked the Minister for Education and Science the efforts to secure a site for a school (details supplied) in County Dublin. [32911/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The Department is in negotiations with County Dublin Vocational Education Committee regarding the provision of a site for the school in question. The acquisition of the site will be considered in the context of the capital budget available to my Department for school buildings generally. I am not in a position to say at this stage when the acquisition will be concluded.

*Question No. 224 answered with Question No. 217.*

225. **Deputy Enda Kenny** asked the Minister for Education and Science if a site has been secured for a school (details supplied) in County Dublin; the efforts he has made to secure such a site; and if he will make a statement on the matter. [32913/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The acquisition of the site will be considered in the context of the capital budget available to my Department for school buildings generally. In light of current competing demands on the capital budget of my Department, it is not possible to give an indicative timeframe for the acquisition of the school site at this time.

226. **Deputy Enda Kenny** asked the Minister for Education and Science the progress made in securing a site for a school (details supplied) in County Dublin; and if he will make a statement on the matter. [32914/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The Property Management Section of the Office of Public Works (OPW) was asked to source a site for the school to which the Deputy refers. The further progression of the site acquisition for the school will have to be considered in the context of the capital budget available to my Department for school buildings generally. In light of the many competing demands on the capital budget of my Department, it is not possible to give an indicative timeframe for the acquisition of the school site at this time.

#### **Schools Building Projects.**

227. **Deputy Enda Kenny** asked the Minister for Education and Science the stage of plans



[Deputy Enda Kenny.]

for the development of a school (details supplied) in County Dublin; and if he will make a statement on the matter. [32915/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** I am pleased to advise the Deputy that my Department has built an 8 classroom school as part of a fast-track construction programme for the area referred to in County Dublin. This school opened in September 2008 to meet the immediate accommodation requirements in the area and the long term plan for this school is the provision of a 16 classroom school and appropriate ancillary accommodation as per Department guidelines.

228. **Deputy Enda Kenny** asked the Minister for Education and Science when work will begin on a school (details supplied) in Dublin 20; and if he will make a statement on the matter. [32916/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The project to which the Deputy refers is currently at an advanced stage of architectural planning. The progression of all large scale building projects, including this project, from initial design stage through to construction phase will be considered in the context of my Department’s multi-annual School Building and Modernisation Programme. However, in light of current competing demands on the capital budget of the Department, it is not possible to give an indicative timeframe for the progression of the project at this time.

*Question No. 229 answered with Question No. 219.*

*Question No. 230 answered with Question No. 217.*

231. **Deputy Enda Kenny** asked the Minister for Education and Science if the development of the Davitt College Sports Hall, Castlebar, County Mayo has been sanctioned; if funding has been allocated; the amount of funding that has been allocated; the stage of the tender process this project has reached; and if he will make a statement on the matter. [32919/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** I am pleased to inform the Deputy that the development of the PE Hall at Davitt College has been sanctioned and my Department has contacted Co. Mayo VEC authorising them to progress the project. As the Deputy will be aware, from February 2008 all Capital Works Projects must use the new GCCC Forms of Construction Contracts for Public Works and as a result Co. Mayo VEC have been informed that the project at Davitt College will have to be retendered.

232. **Deputy Joanna Tuffy** asked the Minister for Education and Science if he will provide an assurance that the new school building for a school (details supplied) in County Dublin will be completed by 2010; if he will confirm that the completion of this building will not be deferred as a result of possible cutbacks in his Department; and if he will make a statement on the matter. [32939/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The project to which the Deputy refers to is at early architectural planning. Officials from my Department have received a Stage 1 submission — Site Suitability, Site Report and Initial Sketch Scheme. The Department is currently reviewing the submission. The progression of all large scale building projects from initial design stage through to tender and construction, including this project, will be

considered on an on-going basis in the context of my Department's Multi-Annual School Building and Modernisation Programme.

### **School Transport.**

233. **Deputy Paul Kehoe** asked the Minister for Education and Science the reason with regard to the school transport scheme, private bus operators contracted under the scheme in County Wexford were not given an annual increase on their contract, particularly in view of substantial increases in fuel and associated costs; and if he will make a statement on the matter. [32946/08]

234. **Deputy Paul Kehoe** asked the Minister for Education and Science his views on the future of the school transport scheme in view of the fact that private bus operators have stated that it is not viable for them to operate the scheme without a 17% increase and he has not granted an increase in 2008; and if he will make a statement on the matter. [32947/08]

235. **Deputy Paul Kehoe** asked the Minister for Education and Science, with regard to the school transport scheme, the percentage of the scheme operated by private bus contractors in each county; and if he will make a statement on the matter. [32948/08]

**Minister of State at the Department of Education and Science (Deputy Seán Haughey):** I propose to take Questions Nos. 233 to 235, inclusive, together.

I would like to advise the Deputy that negotiations with school bus operators regarding school bus contracts are a matter between Bus Éireann, which operates the school transport service on behalf of my Department, and the operators. In 2007, contractors received 63% of the overall budget paid to Bus Éireann and since 2000 have received in excess of 40% in cost of living increases. In the current fiscal climate, it was not possible to make additional funding available in respect of an increase in contractors' rates for the 2008/2009 school year.

My Department is in discussions with the Department of Finance on the impact of the withdrawal of the relief in respect of fuel used by school transport operators in the context of the 2009 estimates. Some 83% of vehicles providing school transport services nationally under the School Transport Scheme are operated by private bus contractors. This information is not readily available on a county basis .

### **Schools Building Projects.**

236. **Deputy Joe Costello** asked the Minister for Education and Science if he will prioritise the construction of a new school (details supplied) in County Donegal in the multi-annual school building and modernisation programme; and if he will make a statement on the matter. [32966/08]

**Minister for Education and Science (Deputy Batt O'Keeffe):** The project referred to by the Deputy is currently an advanced stage of architectural planning. Planning permission for the proposed project has been received. The progression of all large scale building projects, including this project, from initial design through to construction will be considered in the context of the Department's multi-annual School Building and Modernisation Programme. However, in light of current competing demands on the capital budget of the Department, it is not possible to give an indicative timeframe for the progression of the project at this time.

237. **Deputy Joe Costello** asked the Minister for Education and Science his plans for providing a school (details supplied) in Dublin 7 with a permanent school building; and if he will make a statement on the matter. [32967/08]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The school to which the Deputy refers has submitted an application for a new school building. The school’s current site has been ruled out as a long term solution to the school’s accommodation needs as it is too restricted to allow the construction of an eight classroom school with the necessary ancillary accommodation. The progression of all large scale building projects, including this project, will be considered in the context of my Department’s multi-annual School Building and Modernisation Programme. However, in light of current competing demands on the capital budget of the Department, it is not possible to give an indicative timeframe for the progression of the project at this time.