

# DÁIL ÉIREANN

TU AIRISC OIFIGIÚIL—*Neamhcheartaithe*  
(OFFICIAL REPORT—*Unrevised*)

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# DÁIL ÉIREANN

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## DÍOSPÓIREACHTAÍ PARLAIMINTE PARLIAMENTARY DEBATES

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### TUAIRISC OIFIGIÚIL OFFICIAL REPORT

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*Dé Céadaoin, 4 Márta 2009.*  
*Wednesday, 4 March 2009.*

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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:** I welcome the fact that the Government has belatedly recognised the need for a new budget to deal with the difficulties in our public finances. This is a matter for which the Fine Gael Party has been calling for the past number of weeks. I recognise the belated acceptance of that.

Dealing with the public finances is only one element of what is at play here. It is becoming increasingly evident that the consequences of failure to deal with the public finances directly impacts on the lives, hopes, plans and dreams of many people who are now facing unemployment or who are unemployed. Today in Bausch and Lomb in Waterford many families are waiting for news in respect of their futures. The briefings that were given today to the members of the Opposition parties, including Deputies Bruton and Burton, clearly indicate that the Government will have to look for approximately €5 billion gross between income tax and spending cuts, which is a truly phenomenal amount at this stage of the year.

I understand that the unemployment figures are due to be published very shortly. I am sure the Taoiseach has been briefed on them. Will he indicate to the House, as he did on the last occasion, the numbers of unemployed at the end of February and whether they exceed the record level of unemployment of 327,800 in January? Will he comment on that?

**The Taoiseach:** As I said, on the basis of the Exchequer returns, the Government position in January was that we would take savings of €2 billion. It was agreed in the framework that

[The Taoiseach.]

was what we should do. On the basis of the February returns, this economic convulsion confirms that further measures are needed. We have made it clear that we have to work within the figures we submitted to the European Commission in terms of our determination to bring order to our public finances. Whatever measures are required or necessary will be taken by Government to achieve that because, as has been said, the prerequisite for a return to the economic fortunes of the country is the putting in order of our public finances, and it is also important from the point of view of our international creditability.

The live register figure, as the Deputy said, will be announced by the Central Statistics Office at 11 a.m. The figure is 354,400, which is an increase of 26,500, or 8%, on last month. Some 44,000 are receiving payment in respect of part of a week and the unemployment rate for February, therefore, is expected to be 10.4%.

**Deputy Enda Kenny:** These are truly shocking figures. With 354,000 unemployed, or an 8% increase since last month, we have never in the history of the State been in such a position. This is truly shocking.

I noticed that in the past ten days the chief executive of Allied Irish Banks apologised to the Irish people for bad loan situations. This morning the chairperson of IL&P apologised for mismanagement and mistakes made in IL&P. The Taoiseach's party has been in Government for 11 years. Does he accept responsibility for any of this, given his term as Minister for Finance and now as Taoiseach? As the Minister for Finance said, this is where the people wanted us to go. The Tánaiste, who is not present, said only last week that the public finances are under control. Some 354,000 people are out of work and €5 billion gross, between spending cuts and increases in taxation, is being sought this year. Does the Taoiseach accept responsibility for any of this or is he prepared to say he is sorry to the Irish people for the Government overseeing obscene wastage of public money on many projects over the years——

**Deputies:** Hear, hear.

**Deputy Enda Kenny:** ——which has caused anger among the people.

The Taoiseach said in the House a number of weeks ago that he will do it his way. Clearly, his way is not working and he knows that. Last night in the House, the Minister for Finance asked other parties to come up with their ideas. If the Taoiseach wants to move out of that seat altogether, we will sort out this.

**Deputies:** Hear, hear.

**Deputy Enda Kenny:** However, when we put forward ideas, they have been scorned and thrown out by Fianna Fáil. I have given the Taoiseach four proposals previously and he need not give me the same answer again in respect of these. I said, first, the VAT increase should be reversed.

**Deputies:** Hear, hear.

**Deputy Enda Kenny:** Reversing that tax increase would increase confidence in spending here. Second, PRSI payments should be abolished for employers who take on new employees in 2009. As the Taoiseach knows, it costs €20,000 per job loss. Third, a loan guarantee scheme should be set up for small businesses in distress — this is critical. Thousands of people are affected and they have approached Deputies on all sides of the House to advise that they cannot get credit, that the recapitalisation has not worked and that they need such a scheme to have the confidence to invest in their businesses and to retain and create jobs.

Fourth, as I said a number of weeks ago, the Taoiseach should rewrite the national development programme, frontload it with the infrastructural projects that are labour intensive such as school buildings, primary care centres and improvements outside every town and village in the country. Such projects would not require major international tenders. The Government should reprioritise the programme and frontload it with those labour intensive projects that will give people jobs and respect and will allow them to pay tax. They will restore some sense of confidence and belief that at long last decisions are being taken that will go some way to restoring progress for the economy.

Does the Taoiseach accept any responsibility? Is he prepared to apologise for what he has done and for the Fianna Fáil mismanagement? Is he prepared to take on board constructive proposals designed to create and retain employment, and in addition to restore some confidence and give the people a sense of belief that somebody is in charge and making decisions in the best interests of the economy?

**Deputies:** Hear, hear.

**Deputy Paul Kehoe:** And an apology also.

**The Taoiseach:** On the question of unemployment, of course one is very concerned and I am very concerned about the fact that unemployment has been rising so fast. It is up to 10.4% as of the February figure. We had unemployment back in the 1980s of more than 17%, but I do not want to make a debating point of that. Thankfully, there are still approximately 1.8 million people working in this economy.

**Deputy Alan Shatter:** That was also a Fianna Fáil creation. Some of us are here long enough to remember.

**An Ceann Comhairle:** Allow the Taoiseach to finish.

**The Taoiseach:** We need to be mindful that we need to try to maintain as many jobs as possible in present circumstances. Any rise in unemployment, of course, is a very unwelcome development. It is clear that the depth of this recession and the impact it is having worldwide in markets in which we need to trade means demand is less now than was the case in the past. That is having its effect in the real economy and we are seeing that on a daily and weekly basis. We need to address that from a competitiveness point of view.

The second point the Deputy raised related to our own particular responsibility for this matter. First, I take full responsibility for all decisions I have taken throughout my career as a Minister and as Taoiseach. I want to make that point very clear. Second, at the time much of the critique that was coming from that side of the House related to the failure by Government to invest even greater amounts of money into public services.

**Deputies:** Hear, hear.

**The Taoiseach:** The third point I would make is that we brought in ten surpluses in 12 budgets during that period.

**Deputy Pádraic McCormack:** Where are they now?

**The Taoiseach:** That went towards reducing debt — halving the debt and thankfully——

**Deputy Alan Shatter:** Does the Taoiseach have any concept of humility?

*(Interruptions).*

**An Ceann Comhairle:** The Deputies must let the Taoiseach finish.

**The Taoiseach:** The important point to make regarding——

**Deputy Dinny McGinley:** The Fianna Fáil-led Government inherited the surplus.

*(Interruptions).*

**An Ceann Comhairle:** Deputy Kenny was listened to in silence and the Taoiseach must get the same respect from the House.

**Deputy Pádraic McCormack:** It is very hard to listen to.

**Deputy Noel Dempsey:** They can leave the House.

**The Taoiseach:** The important point to make regarding that matter is that basically the country has a strong balance sheet in terms of the relative low debt we have — although rising — but we have a very weak profit and loss account because our day-to-day expenditures well exceed our revenues. That is the issue we face. In the past increased public services were required as was increased capital investment, which was required to deal with the infrastructure deficit, a source of complaint by many on all sides of the House in terms of the growth that was being achieved in the economy. Employment creation was also high, some of which we are losing now. Even so, with more than 350,000 unemployed — every one of whom is too many as far as all of us are concerned — it represents 10% of the workforce when ten or 15 years ago it would have represented an unemployment rate of 20% and more. Our policies at that time were working for the economy. We are in a totally new situation now, as is every economy and country.

**Deputy Alan Shatter:** Tell us about the property bubble and the Government's failure to regulate the banks. Is it suffering from amnesia on that?

**The Taoiseach:** We want to be fair and honest. At the end of 2007 all economic forecasters in this country were talking about a minimum growth rate for 2008 of 2.5% and a maximum of 4%. So the idea that the economic convulsion, which has now beset the world economy and is affecting every country in the world, advanced economy and leading manufacturing economy in the world, was foreseeable in terms of its impact is not true. By the same token let me say that since the Government came into office on each occasion when it appeared there was a slippage in expenditure——

**Deputy Pádraic McCormack:** The Government disappeared.

**The Taoiseach:** In 2008 we came in on target for our expenditure. We have had a collapse in tax revenues both last year and continuing this year. That is having its impact in a way that we now need to address. On the basis of the Exchequer figures that appeared yesterday the Government made the immediate decision that we would bring forward a supplementary budget in the context of a wider stabilisation plan that is necessary so that we can outline to the people the likely political choices that need to be made by whatever Government is running the country in the coming years on the basis that we are in recession and the economy is contracting.

With regard to some of the measures the Deputy has proposed, in the coming weeks we need to consider the costs of some initiatives. I am sure parties will not only take up the opportunity of being briefed by the Department of Finance but will also seek costings for any ideas or proposals they believe would be appropriate at this time. Not only do we need to work

out the costs and come up with the figure that meets the budgetary requirement, but we also need to work out the impact of those choices and ensure in the rather fragile economy we have today not only that the figures add up in terms of the mathematical issue but also assess the impact those choices will have and how they interact with each other. In other words, what is required is an overall budgetary framework that will make sense in the circumstances, which of course will in no way make it any less painful for the people in terms of implementing the decisions that are necessary.

To come to the four specific measures proposed by Deputy Kenny which have merit, I am sure, in terms of dealing with the budgetary situation it is highly unlikely that any of them meet the basic requirement of raising revenue. I agree we need to consider the demand side of the economy to establish if there is anything we can do not only to boost demand but at least to maintain demand at the lower level at which it is at the moment. However, the Deputy's suggestion of a loan guarantee scheme and the idea that any such proposals would raise revenue——

**Deputy Enda Kenny:** They are not intended to.

**The Taoiseach:** If on the Deputy's own admission they are not intended to raise revenue——

**Deputy Enda Kenny:** They are intended to create jobs.

**The Taoiseach:** ——the impact of those proposals would be to widen the deficit rather than close it. This is the difficulty we all have.

*(Interruptions).*

**Deputy Enda Kenny:** Does the Taoiseach understand about job creation?

**An Ceann Comhairle:** Let the Taoiseach finish.

**The Taoiseach:** Let me finish and then the Deputy can come back on the point. The simple point I am making is that I accept we need to try to maintain jobs to the greatest extent possible. We need to provide support for enterprise and in that context, measures such as these need to be considered. However they also need to be part of a wider more integrated package that will also deal with the budgetary problem. Therefore while putting forward four initiatives such as those which have their attractions and their own merit——

**Deputy Enda Kenny:** They are job creation measures.

**The Taoiseach:** ——they will also need to fit with the fact that we need to raise revenues and also address the expenditure issues that arise.

**Deputy Enda Kenny:** Does the Taoiseach accept that they fit in?

*(Interruptions).*

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

**Deputy Noel Dempsey:** They are all leaders over there.

**Deputy Paul Kehoe:** The Minister, Deputy Dempsey, is no leader anyway.

*(Interruptions).*

**Deputy Paul Kehoe:** A man that spends small change on voting machines is no leader.

**An Ceann Comhairle:** The Deputy should leave that aside now. I call Deputy Gilmore.

**Deputy Dinny McGinley:** Arrogance personified.

**An Ceann Comhairle:** This is Leaders' Questions and only Deputy Gilmore is in order.

**Deputy Eamon Gilmore:** The Taoiseach should not seek to minimise the impact of the job loss situation by relying on percentages. It is no comfort to people in Bausch & Lomb to feel that when they lose their jobs they represent a lower percentage of unemployment now than they would have in the 1980s. We have never had in excess of 350,000 unemployed. It is the highest number of people out of work in the State ever. It is 200,000 extra people out of work since the date of the last general election. Having 200,000 extra people out of work costs €4 billion to the public finances. That is the Government's problem. The problem in the public finances is directly related to the number of people losing their jobs and continuing to lose their jobs.

We cannot have information being provided to us on a piecemeal basis at this time. We have the level of unemployment today that we now know. We have the figures that were supplied to the Opposition finance spokespersons this morning, which as Deputy Kenny said suggest that approximately €5 billion now needs to be found. There are two additional pieces of information that I would like to get from the Taoiseach this morning. First, what is the Government's projection for the number of people who will be out of work by the end of the year? We need to see this on a total year basis. What is the Taoiseach's projection for that and what is the additional cost to the public purse of the additional people who will be out of work?

Second, for the first time, the Taoiseach this morning described what the Government will now do as the introduction of a supplementary budget. Will he tell us the date on which that supplementary budget will be introduced?

**The Taoiseach:** First, to answer Deputy Gilmore, in no way have I suggested that these figures are mere statistics. As I said at the weekend, behind every statistic, behind every job loss, is a person or family whose difficulties are made all the greater by losing their job than was the case in the past, with the anxiety and concern that it brings with it. That point is understood and well made by everybody and all of us in public life are cognisant of that.

Second, I was simply making that point that these figures, every one of which we would rather not have as we would rather see every one of those 354,000 people in work than not in work, represent 10.4% of, thankfully, a more enlarged workforce than was the case in the 1980s when we had these sorts of figures.

The third point I make in this regard concerns the problem of the loss of employment, which the Deputy raised. If we could reverse that, obviously our budgetary situation would improve because there would be more people contributing to the Exchequer. However, the loss of jobs is an outcome and a function of the fact demand for our goods and services at home and abroad is less than before, which is having its impact on the real economy. There are also competitiveness issues we have to address, some of which were not within our control. For example, the depreciation of sterling against the euro, which saw a 30% swing in three or four months, has a major effect, particularly for Irish-based industry whose main market is the UK, quite apart from the domestic market.

Therefore, to try to devise enterprise supports to assist industry to come through this most difficult and unique trading circumstances is a policy option we must also seek to address, as the Deputy said, in the overall context of bringing forward initiatives that will address the

public finance position, which must be addressed. We must also seek, where possible, to provide assistance that would be appropriate and targeted to those areas of the economy that produce the wealth and the jobs, and maintain people in employment. There are viable but vulnerable companies but the circumstances with which they are now contending make it all the more difficult for them to continue to trade to the same extent, achieve the level of profits, attract the level of investment and create the number of jobs that was the case in the past. Those are my answers to the points raised on the employment front.

On the other question raised by the Deputy in regard to the date of the supplementary budget, I have made the point that the Government made a decision yesterday that by the end of the month we will make whatever decisions are necessary to ensure we, to the greatest extent possible, can provide a deficit position for this year of 9.5%, which does not exceed that figure the markets have factored in as part of our correction process over the coming years to bring order back to our public finances. It is a huge challenge, as has been said, and one that will require the full efforts of everyone in the House. I look forward to everyone constructively contributing to that debate. We will also have the social partners brought in to be briefed tomorrow to bring them up to date as to the impact of the February figures, and we look forward to hearing what they have to say.

The Government obviously has the bounden duty to address this issue quickly and to do so after giving full consideration not only to the impact of the figures, as best as one can gauge them in month two when facing into a situation this year which is difficult in any case, but we also have a duty to consider the impact the various policy initiatives being considered would have and how we come forward with an overall approach which, to the greatest extent possible, while it will not be able to eliminate further casualties on the jobs front during the course of this year, will seek to maximise that position.

Finally, the figures that were mentioned in regard to unemployment were somewhere in the region of 400,000. It appears clear that if the present rate of job loss were to continue, we are looking well beyond that, certainly in the region of 450,000 and more. We have to be cognisant of that as well.

**Deputy Eamon Gilmore:** That answers half of the question I asked. Some 450,000-plus unemployed is a really shocking prospect. What we have to do is not just address the problems in the public finances but address very urgently what can be done to get people back to work and, second, what can be done to provide education, training and meaningful occupation for people who are coming out of work. The prospect that we would have approaching 500,000 people unemployed in the country is a really frightening one which requires very urgent and serious consideration.

I am disappointed the Taoiseach has not told the House when the supplementary budget will be introduced because it is important we know that. I understand the optics of inviting the Opposition parties to make submissions, go in and be briefed, get costings and so forth. The Taoiseach has been in Government for 12 years yet he is now asking the Opposition to come up with solutions in a matter of weeks. It would be helpful——

**Deputy Thomas Byrne:** We thought Deputy Gilmore had the answers.

**An Ceann Comhairle:** Let the Deputy finish.

**Deputy Eamon Gilmore:** It would be helpful if we knew how many weeks the Taoiseach had in mind. We should be told when the supplementary budget will be introduced. The Taoiseach should stop dancing around this.

[Deputy Eamon Gilmore.]

One of the issues about which I am concerned is the extent to which the Taoiseach and the Government are on top of this. On the public finances, the Government has now had five different attempts at it. It had one in July, when it said it was €400 million; it had the October budget, when it said it was approximately €2 billion; it then had the announcement of further cuts in December; it had the further announcement of the levy and so on in February, which was for €2 billion; and now we have another budget. The Tánaiste last week told the country that the public finances were under control but within a week we have an announcement of a supplementary budget.

To be fair to the Tánaiste, she is not the only one. Exactly one month ago in this House when I asked the Taoiseach about the then unemployment figures, he stated: “To impose a further tax burden at this point in the cycle would depress demand even further”. He went on to say it was not an option he wanted to consider. The difficulty we all have is that from month to month and from week to week the position of the Taoiseach and the Government in regard to the public finances appears to be shifting.

**Deputy Michael Ahern:** Of course it is shifting. Look at what is happening in the world.

**Deputy Eamon Gilmore:** That leaves us all with a sense that the Taoiseach is not on top of this. The extent to which information is being presented to us on a piecemeal basis is contributing to that degree of uncertainty. We have finally managed to extract from the Taoiseach the admission the Government will be introducing a supplementary budget. He has now told the House that in effect unemployment will be over 450,000 by the end of the year. What is the date or has the Taoiseach set a date yet for the supplementary budget?

**The Taoiseach:** I do not want to get involved in semantics on that except to say we will make whatever decisions are necessary to keep us within budget by the end of this month, and we will come to the House immediately thereafter and present our position. In the first week of April, we will have a supplementary budget brought to the House.

With regard to the question raised——

**Deputy Alan Shatter:** I hope it is not 1 April.

**The Taoiseach:** With regard to the question raised——

**Deputy Alan Shatter:** The date, 1 April, would suit this Government.

**Deputy Dermot Ahern:** The Deputy should be serious. This is a serious situation.

**Deputy James Reilly:** The Government has been fooling around for long enough.

*(Interruptions).*

**Deputy Alan Shatter:** If the Taoiseach wants to——

**An Ceann Comhairle:** Deputy Shatter has been interfering all morning long. It is not on.

**Deputy Michael Ring:** The Chair has got very worked up this morning.

**Deputy Alan Shatter:** They should all resign.

**An Ceann Comhairle:** Deputy Gilmore was listened to in respectful silence and so was Deputy Kenny. The same courtesy must be afforded in a democratic forum to the Taoiseach.

**The Taoiseach:** It never is by Deputy Shatter anyway. One need not worry about that.

**Deputy Dinny McGinley:** It is like the stations of the cross. That is why they come one after the other.

**An Ceann Comhairle:** That is the way it has to be.

**The Taoiseach:** It never is by Deputy Shatter anyway; a man of the utmost civility.

**An Ceann Comhairle:** For goodness sake, allow the Taoiseach to reply.

*(Interruptions).*

**An Ceann Comhairle:** Deputy Shatter, you are close——

**Deputy Alan Shatter:** The Government is not close enough. That is the problem. The country wants it out.

**An Ceann Comhairle:** Deputy Shatter, you are on a yellow card now.

*(Interruptions).*

**Deputy Alan Shatter:** It wants them out.

**Deputy James Reilly:** A red card is what is needed now.

**An Ceann Comhairle:** The Taoiseach, without interruption.

*(Interruptions).*

**Deputy Alan Shatter:** There are people outside this House who lives are being destroyed by the Government.

**An Ceann Comhairle:** For goodness sake, allow the Taoiseach reply to the question.

*(Interruptions).*

**An Ceann Comhairle:** Be mature enough and let the Taoiseach reply.

**Deputies:** Hear, hear.

**The Taoiseach:** Thank you, a Ceann Comhairle. The initiatives the Government took to try to ensure that we would be successful in maintaining our expenditure within 2008 levels were opposed by the Opposition parties. The €2 billion raised in taxes in our Budget was opposed by the Opposition parties. The €2 billion required in expenditure and which everybody in the social partnership——

**Deputy Simon Coveney:** The Government changed its mind. The Taoiseach got that wrong.

**A Deputy:** They backed down.

**An Ceann Comhairle:** Let the Taoiseach finish, please.

**The Taoiseach:** The €2 billion required in expenditure, which the social partners agreed was the first step needed to help bring order back to our public finances, was opposed by the Opposition parties.

**Deputy Simon Coveney:** The Taoiseach got that wrong. It was opposed also by the social partners.

**The Taoiseach:** Therefore, when somebody talks about——

**Deputy Simon Coveney:** When will the Taoiseach say he got it wrong?

**An Ceann Comhairle:** It is not possible for people to hear intelligibly if the Taoiseach is to be interrupted at every opportunity. Please let him finish what he has to say. It is as simple as that.

**Deputy Dinny McGinley:** It is not possible to listen.

**The Taoiseach:** When we talk about the need to bring order to our public finances, which everybody agrees we must, the record will show that the Opposition agreed with that proposition in principle but opposed it in practice.

In the present context the four cornerstones of any policy needed to help deal with this situation, are, bringing order to our public finances, trying to get our banks to operate in a functioning manner in support of business and the wider economy, seeking to maintain employment and secure the maximum level of employment we can in this very difficult economic situation and protecting and upskilling those who lose their jobs. I do not believe anybody disagrees with that. That is the approach the Government is trying to take in respect of all these matters.

At this point we cannot give the Opposition a definite outline of how the full year picture will emerge, only to say, based on present trends, how we believe it will be. Every government is facing that dilemma and predicament. This is not a static situation. An economic convulsion is taking place in the world economy, as everybody knows. This country is not and will not be immune from that problem. A small open economy such as ours faces even greater turbulence than others because we do not have a domestic market that will consume some of the goods we produce.

**Deputy Simon Coveney:** We have a massive deficit.

**The Taoiseach:** If there is a global recession in all the markets in which we operate that has an impact in the real economy of this country. That is a predicament that every Minister of Finance and every Department of Finance must face. This Thursday, the European Central Bank, which has access to the data of all Euro area banks in respect of the European economy, will revise its economic forecast, having made other forecasts two months ago. Similarly, the European Commission, a highly respected forecaster in this area, will make changes because the impact on the world economy, the European economy and every domestic economy is changing all the time. Therefore, nobody can say with definitive truth how long this recession will last, what its impact will be and how deep. We can only say that everybody agrees that, in terms of financial crisis and economic impact, this is the biggest challenge that has faced the world economy since 1929. That was 80 years ago.

That is not an argument to abdicate my responsibility as Taoiseach and Leader of this Government to come into this House and take whatever decisions are necessary however difficult they may be, knowing they will be painful for everybody. It is my responsibility to come into this House to make sure our international credibility as a modern economy is upheld and maintained by meeting the targets we must meet. That is our bounden responsibility.

We will look forward to any ideas that people in the Opposition wish to put into that debate. If they wish to stay away from it that is a matter for them but I do not believe that is their

disposition. However, if it is, so be it. At the end of the day, the Government must make the necessary decisions and we will do so. We will do so in the full knowledge that what we are trying to achieve is stability in the public finance position and we will take on a challenge, the magnitude of which has not been faced in this country, in this political generation or the preceding one. We will take those decisions in the very best interests of the country, regardless of the immediate consequences.

**Deputy James Reilly:** The Government has refused to take responsibility.

**Deputy Alan Shatter:** It is an April Fools' budget.

*(Interruptions).*

**An Ceann Comhairle:** Sin deireadh le ceisteanna ó Ceannairí.

**The Taoiseach:** I want to clarify an issue that has been thrown at the Tánaiste on an ongoing basis. The Tánaiste spoke in respect of control of our public expenditure and the quotes are there for anybody who wishes to read them. Perhaps it might be reported to give a full flavour of what the Tánaiste had to say on this matter. She said: "We have made a decision on the amount of expenditure that we are going to have within our budgetary framework and we must remain within that and that is going to be very difficult".

**An Ceann Comhairle:** Sin deireadh le ceisteanna ó Ceannairí.

**Deputy Enda Kenny:** Will the Taoiseach say, in respect of some of the Independent Deputies some of whom have said they have particular programmes——

**An Ceann Comhairle:** I am sorry, Deputy Kenny. The Taoiseach has not replied to Question No. 1.

**Deputy Enda Kenny:** I apologise.

**Deputy Brendan Howlin:** That was just a general statement.

### **Ceisteanna — Questions.**

1. **Deputy Enda Kenny** asked the Taoiseach the arrangements in place in his Department for providing assistance to certain independent Members of Dáil Éireann; and if he will make a statement on the matter. [46601/08]

2. **Deputy Eamon Gilmore** asked the Taoiseach the procedures in place within his Department for providing assistance to certain independent Members of Dáil Éireann; and if he will make a statement on the matter. [3150/09]

3. **Deputy Caoimhghín Ó Caoláin** asked the Taoiseach the estimated cost of arrangements in his Department to provide assistance to Government supporting independent Deputies; and if he will make a statement on the matter. [7056/09]

**The Taoiseach:** I propose to take Questions Nos. 1 to 3, inclusive, together.

There are political agreements with individual independent Deputies which my predecessor entered into as Leader of the Fianna Fáil Party. I have confirmed to those Deputies concerned that I will continue to implement those agreements. The House is aware such arrangements have existed for more than eleven years. The House is also aware of the decision taken by Deputy McGrath to withdraw from his agreement.

[The Taoiseach.]

The agreements are confidential but are, as always, based on the programme for Government which incorporates the national development plan, approved Government programmes and annual Estimates for capital and current expenditure. I have continued the practice whereby a staff member in my office assists the Government Chief Whip's office in its work in liaising with these Deputies. This official meets these Deputies on a regular basis and arranges to keep them briefed on issues as they arise. The official dealing with the Deputies is an Assistant Principal and he assists the Chief Whip in this matter.

**Deputy Enda Kenny:** Why is it necessary to have public servants dealing with particular Independent Deputies? Several of these Deputies have said they have programmes worked out, written agreements or business with the Government. We have never seen these but I assume that just as the national development programme was predicated on a 4% growth increase in the economy these programmes, whatever they are, or however valid or invalid they may be, will have changed also in light of the current financial circumstances.

Has the public servant who deals with these Independent Deputies looked at the programme that was drafted with the Government? Has this changed in the light of changed economic circumstances? Is there any relevance in wasting public time and public money dealing with programmes that have changed utterly, as everything else has changed? Will the Taoiseach comment, from that perspective?

Are these facilities now being extended to the latest acquisition in the Independent ranks, Deputy Behan? Will somebody from the Government Whip's office or a public servant, deal with his new status?

**Deputy Brendan Howlin:** I do not think so. He is semi-detached.

**The Taoiseach:** There are no arrangements with Deputy Joe Behan. Deputy Kenny should not make a mountain out of a molehill. There are political agreements and on that basis they are confidential. They are obviously based on the programme for Government. Part of that programme sets out that all programmes and policies are predicated on trying to maintain order in our public finances in order that they are sustainable and that we may be able to finance them on an ongoing basis.

All these Deputies are elected Members of this House. They are entitled, if they wish, to offer support to the Government of the day and are entitled also, if they wish, to come to their own arrangements with that Government. Obviously, the commitments entered into are predicated in the same way as the commitments the Government itself enters into, namely, on the basis of available resources and priorities we can establish and work on. Clearly not every area of policy can be covered for them, no more than for the Government.

**Deputy Enda Kenny:** I respect the fact they are elected to the House and the people from their respective constituencies are entitled to make their choices; that is absolutely understood. However, the Taoiseach has a majority which includes the Fianna Fáil Party, the Minister for Health and Children and the Green Party, so he does not need to be backed up by having public moneys extended to Independent Deputies. The national development programme contains 500 different projects from Malin down to Cork and from Donegal to Wexford and somewhere in between are bits and pieces for these Independent Deputies. The House has never seen these. The national development programme will not be implemented in the way it was written; it cannot be because that is no longer a realistic prospect. All I am asking the Taoiseach is whether these secret documents have been examined by the person from the Whip's office or is it some Fatima-like business that we can never find out whether these fit into the national

development programme, whether they are going to be reprioritised outside the national development programme or are these Independent Deputies entitled to go back to their constituents and say, “I have a secret deal here, I cannot tell you about it but you will know when it happens”? This is ridiculous.

**The Taoiseach:** I am amused at the Deputy’s fixation with the political arrangements which others have with the Government. It is their entitlement to support the Government if they wish. The fact they are not interested in supporting the Deputy’s party——

**Deputy Damien English:** This is taxpayers’ money.

**The Taoiseach:** The fact they are not interested in supporting the Deputy’s party is his problem and not my problem. From my point of view I welcome as much support——

**Deputy Billy Timmins:** A few of them are getting sense.

**The Taoiseach:** Sorry, lads, I welcome as much support——

**Deputy Enda Kenny:** Deputy Finian McGrath has the same right to ask questions as anyone else.

**The Taoiseach:** ——as possible in this House on any vote——

**Deputy Billy Timmins:** Saint Paul.

**The Taoiseach:** ——and there are occasions when the Opposition votes for something and other occasions when it does not and that is the way it works. The bottom line is——

**Deputy Enda Kenny:** The Taoiseach has a majority and a whip on his own crowd.

**The Taoiseach:** The position is very simple; there are people who support this Government on the basis of understandings they have entered into. We work through that process and that programme as best we can with those Deputies. We are all practising politicians and we all know that in the circumstances in which we find ourselves, it will not be possible to implement every aspect of policy but priorities can be established and if we all act in good faith, progress can be made as it has been. The fact that at the end of the day those Independent Deputies will be able to show a bit more than Deputy Kenny can show in the course of this Dáil, is his problem.

**Deputy Enda Kenny:** This party supported the guarantee for the banks under the conditions which we made clear, namely that the banking system is very necessary in order to keep business and commerce flowing through the country and we made no bones about that. Is the Taoiseach saying now that because a person happens to be an Independent Deputy or removes himself or herself to the Independent rank, that person can get more from the Government than groups that support the Government in the national interest?

**The Taoiseach:** No.

**Deputy Enda Kenny:** That is what he is saying.

**The Taoiseach:** I am not saying that.

**Deputy Enda Kenny:** He is saying that. He is saying that because these people up in these august benches——

**The Taoiseach:** That is what the Deputy is saying; I am not saying that at all.

**Deputy Enda Kenny:** —support the Government they have a special deal with somebody from the Whip's office. I am not looking for anything special from the Taoiseach, I am merely making the point that the Fine Gael Party supported the bank guarantee scheme on the basis of keeping commerce and business flowing throughout the country——

**Deputy Finian McGrath:** So did I.

**Deputy Enda Kenny:** —but the Taoiseach has different standards. Just because these people support him occasionally, he has a secret deal that is locked away in some vault and is examined occasionally by the person from the Whip's office. Nobody knows anything about this, about its cost or whatever else but that public official is wasting time and money dealing with secret documents about a deal that some people in this House have. This House is supposed to be about openness and transparency. Why does the Taoiseach not tell the House what is in these deals and satisfy our fixations about the secret negotiations that Deputy Finian McGrath and Deputy Healy-Rae have had with the Government? It is not going to change the world, believe you me.

**Deputy P. J. Sheehan:** Sweetheart deals.

**The Taoiseach:** It will change a lot more than what Deputy Kenny will be able to change from those benches, I can assure him, on the basis that they support the Government.

*(Interruptions).*

**The Taoiseach:** They have been in a position——

**Deputy Billy Timmins:** What about Deputy Finian McGrath's €250 million?

**The Taoiseach:** —to see improvements in those areas which they sought and they will continue to make representations regardless of whether they still support the Government.

**Deputy Enda Kenny:** What about the man beside the Taoiseach, the Minister for Education and Science, Deputy Batt O'Keeffe and the special needs classes?

**The Taoiseach:** Being an open-minded Deputy, I will listen attentively to any proposal on the basis of its intrinsic merit. In fact, I have helped out a few of Deputy Kenny's own party from time to time——

**Deputy Damien English:** It is a pity the Taoiseach did not listen in the past couple of years.

**The Taoiseach:** —when representations were received. I am very open to helping others.

*(Interruptions).*

**Deputy Brendan Howlin:** The question from this side of the House is not who chooses to support the Government on any particular vote; it is the price to be paid by the taxpayer for that vote. That is the issue we are trying to get to the heart of. The Minister for Finance last night invited the Opposition parties to open the books and look at them, to make decisions for the economic well-being and future of our country. Would it not be in the same spirit that the commitments made to the Independent Deputies, which obviously have a cost because some of them are claiming tens of millions, would not be part of that scrutiny? I ask the Taoiseach specifically whether the individual commitments which will cost the taxpayer money, made to

the Independents for their vote, will be part of the overview, since he and the Minister for Finance have said everything is on the table.

**The Taoiseach:** As I made clear in a previous response, there are conditions attaching to political agreements with Independents just as there is for the programme for Government itself. All commitments are predicated on the availability of resources, both those the Government have prioritised——

**Deputy Brendan Howlin:** Are we allowed to know what they are when we are overviewing everything?

**The Taoiseach:** It is not in the same spirit that this will happen. The idea that those would be central to solving the scale of the problem is an irrelevance.

**Deputy Brendan Howlin:** Is everything on the table or not?

**The Taoiseach:** I am trying to answer the Deputy's question. What is not on the table is the ability of the Opposition to renegotiate agreements which Independents have entered into with the Government. Were the Deputy in my position and I in his, would he suggest that this was a tenable proposition? Absolutely not. Let us get real here.

**Deputy Brendan Howlin:** The Taoiseach is telling the Dáil that in the current economic crisis, everything, vaccine for children, special needs assistants, everything is on the table, but not the deal that his Government has worked out with Independent Deputies to support this Government. Not only is this not on the table, we are not even to know what it is. Is that what the Taoiseach is telling the House?

**The Taoiseach:** No, that is not what the Taoiseach is telling the House, as the Deputy well knows. The Taoiseach has made it clear what the position is with regard to those agreements, the same as agreements with other parties in our own Government. As a former Minister who also negotiated with me on an agreement, the Deputy will know that all commitments are predicated on the financial provisions which confirm that resources have to be available——

**Deputy Brendan Howlin:** The Taoiseach is deliberately misleading the Dáil.

**The Taoiseach:** I am not. Deputies who support the Government are entitled to continue to pursue the priorities they have identified with the Government in good faith and the Government is obliged, in good faith, reciprocally, to progress those as best it can in the context of the overall framework we are trying to work to. That is simply a political arrangement, a political understanding that permeates all agreements, whether it be at local council level about positions during the tenure of office of a particular administration or indeed in the national Parliament. These are the normal arrangements that people obtain in order to support a Government. If the Deputy is in the position at any time in the future, where his party requires some support from Independents, he will undertake that legitimate exercise as well and it will be an exercise in accountability because at the end of the day, the people will make their minds up as to what they believe is the right thing to do in the future.

**Deputy Brendan Howlin:** May I put a final question?

**An Ceann Comhairle:** The last one.

**Deputy Brendan Howlin:** The Taoiseach is deliberately avoiding the core issue which is that in any negotiation for a programme for Government, in any bilateral agreement between par-

[Deputy Brendan Howlin.]

ties to form a Government, the agreement is published and the people know and can make a judgment on it. The problem with the arrangements that the Government has with the Independents is that they are secret. The Taoiseach says they are not to be disclosed yet there is a cost involvement, a cost which many of them are declaring at local level to be tens of millions. In the current climate, does the Taoiseach accept that it is unacceptable to have secret agreements that will cost God knows how much money to the taxpayer, that cannot be part of the overall scrutiny known to the people? I am simply asking if those deals should be published in the interests of transparency.

**The Taoiseach:** No, they do not require publication now. Those agreements were reached with the individuals concerned on the basis of and subject to the conditions I have outlined. Therefore, of course the taxpayers' interests are kept in mind by the Government in respect of delivering on all priorities, whether those mentioned in the programme for Government between parties or indeed any arrangements entered into with individual Deputies, the requirements for which are subject to the same criteria as applies to anyone else.

The Deputy refers to the fact that Deputies in their constituencies speak about the outcomes they are having. Any Deputy who supports developments in his or her constituency, whether in Government or in Opposition, is never too slow, no more than the Deputy, to demonstrate the influence he or she would claim to have had as regards making representations. That is entirely legitimate and above board, and we should not expect anything different from anyone else.

**Deputy Caoimhghín Ó Caoláin:** Will the Taoiseach not accept that there is a fundamental difference between a negotiated programme for Government with other parties and the arrangements that are in place with Independent Deputies? The programme for Government is an open transparent document that the public and all parties have the opportunity to peruse, address and criticise as required. The other arrangement is something that is under the counter and nobody has the opportunity to shed any light on it.

I am sure the Taoiseach is aware that there is no argument against Independent Deputies supporting and being part of the formulation of a programme for Government. A critical point, however, will he not accept, is that this is above board, on top of the table and is open and transparent for all to see? Will he not accept, too, that there is a real question here as regards the appropriateness of such arrangements, where the advantage is understood to be cast in the direction of specific constituencies as against the wider interest, which a programme for Government is intended to address, not only on a regional or local but on a national basis? The absence of detail affords these Independent Deputies the opportunity to put their flag on the pole in regard to all matters pertaining to development, infrastructural progress, etc., within their respective constituencies.

I noted in the course of Deputy Kenny's opening remarks the Ceann Comhairle's clear understanding of all that was being addressed in the course of these questions, particularly because of the situation pertaining to an Independent Deputy within his constituency. Can the Taoiseach not accept that the correct procedure for the future is that these matters are part of a negotiated programme for Government, to be conducted in the context of something that will be published and that he will undertake to put an end to what is ultimately the reduction of the democratic process to a lottery system on the basis that an Independent Deputy will have the chance to pursue particular interests and causes, if the figures turn up to his or her advantage?

I am asking the Taoiseach whether he accepts that this is a good time to put down a marker for best practice with regard to appropriately addressing these matters into the future, and to be specific. I know from what Deputy Finian McGrath, beside me, has indicated in the past that he was not parochial in all the matters he sought in terms of his specific engagement with the emerging Government in 2007.

**An Ceann Comhairle:** This is a very long question.

**Deputy Caoimhghín Ó Caoláin:** Regarding one of the matters he has indicated, I have asked the Taoiseach previously, as a result of Deputy McGrath's disengagement from support for Government whether there were downsides with regard to any of the particular areas that he keenly addressed in the course of his negotiations with Government. I am concerned with one in particular, namely, the proposed national centre for cystic fibrosis at St. Vincent's Hospital, where 34 isolation bed units were committed to and only nine have been delivered.

**An Ceann Comhairle:** Question Time cannot be utilised to impart information. The purpose of Question Time is to seek information. That is the name of the game.

**Deputy Caoimhghín Ó Caoláin:** Can the Taoiseach say with absolute certainty that the additional 25 isolation beds in the national centre for cystic fibrosis at that hospital which is of concern to everyone, will indeed proceed and be delivered by this Government?

**An Ceann Comhairle:** Other Members are offering as well. There are a number of questions there for the Taoiseach.

**The Taoiseach:** It is not just a number of questions, a number of tomes were brought forward by Deputy Ó Caoláin. I want, first, to thank him for advising us how to negotiate a programme for Government. If he does not mind, we shall take our own advice in that regard.

**Deputy Caoimhghín Ó Caoláin:** This is the old game, again.

**The Taoiseach:** No, it is not.

**Deputy Caoimhghín Ó Caoláin:** Why does the Taoiseach not answer the question?

**The Taoiseach:** I am answering the question. The Deputy asked me a question.

**Deputy Caoimhghín Ó Caoláin:** I asked the Taoiseach a number of questions.

**The Taoiseach:** Let me answer the question.

**Deputy Caoimhghín Ó Caoláin:** Please do.

**The Taoiseach:** The first question Deputy Ó Caoláin asked was why we did not, as part of our overall negotiation programme, negotiate with the Independents when we were agreeing our programme for Government. With all due respect, my answer to him is that we shall decide how to negotiate our programme for Government. The second point is that we decided to negotiate a programme for Government with the parties in Government. My predecessor then spoke to those Deputies who had indicated an interest in discussing with him the possibility of their providing support to the Government on the basis of certain arrangements or agreements between him and those Dáil Members. This is how that support was achieved——

**Deputy Enda Kenny:** The Taoiseach did not have to accept those arrangements.

**The Taoiseach:** On the change of Administration, when I became Taoiseach, having been Minister for Finance, I indicated I would continue to implement those arrangements with Deputies on the basis of their continuing support, which was the understanding they had on entering into the agreement in the first place.

**Deputy Enda Kenny:** South Kerry is safe.

**The Taoiseach:** As regards South Kerry, without referring to the Ceann Comhairle, the people there have indicated their level of support for Fianna Fáil candidates and our party in the last election——

**Deputy Enda Kenny:** That is diminishing at the moment.

**The Taoiseach:** ——and made it very clear that they associated much of the progress and development with our party, in Government——

**Deputy Enda Kenny:** Including the hospital in Kenmare.

**The Taoiseach:** —— while retaining confidence in the Independent Deputy concerned. I am glad to see all of them back in the House. That was the outcome there and the people made a decision in relation to that matter.

The next question asked by the Deputy was about why I was not being transparent, but I am being transparent with him. The confidentiality of the agreements will be respected. The arrangements are conditionally based on the same criteria that apply to the implementation of any other programme for Government or any part thereof.

**Deputy Enda Kenny:** What about public moneys?

**The Taoiseach:** I understand the Deputy's curiosity. I know he would, perhaps, like to see a leather bound copy, but one is not available.

**Deputy Caoimhghín Ó Caoláin:** Just to get the matter absolutely correct, I am not at all happy with the Taoiseach's proposal to continue the current arrangement — and that will come as no surprise to him.

**The Taoiseach:** No, I am not surprised.

**Deputy Caoimhghín Ó Caoláin:** I also note with regret his failure to accept——

**The Taoiseach:** It becomes the Deputy.

**Deputy Caoimhghín Ó Caoláin:** The Taoiseach should at least allow me to respond

**An Ceann Comhairle:** Let us move on with Question Time.

**Deputy Caoimhghín Ó Caoláin:** I note with regret his failure to accept the very reasoned arguments presented by Deputy Howlin and myself to the effect that there is a fundamental difference between the arrangement arising out of the engagement with political parties in the formulation of a programme for Government and the secret under the desk agreements made with Independent Deputies. This is wrong and will the Taoiseach not accept that this distorts the democratic process?

**The Taoiseach:** It does not.

**Deputy Caoimhghín Ó Caoláin:** It most certainly does. However, to focus in on what the Taoiseach did not answer, in regard to the question I posed on a most important issue, the national centre for cystic fibrosis at St. Vincent's Hospital, many people in every constituency in the country are anxiously awaiting the roll-out of the full commitment to 34 isolation beds, and we have only seen nine so far.

**An Ceann Comhairle:** That is a matter for the Minister for Health and Children.

**Deputy Caoimhghín Ó Caoláin:** Is the Taoiseach prepared to commit this morning to the complete roll-out of that centre, and within what timeframe?

**The Taoiseach:** As the Ceann Comhairle has indicated, that is outside the remit of this question. However, as a former Minister for Health, I am very proud of my association with the Cystic Fibrosis Association of Ireland. I was glad to have been associated with ensuring that a team was trained in Newcastle-upon-Tyne at the time to ensure that a lung and heart transplant team could, *inter alia*, be made available in this country for cystic fibrosis sufferers. That procedure is available here now as a result of the priority I was in a position to afford it then, and working on the work of predecessors who were trying to move along that project at the time. I recall also attending an annual meeting of Cystic Fibrosis Association of Ireland in Kilkenny when I was Minister at which I had a long discussion with its representatives on those issues and was in a position to progress them.

On the specific matter regarding a national centre, I am glad to note that the beginning has happened in terms of nine beds being available. I cannot give an indication to the Deputy this morning what further progress can be made in that area but the availability of resources is now critical, as our previous discussion during Leaders' Questions confirmed. A question to the Minister for Health and Children on the up to date position would be the best way of imparting accurate and up to date information on that question.

**Deputy Jan O'Sullivan:** In his reply to my colleague, Deputy Howlin, the Taoiseach suggested that, for example, if something was being announced in one's constituency we could all claim to have contributed in some way to it being announced but I put it to him that it is bad for the body politic to have those secret agreements. If the Taoiseach's colleague the Minister for Education and Science, Deputy Batt O'Keeffe, were to announce the building of a school in south Kerry, for example, Deputy Healy-Rae could produce his secret document and say "I got this. It is in my secret document".

**Deputy Pádraic McCormack:** He would not.

**Deputy Jan O'Sullivan:** That would give him an advantage over everybody else in south Kerry in terms of taking credit for that announcement.

**The Taoiseach:** That is a grave injustice to the Deputy.

**Deputy Billy Timmins:** The Minister, Deputy Batt O'Keeffe, is only announcing cutbacks, not schools.

**Deputy Jan O'Sullivan:** I suggest this third secret of Fatima is causing damage to the body politic and the Taoiseach might consider publishing it.

(Interruptions).

**Deputy Christy O’Sullivan:** The official concerned who is dealing with the Independents who support the Government is now down from four to two, presumably, in terms of his or her workload.

**Deputy Brendan Howlin:** It is diminishing by the day.

**Deputy Jan O’Sullivan:** What is the allocation of time that official uses with the Independents and has it been reduced by half recently? Also, is it part of the agreement that the special research allowance the Independents have would not be audited?

**The Taoiseach:** The Deputy can take up the question of the allowances with the Houses of the Oireachtas Commission. That is not an issue with which I deal. On the question of allocation of time, there is a contact person in my Department for them to deal with if they wish to deal with that person directly, in addition to the Chief Whip.

**Deputy Damien English:** Is that the hotline?

**The Taoiseach:** It is an arrangement that does not require an allocation of time motion or anything else. It is a simple enough sort of arrangement.

**Deputy Pádraic McCormack:** Does Jackie have that number?

**Deputy Jan O’Sullivan:** Does that person have other specific duties and has the Taoiseach given any indication to that person as to the amount of time he or she should spend on dealing with the issues raised by the Independents?

**The Taoiseach:** Only whatever time is necessary consistent with dealing with these representations, as they would be dealt with for the Deputy or anybody else.

*(Interruptions).*

**Deputy Emmet Stagg:** The allowance paid to the Independents in lieu of a party leader’s allowance, for which they do not have to account, is a matter for the Minister for Finance, not the commission. Is that not correct?

**An Ceann Comhairle:** That is a point of information.

**The Taoiseach:** I do not know.

### **Tribunals of Inquiry.**

4. **Deputy Enda Kenny** asked the Taoiseach the cost which accrued to his Department in respect of the Moriarty tribunal during 2008; and if he will make a statement on the matter. [46602/08]

5. **Deputy Enda Kenny** asked the Taoiseach the procedures in place in his Department for dealing with requests for files and information by tribunals of inquiry; and if he will make a statement on the matter. [46603/08]

6. **Deputy Eamon Gilmore** asked the Taoiseach the costs accruing to date to his Department arising from the work of the Moriarty tribunal; if an estimate is available of the expected final costs; and if he will make a statement on the matter. [3151/09]

7. **Deputy Caoimhghín Ó Caoláin** asked the Taoiseach the cost to his Department to date of the Moriarty tribunal; and if he will make a statement on the matter. [7057/09]

8. **Deputy Eamon Gilmore** asked the Taoiseach the costs accruing to his Department arising from the Moriarty tribunal at latest date for which figures are available; and if he will make a statement on the matter. [7462/09]

9. **Deputy Eamon Gilmore** asked the Taoiseach the action he will take arising from the Comptroller and Auditor General's Special Report No. 63 on tribunal costs in relation to those tribunals for which his Department has responsibility; and if he will make a statement on the matter. [7463/09]

10. **Deputy Eamon Gilmore** asked the Taoiseach if he will confirm that as a result of a typing error the senior counsel daily refresher fee paid to lawyers at the Moriarty tribunal was set at a rate of €2,500 rather than the agreed rate of €2,250; the additional costs accruing to his Department as a result of the error; if the error occurred within his Department; if no effort was made to correct the error; and if he will make a statement on the matter. [7464/09]

**The Taoiseach:** I propose to take Questions Nos. 4 to 10, inclusive, together.

The total cost incurred by my Department in respect of the Moriarty tribunal since 1997 up to 31 January 2009 was €34.91 million. For 2008 the figure was €4.01 million. The recently published Comptroller and Auditor General report estimates that, including third party costs, the final cost will be in the region of €100 million, although the report emphasises that this figure is subject to many caveats and contingencies.

As regards the fees paid to counsel, fees for senior counsel at the Moriarty tribunal were set in 1997 when the tribunal was established. In early 2001, tribunal senior counsel sought an increase in their fees and negotiations about an increase went on for some time. Taking all factors into account, it was considered that an increased fee was appropriate and a rate of €2,500 per day was agreed with senior counsel and notified to them by my Department by letter in June 2002.

A few weeks afterwards, in view of the setting of the fee of €2,250 per day for senior counsel at other tribunals, it was realised that the Moriarty senior counsel rate had been agreed at a higher figure. The higher figure arose from a misunderstanding between my Department and those setting the fees in the Department of Finance and the Attorney General's office. The fee for Moriarty senior counsel was reviewed again. My Department considered that, in view of the particular circumstances of the Moriarty tribunal, the fee for its senior counsel was appropriate and should remain at €2,500 and, following advice from the Attorney General, this was sanctioned by the Department of Finance on a personal basis. Tribunal senior counsel were informed by my Department by letter in August 2002 that the rate of €2,500 was an error arising from a misunderstanding between my Department and those setting fees but that, as an exceptional measure in the circumstances, the €2,500 rate notified to them in June had been sanctioned to stand on a strictly personal basis. The fee has not been increased since. As a consequence of the overall position as regards fees at the tribunal, the cost of the present full team of the Moriarty tribunal is €645 per day less than if rates paid at other tribunals were to apply.

As regards the recent Comptroller and Auditor General report about tribunals, the report made no specific recommendations in relation to the Moriarty tribunal. The main recommendations in the report cover areas that have been considered and are being provided for, as appropriate, in the Tribunals of Inquiry Bill 2005, which is currently at Committee Stage in this House.

[The Taoiseach.]

As regards requests for files, from time to time there have been requests to my Department for files and information from various tribunals. My Department has co-operated fully with all such requests and will continue to do so in the future.

Normally, requests from tribunals are received by the Secretary General of my Department and assigned by him to the appropriate departmental officials. Appropriate replies subsequently issue when the requests have been considered and any relevant information or files have been identified.

All inquiries to my Department from tribunals and all replies by my Department to tribunals are dealt with on a highly confidential basis as required by the tribunals themselves.

**Deputy Enda Kenny:** The Taoiseach is aware that the normal practice for tribunals is to use lawyers from the Chief State Solicitor's office and the highest salary level for those is €85,000. Can the Taoiseach confirm that for the past four years the Moriarty tribunal has ignored that arrangement and engaged a solicitor from a private practice? Will he further confirm that the fees of €1,000 per day are now in excess of €1.2 million for the past four years? Will the Taoiseach tell me the reason that was justified and sanctioned by his Department when the tradition is to use persons from the Chief State Solicitor's office?

The Moriarty tribunal report was expected to be published before now but the indications are that there may be further public hearings. Does the Taoiseach agree that if lawyers are to be brought back in the event of public sittings, that should only apply for those sittings and not on an indefinite basis? There were only three sittings in 2008 — one in March and two in May. There was one in 2009, a surprise sitting, where proceedings were immediately adjourned, according to a report in *The Irish Times* of 30 January, to allow a date to be arranged for an organised hearing. In a quotation from that report the Minister for Finance has apparently told the Departments to which the tribunals report to contact the tribunals and tell them that once public hearings are concluded, the legal staff associated with the public hearings should no longer be paid. The Moriarty tribunal has furnished its public hearings for some time now but it appears that it still has its full complement of staff. Is that the case? As the Taoiseach is aware, senior barristers are paid up to €2,750 per day and the Moriarty tribunal may complete its hearings by the end of the year.

In respect of the matter the Taoiseach mentioned, namely, a particular approval given on a personal basis by the Department of the Finance and the Department of the Taoiseach, what were the circumstances that applied in that case? Also, on the issue the Taoiseach mentioned, the overpayment to the senior counsel where he is being paid a daily refresher of €2,500 instead of €2,250 due to a typing error in the Department of the Taoiseach in 2002, what arrangements have been made to recover that payment? The total payments added up to more than €1 million. Were arrangements made to recover that?

**The Taoiseach:** There are not arrangements made to recover it as it is not necessary. As I said, the fee was agreed in June 2002 and the Attorney General's advice on the matter concluded that it would be inappropriate to withdraw the higher rate of fee which had been formally notified. He advised that the tribunal lawyers should be notified that the €2,500 rate had been notified in error but that in all the circumstances, approval was given to its payment. My Department notified the tribunal senior counsel by letter in August 2002 that the rate of €2,500 was an error arising from a misunderstanding between my Department and those setting fees but that, as an exceptional measure in the circumstances, the €2,500 rate notified to them in June had been sanctioned to stand on a strictly personal basis.

**Deputy James Reilly:** It was largesse.

**Deputy Enda Kenny:** It was left at the higher rate.

**The Taoiseach:** Yes. That was the agreed fee based on that notification and advice from the Attorney General.

**Deputy Enda Kenny:** Can we have the figure of the extra payments made to the person concerned as a result of the typing error?

**The Taoiseach:** It is not down to a typing error. I explained in my reply that there was a misunderstanding between the Department of the Taoiseach and the tribunal——

**Deputy Dinny McGinley:** Did it cost €1 million?

**The Taoiseach:** ——in stating the fee was to be €2,500 rather than €2,250. When this came to the attention of the Department, it sought the advice of the Attorney General and based the decision on the need for people to be involved in what is regarded as the highly complex work of the Moriarty tribunal.

**Deputy Dinny McGinley:** They went for the big sum.

**The Taoiseach:** It was decided that a rate of €2,500 per day for that work was appropriate in the circumstances, on a personal basis.

**Deputy Enda Kenny:** The figure is more than €1 million.

**The Taoiseach:** No. The Comptroller and Auditor General made no recommendation in his report for a requirement for repayment because the fee was agreed.

**Deputy Dinny McGinley:** There should be.

**The Taoiseach:** There was no overpayment on the basis that it was an agreed fee. I explained the circumstances, in an honest way, as to how the situation arose and the Attorney General's advice was sought.

**Deputy Enda Kenny:** Did the person involved not offer to give the money back?

**Deputy Dinny McGinley:** If the fee was agreed, why did the Department need the advice of the Attorney General?

**The Taoiseach:** I explained that in August 2002 it was an agreed fee. The Comptroller and Auditor General has not made a recommendation on the matter because he accepts it was an agreed fee. I want to make a substantive point on the costs of these matters. The Moriarty tribunal——

**Deputy Enda Kenny:** The error in overpayment has cost €1 million.

**Deputy James Reilly:** Deputy Kenny is asking what is the context.

**The Taoiseach:** The purpose of these questions is not to engage in argument but simply to impart the information available on the file. That is what I am doing.

**An Ceann Comhairle:** Let the Taoiseach finish.

**Deputy Enda Kenny:** I am making the point that this error cost €1 million.

**Deputy Dinny McGinley:** It is not very satisfactory.

**An Ceann Comhairle:** Let the Taoiseach finish.

**Deputy Enda Kenny:** That is the way to run a business.

**The Taoiseach:** The legal team of the Moriarty tribunal consists of three senior counsel, two junior counsel, one legal researcher and one solicitor. It is a significantly smaller legal team than, for example, the Mahon tribunal, which has a legal team comprising 21 people, whereas the Moriarty tribunal has seven.

**Deputy Dinny McGinley:** Does the Taoiseach believe they are paid too much?

**An Ceann Comhairle:** Never mind that now. Let the Taoiseach finish.

**The Taoiseach:** The cost of the Moriarty tribunal legal team is €645 less than the equivalent cost of the Mahon tribunal.

**Deputy Dinny McGinley:** Why is that?

**The Taoiseach:** It is due to the fact that when one takes into account the fee structure available to the tribunal, in terms of senior and junior counsel and legal assistants, it works out at €645 less. That point should be made. The fees are agreed by the Department of Finance with legal counsel, on the advice of the Attorney General. Those are the rates which are payable and which have been agreed.

**Deputy Dinny McGinley:** That was in the good times. What about the bad times? What are the fees in bad times?

**An Ceann Comhairle:** We have very little time left so there should be no interruptions if at all possible.

**Deputy Dinny McGinley:** We are trying to help.

**Deputy Eamon Gilmore:** Regarding this error in the payment of fees to two senior counsel, can the Taoiseach clarify when the agreement was made between his Department and the tribunal on the fee of €2,500 per day? When did it come to his Department's attention that it should, in fact, have been €2,250 per day? What is the normal situation when an overpayment is made? If, for example, a civil servant receives an overpayment in their salary, is it not recouped? If a social welfare recipient receives an overpayment of social welfare and an error is made by the Department, is the money recouped?

**Deputy Dinny McGinley:** The same applies to ourselves.

**Deputy Eamon Gilmore:** Why is the money in this particular case not recouped?

What exactly is going on in the Moriarty tribunal? There has been no report. We have heard there may or may not be additional public hearings. Apparently there is a draft report somewhere. When, and by what means, is it going to come to an end and publish a report?

**The Taoiseach:** The Moriarty tribunal was set up in 1997. In early 2001, tribunal senior counsel sought a substantial increase in their fees and negotiations went on for some time, as I outlined in my initial reply. It was considered an increased fee was appropriate and, in due course, that was agreed. A rate of €2,500 per day was agreed with senior counsel and notified

to them by the Department of the Taoiseach by letter in June 2002. The negotiations to decide whether to give an increased fee went on for 18 months.

A number of weeks later, in view of the setting of a fee of €2,250 per day for senior counsel at other tribunals, it was realised the Moriarty senior counsel rate had been agreed at a higher figure. It was an agreed figure. It was not the case that a figure was agreed and then overpayments were made. The figure of €2,500 was an agreed figure and not designated by the Comptroller and Auditor General as an overpayment. He made no recommendation in his annual report on the need, or, in his opinion, the necessity for changing that arrangement because he accepts the fee of €2,500 was agreed.

When, a number of weeks later, the fee of €2,250 per day for senior counsel in other tribunals was set, it was realised the rate set for Moriarty senior counsel had been agreed at a higher figure. The higher figure arose from a misunderstanding between my Department and those setting the fees. There was an understanding in my Department that the fee was to be €2,500 per day and an understanding from those who set the fees that it was to be €2,250 per day. My Department had notified senior counsel that the agreed rate was €2,500 per day.

In view of the particular circumstances which pertained in the Moriarty tribunal, which is doing specialised and complex work, it was considered that the fee for its senior counsel was appropriate and should remain at €2,500 per day. This decision was made following the advice of the Attorney General and was sanctioned by the Department of Finance. The issue was examined again in August when it came up again and people noted the fee was €2,250 per day in the Mahon tribunal and €2,500 per day in the Moriarty tribunal.

The issue was re-examined and the figure of €2,500 per day was confirmed as the set fee for the Moriarty tribunal in the circumstances.

**Deputy Dinny McGinley:** What about looking at it again?

**The Taoiseach:** Regarding the cost of the Moriarty tribunal and the way it operates, it has a different *modus operandi* from other tribunals as it keeps the need for witnesses to appear and public hearings, and the associated costs, to a minimum. It is doing things quite differently under its sole member. It has been quite effective and has been doing detailed and complex work to get to the bottom of matters for many years. It is to the credit of the sole member that he has an arrangement in place which is mindful of the fact that he wants to conduct those proceedings as cost effectively as possible. The size of his team compares very favourably with the size of other teams in other tribunals.

Part of the background to the issue is also the importance of trying to keep the same personnel in place, given the amount of work which had been done, rather than the possibility of bringing in new personnel should people leave on the basis that the fee had not been examined since 1997. All of those considerations came into play. My Department has been very open, honest and straightforward in explaining the miscommunication which took place between those who set the fee and the circumstances in which information on it was conveyed to the Moriarty tribunal. It has stood over the fact that it was an agreed fee and confirmed that when it saw a discrepancy between the Moriarty tribunal and other tribunals, it sought the advice of the Attorney General. In all circumstances, he gave the advice he did and that gives a full explanation of the situation.

**Deputy Caoimhghín Ó Caoláin:** The Moriarty tribunal is now in its 12th year. Can the Taoiseach be more definite on whether further sittings will take place? Does he accept there is real concern at the continued time expended on this tribunal and the overall cost of its sittings?

[Deputy Caoimhghín Ó Caoláin.]

With regard to costs, I understand Mr. Denis O'Brien took two judicial reviews, which went all the way to the Supreme Court, both of which were unsuccessful and, as a result, he owes the tribunal in excess of €610,000 plus interest. Will the Taoiseach indicate whether those moneys have been recovered or whether they are being proactively pursued if they have not yet been paid? What position has he taken on the recommendations of the Comptroller and Auditor General on matters directly pertaining to this and other tribunals regarding the curtailment of costs? Has he given particular attention to the recommendations regarding fees involved in engaging counsel and other senior legal opinion?

**The Taoiseach:** As I stated in my original remarks, many of the Comptroller and Auditor General's recommendations have been incorporated into the Tribunals of Inquiry Bill 2005, Committee Stage of which is before the House. Many of the recommendations will be made operational.

With regard to the tribunal's work, I understand from the tribunal that further public sittings will commence at the end of the March, which the Sole Member anticipates is likely to be completed by the end of April or the beginning of May. On completion of those sittings, the Sole Member hopes to produce his report within a period of some months. I understand from the Sole Member that when public sittings are conclusively completed, the role of his legal team is likely to diminish.

**Deputy Caoimhghín Ó Caoláin:** What about my question on the outstanding sum due from Mr. O'Brien for his judicial reviews?

**The Taoiseach:** I am sure the Sole Member is dealing with the matter.

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

**An Ceann Comhairle:** Anois, iarratais chun tairisceana a dhéanamh an Dáil a chur ar athló faoi Bhuan Ordú 32.

**Deputy James Bannon:** I seek the adjournment of the Dáil under Standing Order 32 to raise a matter of national importance, namely, the decision not to publish the national carer's strategy because of the economic situation, leaving another vulnerable sector the victim of Government mismanagement.

**Deputy Joe McHugh:** I seek the adjournment of the Dáil under Standing Order 32 to discuss a matter of urgent national importance, namely, the need for An Garda Síochána and the Minister for Justice, Equality and Law Reform to engage with bank officials, post offices, and credit unions in Border areas in the context of security, on foot of an alarming armed raid on a post office in Carrigans, County Donegal, on Friday last.

**An Ceann Comhairle:** Tar éis breithnithe a dhéanamh ar na nitheardaithe, níl siad in ord faoi Bhuan Ordú 32. Having considered the matters raised, I do not consider them to be in order under Standing Order 32.

### **Order of Business.**

**The Taoiseach:** It is proposed to take No. 4, Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Bill 2009 — Second and Remaining Stages. It is proposed, notwithstanding anything in Standing Orders, that: (1) the Dáil shall sit later than 8.30 p.m. tonight and business shall be interrupted not later than 10 p.m; and (2) the following arrangements shall apply in regard to No. 4: the proceedings on the resumed Second Stage shall, if not

previously concluded, be brought to a conclusion at 1.30 p.m. today; and the proceedings on the Committee and Remaining Stages shall, if not previously concluded, be brought to a conclusion at 10 p.m. tonight by one question which shall be put from the Chair and which shall, in regard to amendments, include only those set down or accepted by the Minister for Finance.

Private Members' Business shall be No. 53, motion re public finances (resumed), to conclude at 8.30 p.m. tonight, if not previously concluded.

**An Ceann Comhairle:** There are two proposals to put to the House. Is the proposal that the Dáil shall sit later than 8.30 p.m. tonight agreed to? Agreed. Is the proposal for dealing with No. 4 agreed to?

**Deputy Enda Kenny:** It is not agreed. I object on the basis of the guillotine, which I raised previously.

**Deputy Caoimhghín Ó Caoláin:** It is not agreed. The Taoiseach conceded the point yesterday by agreeing not to impose a guillotine on Second Stage in yesterday's business and it was extended to 1.30 p.m. this afternoon. However, this technical Bill is a momentous piece of legislation in the history of the Houses of the Oireachtas given all that is involved in it. It deserves the full opportunity for participation of all opinion in this House and the guillotine should not be applied. It is wrong in this instance. Full and maximum participation should be accommodated and I strongly object to the imposition of the guillotine on both Second and Remaining Stages.

**Deputy Emmet Stagg:** We oppose the principle of a guillotine being applied but we recognise the urgency of the measure before the House. We had guillotines on debates last week and this week, and I ask the Government to ensure this does not become the norm.

**Deputy Enda Kenny:** I do not propose to seek a division but we should not have guillotines and I said this to the Whip.

Question, "That the proposal for dealing with No. 4 be agreed to", put and declared carried.

**Deputy Enda Kenny:** What is the status of the Programme for Government 2007-2012? It contains a series of commitments, some to be introduced in legislation. Given the financial circumstances that apply, what is the relevance of the document agreed between the Government parties?

In light of the news that emerged in the past two days, has the Taoiseach made arrangements to ground helicopters for Ministers?

**An Ceann Comhairle:** We cannot go into that.

**Deputy Enda Kenny:** This is relevant to the public finances.

**An Ceann Comhairle:** It is not relevant to the Order of Business.

**Deputy Kathleen Lynch:** The only thing one can fly in here is a kite.

**Deputy Enda Kenny:** Under the legislation governing this, has the Taoiseach made arrangements to review the process in order that this situation will not arise again? I am sure he has.

**The Taoiseach:** As with all programmes for Government, there is financial provision in our programme, which confirms that all commitments are subject to maintaining order in the public finances.

**Deputy Pádraic McCormack:** It will all be abandoned anyway.

**The Taoiseach:** Clearly, the public finances have deteriorated. The various departmental annual statements confirm the priorities to which Ministers are working arising from the programme for Government but, clearly, not all of them will be implemented, given resources sufficient for their implementation will not be available.

**Deputy Pádraic McCormack:** They are not following the programme.

**Deputy Enda Kenny:** Most of it is meaningless.

**Deputy Eamon Gilmore:** The Taoiseach in the course of his opening address to the Fianna Fáil Ard Fheis last Friday evening indicated it was the Government's intention to reduce the limits for declaration of contributions to political parties. When will the legislation be introduced to do that? How will that be squared with the ethics legislation currently before the House, which provides for increases in declaration limits for various matters? Is it intended to amend the ethics Bill to reflect the intention announced by the Taoiseach on Friday night, which I welcome?

I refer again to the Minister for the Environment, Heritage and Local Government's statement that Ireland should withdraw from the European Defence Agency, EDA, to help persuade the public to back the Lisbon treaty and yesterday's newspaper report that he intended to raise it at a Cabinet sub-committee.

**An Ceann Comhairle:** No legislation is promised in that area.

**Deputy Eamon Gilmore:** A referendum has been promised by the Taoiseach and legislation will have to be introduced to enable that to happen. Discussions have taken place between the Taoiseach and the Minister for Foreign Affairs and Opposition parties about the matters under discussion between the Government and our European partners on this issue. To my knowledge, withdrawal from the EDA is not part of that. I invite the Taoiseach again to state clearly whether the Government is seeking to withdraw Ireland from the agency.

**An Ceann Comhairle:** That would be an interesting parliamentary question for the Deputy to table in due course but it is not in order now. I call the Taoiseach on the first question.

**The Taoiseach:** I am guided by the Ceann Comhairle's direction.

Regarding the first matter, as I have said, legislation will now be prepared to be enacted before any referendum would take place in order that the same rules that apply to political parties would apply to everyone conducting campaigns on the matter.

The Deputy has raised with me an issue regarding the ethics Bill, but I will have to come back to him on that to see if there are any implications.

**Deputy Eamon Gilmore:** What about the European Defence Agency? Are we withdrawing from it?

**An Ceann Comhairle:** The Deputy well knows that this matter is the subject matter of a parliamentary question.

**Deputy Eamon Gilmore:** That never stopped the Ceann Comhairle previously.

**An Ceann Comhairle:** We must make some effort to stay in order.

**Deputy Eamon Gilmore:** This is a new dispensation, as the man might say.

**A Deputy:** It is Lent.

**Deputy James Reilly:** Last night, an 85 year old lady in a serious condition was referred to Beaumont Hospital from a nursing home.

**An Ceann Comhairle:** What is the legislation?

**Deputy James Reilly:** It is before me. Since the hospital was full, she was asked to go to the Mater Hospital. It was also full, so the ambulance took her to St. James's Hospital, which refused her admission because it had not been officially informed that Beaumont Hospital was off call. She was referred to Tallaght Hospital, which——

**An Ceann Comhairle:** This is not relevant. I must ask the Deputy to stay in order.

**Deputy James Reilly:** ——stated that she might need to go to Mullingar. The question is——

**An Ceann Comhairle:** The Deputy should ask a question that is in order.

*(Interruptions).*

**Deputy James Reilly:** It is a disgraceful way to treat any citizen.

**An Ceann Comhairle:** It is midday. The Deputy should ask a question that is in order.

**Deputy James Reilly:** It is a matter of eligibility. When will the eligibility for health and personal social services Bill be introduced and will it have real meaning for people, given that some must suffer this sort of indignation and treatment?

**The Taoiseach:** As I stated last week, it is not possible to indicate a date for that legislation.

**Deputy James Bannon:** There has been much barking by the Government on the issue of the regulation of dogs, but no action. In light of a number of horrific accidents caused by certain breeds, when can we expect the control of dogs amendment Bill to be tabled before the House?

**Deputy Billy Timmins:** It is a dog's life.

**The Taoiseach:** It will be later in the year.

**Deputy Joan Burton:** Regarding the budget, what is the position on Estimates? This budget will probably be larger than last October's.

**An Ceann Comhairle:** We will not go into the budget and Estimates.

**Deputy Joan Burton:** I simply want to know the procedures. What is the situation regarding Estimates and the provision of information? We have no expenditure guidelines or outlines. By now, each Department's Estimates should be on their way to the different committees. Is the Government suspending all of that procedure? Will we get any information on the Estimates? The Government is asking us for proposals.

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

**Deputy Joan Burton:** It is difficult to take a shot in the dark, given the fact that the Government has not given us the information.

**An Ceann Comhairle:** Will the Taoiseach make the information available?

**The Taoiseach:** It is an interesting comment from Deputy Burton on the basis that she claims she has been making a lot of proposals in recent times. Concerning the budgetary procedure itself, we have indicated that the magnitude of the challenge facing us and the need for a stabilisation plan that will incorporate a supplementary budget will now take priority. I do not see a reason that Revised Estimates Volumes would now be published, since all of those will have to be reviewed on the basis of decisions to be taken during the course of this month in respect of expenditure issues. I would suggest that the Estimates Volumes would be printed after the decisions are taken when the budget is being brought to the House.

**Deputy Joan Burton:** Briefly——

**An Ceann Comhairle:** The Taoiseach has answered the question.

**Deputy Joan Burton:** What about the work on Estimates normally done by committees at approximately this time? The Taoiseach stated that it was a great improvement on Dáil procedures, but we are being asked to go without information.

Is the Commission on Taxation operating in a separate parallel universe with no input into the budgetary process?

**An Ceann Comhairle:** We cannot go into that now. The Taoiseach has answered the question.

**Deputy Joan Burton:** We were promised a report, but will that be in June, September or some other time? The commission is also working on the tax figures and the fairness of the tax system, which is a critical issue for this party.

**The Taoiseach:** It is a critical issue for our party and this Government, I assure the Deputy. It is why we introduced——

**Deputy Emmet Stagg:** Tell that to the public servants.

**The Taoiseach:** ——we introduced the Commission for Taxation, the first one in 30 years. In fact, public servants and other low income workers are paying a lot less tax under this Administration than they paid under the Administration of which Deputy Stagg was a member.

**Deputy Emmet Stagg:** Taking 3% off cleaning ladies. It is not fair.

**The Taoiseach:** Just to remind the Deputy, the tax rate used to be 26% after the first £84, so I do not need any lectures from him on how progressive we have made the tax system during the good times.

**Deputy Emmet Stagg:** Grossly unfair.

**The Taoiseach:** The important point is that it will now have to be adapted to the new circumstances in which we find ourselves.

Regarding the Commission on Taxation, which has been mentioned, the Minister for Finance has already indicated in last night's debate that he expected that it will be brought forward in the late summer. I can make the point here that, clearly, whatever taxation decisions are to be

taken in the immediate period ahead, there will be a further consideration of taxation policy arising out of that commission report when it comes before us. The chairman will be in a position to update the Minister verbally in terms of where issues are at the moment.

There is important and comprehensive work being done on a range of areas. It will have a major input into the consideration of tax policy for 2010, 2011, 2012 and on. It does not in any way mitigate against the need to take decisions now regarding the immediate emerging position for this year. The Commission on Taxation will have an important strategic view to put forward in the context of taxation policy.

**Deputy Joan Burton:** That implies that we are discussing levies——

**An Ceann Comhairle:** I must ask Deputy Burton to table questions on any other issues that she wishes to raise to the Minister for Finance.

**Deputy Joan Burton:** ——and increases in excise duty for this supplementary budget and no significant changes in tax structures——

**An Ceann Comhairle:** We cannot have this level of detail concerning a promised supplementary budget on the Order of Business.

**Deputy Joan Burton:** ——because we will not have the commission's report.

**An Ceann Comhairle:** Deputy Burton must resume her seat, as she has contributed twice.

**Deputy Joan Burton:** Are we discussing doubling or trebling the levy?

**The Taoiseach:** Everything is on the table.

**Deputy Joan Burton:** That is clearly what you are discussing.

**An Ceann Comhairle:** If the Deputy wishes to discuss detail, she must table a question to the Minister for Finance.

**The Taoiseach:** Everything is on the table, including the Deputy's proposals.

**Deputy Kathleen Lynch:** It is difficult to get a word in between two heavyweights. While I would not normally get involved in this matter, the country needs someone with vision, not historians, but that is all to be found on the other side of the House.

**An Ceann Comhairle:** The Deputy should ask a question that is in order.

**Deputy Kathleen Lynch:** As we speak, a man called John Scannell is being buried in Cork. This matter relates to legislation. The man spent a year in a coma after being pulled out of a river. Due to severe brain damage, he never regained consciousness. He threw himself into the river because he had been discharged from a psychiatric unit despite the fact that he told those running the unit he was suicidal. Whenever I asked the Minister for Health and Children about the issue, she told me that she would revert to the HSE. As the Ceann Comhairle and I know, John is not the only such person.

**An Ceann Comhairle:** Unfortunately, we cannot go into that now.

**Deputy Kathleen Lynch:** Under the mental health amendment Bill, when will we see some procedure and protocol addressing those who present at psychiatric units declaring their suicidal tendencies? When will the Bill be introduced? It is No. 67 on the list.

**The Taoiseach:** I convey my sympathies to the family on the bereavement and the sad circumstances in which it happened. Regarding the legislation itself, I understand that it should be later this year.

**Deputy Caoimhghín Ó Caoláin:** Given the fact that the Government has admitted that a new supplementary budget is required, presumably including tax increases——

**An Ceann Comhairle:** Do not mind that.

**Deputy Caoimhghín Ó Caoláin:** We must mind it.

**An Ceann Comhairle:** We cannot go into that level of detail on the Order of Business. As I told Deputy Burton, Deputy Ó Caoláin must ask a question that is in order.

**Deputy Billy Timmins:** This is in order.

**Deputy Caoimhghín Ó Caoláin:** When the Ceann Comhairle is finished, he should let me know. Do we anticipate——

**An Ceann Comhairle:** Hold on one second. I can finish this very quickly if the Deputy wants.

**Deputy Caoimhghín Ó Caoláin:** That is the Ceann Comhairle's prerogative.

**An Ceann Comhairle:** As I do not want to do it, Deputy Ó Caoláin should proceed.

**Deputy Enda Kenny:** The Ceann Comhairle's reaction was fast.

**An Ceann Comhairle:** Deputy Ó Caoláin must treat the House with some courtesy.

**Deputy Enda Kenny:** Easy lads.

**Deputy Caoimhghín Ó Caoláin:** I would hope that the House would afford me the same opportunity. As I have stated time after time, I will continue my sentence.

**An Ceann Comhairle:** The Deputy is given more latitude than most.

**Deputy Billy Timmins:** That is true.

**Deputy Caoimhghín Ó Caoláin:** Do we anticipate a Finance Bill to immediately follow on from the supplementary budget signalled this morning for early April? If that is the case, is it also in the Government's consideration that there would be a further social welfare Bill, given the fact that current figures indicate that some 450,000 people may be on the live register by the end of this year? Will the Taoiseach assure the House that any address regarding social welfare needs will not introduce reductions——

**An Ceann Comhairle:** It is not possible to discuss that matter now.

**Deputy Caoimhghín Ó Caoláin:** ——and impose punitive measures on people who are already facing the most difficult circumstances, many of whom are facing impoverishment?

**An Ceann Comhairle:** The Taoiseach, on the finance (No. 2) Bill and the social welfare Bill.

**The Taoiseach:** The Deputy has asked me to anticipate the decision. Obviously, however, the Government has made clear that given the scale of the challenges facing us this year and in future years, the supplementary budget, as part of a wider stabilisation plan, will involve revenue raising issues and expenditure issues to deal with the emerging situation in the public finances. Whatever enactments, resolutions or other measures that are required to put these into effect will be implemented once the decisions are taken.

**Deputy Joe Costello:** While the Ceann Comhairle is eager to proceed to the main business of the House, I hope he will bear with me for a moment while I revisit the issue I raised yesterday in the Dáil. I refer to the Kieran Boylan case, in which a man was caught red-handed while on bail with €1.8 million worth of cocaine and heroin. The case was brought to the courts and the DPP charged him. He dropped the charges——

**An Ceann Comhairle:** I cannot deal with that, Deputy Costello, as I told you and Deputy Rabbitte yesterday.

**Deputy Joe Costello:** I am talking about, and will come to, legislation.

**An Ceann Comhairle:** The Deputy should do so please.

**Deputy Joe Costello:** In 2005, the charges were entered but in 2007, the DPP dropped the charges. In 2007, the DPP reinstated the charges when the issue was raised in this House.

**An Ceann Comhairle:** On legislation, because I ruled this matter out of order yesterday, I cannot rehash yesterday's business, which was ruled out of order.

**Deputy Joe Costello:** In 2008, on the last day of the court, the DPP dropped the charges again.

**An Ceann Comhairle:** The Deputy must ask about legislation.

**Deputy Joe Costello:** This is a matter of extreme serious concern.

**An Ceann Comhairle:** Well then——

**Deputy Joe Costello:** The Taoiseach should take this matter to the Minister for Justice, Equality and Law Reform, who is entitled under the 1974 legislation——

**An Ceann Comhairle:** I cannot have this. I ruled this matter out of order with Deputy Rabbitte yesterday.

**Deputy Joe Costello:** ——to raise an issue of major public concern with the DPP.

**An Ceann Comhairle:** I must be consistent and I rule it out of order again. This is not in order, Deputy Costello. Let us move on.

**Deputy Joe Costello:** With the separation of powers——

**An Ceann Comhairle:** Deputy Costello, this is not in order.

**Deputy Joe Costello:** This is in respect of legislation. That is the first point.

**An Ceann Comhairle:** It is not in order.

**Deputy Joe Costello:** I wish to raise a second item of legislation.

**An Ceann Comhairle:** I must ask the Deputy to resume his seat, unless he has a question that is in order. Does the Deputy have a question that is in order?

**Deputy Joe Costello:** If Members cannot raise in the House issues——

**An Ceann Comhairle:** That is not my fault.

**Deputy Joe Costello:** ——that are extremely important to the public——

**An Ceann Comhairle:** These are the rules. There are other ways of doing it.

**Deputy Joe Costello:** I am raising it on the basis of legislative——

**An Ceann Comhairle:** The Deputy can table the matter for the Adjournment or as a question and I will try to deal with it in that way. However, I cannot deal with it on the Order of Business.

**Deputy Joe Costello:** No, this is not related to the Adjournment.

**An Ceann Comhairle:** Were I to allow every Member such latitude, we would be on the Order of Business from morning until night and no other business would be done. The Deputy must appreciate that. It is not my fault.

**Deputy Joe Costello:** In his reply to me yesterday, the Taoiseach stated that this matter was being dealt with by the Garda Ombudsman Commission.

**An Ceann Comhairle:** No, I am not dealing with this matter any further.

**Deputy Joe Costello:** However, this is not the case.

**An Ceann Comhairle:** Deputy Costello must resume his seat or I will be obliged to ask him to leave this House.

**Deputy Joe Costello:** A Cheann Comhairle——

**An Ceann Comhairle:** He must resume his seat. The Chair is on his feet and the Deputy must resume his seat when the Chair is on his feet.

**Deputy Joe Costello:** I am asking a question in respect of legislation.

**An Ceann Comhairle:** You must resume your seat please.

**Deputy Joe Costello:** I am asking a question in respect of legislation.

**An Ceann Comhairle:** You must resume your seat. The Chair is on his feet and the Deputy must resume his seat now.

**Deputy Joe Costello:** The Taoiseach should answer that question.

**An Ceann Comhairle:** The Deputy must resume his seat.

**Deputy Joe Costello:** I am entitled to ask that question.

**An Ceann Comhairle:** He must resume his seat or I will be obliged to ask him to leave the House. Please resume your seat.

**Deputy Joe Costello:** I am entitled to ask a question that relates to legislation.

**An Ceann Comhairle:** Deputy Costello, this is the last time I will ask you to please resume your seat.

**Deputy Eamon Gilmore:** That is highly unfair, a Cheann Comhairle.

**Deputy Joe Costello:** No, a Cheann Comhairle.

**An Ceann Comhairle:** Then I am sorry but I must ask you to leave the House. Deputy Costello must leave the House.

**Deputy Joe Costello:** The Ceann Comhairle has not given me the opportunity of putting the question.

**An Ceann Comhairle:** The Deputy must leave the House.

**Deputy Joe Costello:** The Ceann Comhairle has not given me the opportunity to put the question.

**An Ceann Comhairle:** The Deputy must leave the House. You failed to resume your seat and are out of order.

**Deputy Joe Costello:** A Cheann Comhairle——

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

**Deputy Joe Costello:** I have a couple of questions on legislation in respect of this matter.

**An Ceann Comhairle:** The Deputy has been asked to leave the house. I cannot continue with you now. You have been asked to leave the House.

**Deputy Joe Costello:** That is very unfair.

**An Ceann Comhairle:** I am sorry, but you have been asked to leave the House. You continued to ask questions when you were ruled out of order. I must ask you to leave the House. I regret it as well but, unfortunately, that is the way it is.

**Deputy Joe Costello:** I do so under much duress from the Chair.

**An Ceann Comhairle:** I understand that. I call Deputy Timmins.

*Deputy Costello withdrew from the Chamber.*

**Deputy Billy Timmins:** I have a couple of questions for the Taoiseach. In an earlier reply, the Taoiseach extolled the virtues of the Government's progressive tax policy. If it is so progressive, why is he about to change it? Should it not be a populist tax policy, rather than a progressive tax policy?

**An Ceann Comhairle:** That is not in order. I am sure Deputy Timmins has a question that is in order.

**Deputy Billy Timmins:** On legislation and, with respect, I have been sitting here for the past two hours waiting to ask a question of the Taoiseach. While I do not see it on the list of Bills, are there proposals to bring forward legislation to permit the running of a second Lisbon referendum? Will the Taoiseach give Members an indication as to when they might see such legislation? With respect to the issue Deputy Gilmore raised earlier, does the Taoiseach agree that the populist utterings of the leader of the Green Party, who is one of the Taoiseach's Ministers——

**An Ceann Comhairle:** The Taoiseach, on the referendum Bill.

**Deputy Billy Timmins:** ——gives rise to confusion in respect of the issues at stake in this regard? Does he agree that if Ireland were to withdraw from the European Defence Agency——

**An Ceann Comhairle:** The Taoiseach, on the referendum Bill.

**Deputy Billy Timmins:** ——it would result in Ireland paying more for equipment——

**An Ceann Comhairle:** The Taoiseach, on the referendum Bill. I do not know what is wrong with you today.

**Deputy Billy Timmins:** ——having a less efficient force and less influence on the armaments industry in Europe?

**An Ceann Comhairle:** The Taoiseach, on the referendum Bill.

**Deputy Billy Timmins:** It is important that the Government should deal with the issue raised by the Minister for the Environment, Heritage and Local Government, Deputy Gormley. It was pure populism that creates——

**An Ceann Comhairle:** The Deputy saw what happened to Deputy Costello. Let us not have a repetition.

**Deputy Billy Timmins:** ——difficulty for all those who wish to see the Lisbon treaty passed.

**The Taoiseach:** In respect of the referendum Bill, it can be considered only on the basis of the work that is currently being finalised to the satisfaction of everyone, including Ireland, at European Council level.

**Deputy Billy Timmins:** Will the Taoiseach indicate when that might be?

**The Taoiseach:** Not yet.

**Deputy Thomas P. Broughan:** I have two brief questions to the Taoiseach. First, in respect of SR Technics, when will the Tánaiste or the Minister of State, Deputy Kelleher, be in a position to come before the House to provide Members with an update on the present status of the efforts to save the 1,200 jobs?

**An Ceann Comhairle:** The Deputy has been allowed to raise this matter on the Adjournment. It is not in order on the Order of Business.

**Deputy Thomas P. Broughan:** The Tánaiste kindly met the Labour Party Deputies last week——

**An Ceann Comhairle:** The Deputy was allowed to raise the matter on the Adjournment and cannot raise it on the Order of Business.

**Deputy Thomas P. Broughan:** ——and gave an undertaking that she would come back to them with an update on the present status.

**An Ceann Comhairle:** The Deputy must ask a question.

**Deputy Thomas P. Broughan:** Will the Taoiseach confirm that all State agencies, including the Dublin Airport Authority, are working flat out——

**An Ceann Comhairle:** You cannot go into that now.

**Deputy Thomas P. Broughan:** ——to save those jobs? That is my first question. My second question——

**An Ceann Comhairle:** Deputy Broughan must ask a question that is in order.

**Deputy Thomas P. Broughan:** ——pertains to the Road Traffic and Transport Bill. I note that despite the forthcoming mini-budget etc, there still will be 20 Ministers of State. Many citizens think that we could get by with perhaps six or seven——

**An Ceann Comhairle:** The Taoiseach, on the Road Traffic and Transport Bill.

**Deputy Thomas P. Broughan:** The Minister of State with responsibility for transport is present. He has been working for eight months on a Bill, during which time road transport has remained in a poor state.

**An Ceann Comhairle:** The Taoiseach, on the Road Traffic and Transport Bill.

**Deputy Thomas P. Broughan:** When will Members have sight of the Road Traffic and Transport Bill? I have asked two questions of the Taoiseach.

**An Ceann Comhairle:** The Taoiseach, on the Road Traffic and Transport Bill. The first item was out of order.

**The Taoiseach:** I understand it will be during this session.

**Deputy Thomas P. Broughan:** And on the first item?

**The Taoiseach:** Work continues.

**Deputy Pádraic McCormack:** Deputy Costello has been asked to leave the House. Where now stands the Housing (Miscellaneous Provisions) Bill? It has been promised in every session since 2007.

**The Taoiseach:** I understand it is to be taken tomorrow.

**Deputy Pádraic McCormack:** Very good. Will it include a provision to allow people living in apartments to buy out their apartments?

**An Ceann Comhairle:** Content would not be in order, unfortunately.

**Deputy Pádraic McCormack:** I simply want to find out.

**An Ceann Comhairle:** While I accept that, this is not the way to so do, as the Deputy knows that.

**The Taoiseach:** A cursory reading of the Bill might assist.

**Deputy Pádraic McCormack:** Very good. I will do that.

**Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Bill 2009:  
Second Stage (Resumed).**

The following motion was moved by the Minister for Finance, Deputy Brian Lenihan, on Tuesday, 3 March 2009:

That the Bill be now read a Second Time.

Debate resumed on amendment No. 1: To delete all words after “That” and substitute the following:

“Dáil Éireann declines to give this Bill a second reading because:

I. the Government’s recapitalisation strategy for AIB and Bank of Ireland has already been dismissed by the financial markets as lacking in credibility,

II. the Government has refused to provide an assessment of the superior ‘Good Bank’ recapitalisation model put forward by Fine Gael Finance Spokesman Richard Bruton TD, and

III. the Government has not imposed an income cap on Bank Executives and Dáil Éireann insists on new Boards, new Executives, new Auditors in those banks that are to receive recapitalisation from the State.”.

**Deputy James Bannon:** When the debate adjourned last night, I was speaking of the Government’s complete loss of credibility. Moreover, we have only reached the starters on the menu, as the main course of the great Cowen-Lenihan-Coughlan depression of the new millennium’s first decade has yet to come. It has been caused by a Fianna Fáil-led government that has been in power for nearly 20 of the past 22 years.

In the last few years of that time, the Government has been squandering and wasting the years of plenty, to be followed now by what looks like years of famine. What cheer do the good people of Ireland have to which to look forward? Basically none, but rather a summer of discontent that will come to its natural conclusion at the polls sooner rather than later. The first test will be on 5 June, when Fianna Fáil and the Green Party will be wiped out in the local and European elections.

**Deputy Enda Kenny:** Hear, hear.

**Deputy James Bannon:** The Taoiseach owes the people of Ireland an apology for the role he played as Minister for Finance in bringing this country to its knees. In a ghastly mirror image of the Irish situation, the British Prime Minister is being held to account for his misguided strategies as Chancellor of the Exchequer and, like the Irish people, the British now are bearing the brunt of this mismanagement. At least the Prime Minister’s colleagues have the decency to ask him to apologise. Can Members expect the same from Fianna Fáil? I think

not, particularly in light of the standing ovation they gave to him and to the Minister for Finance, Deputy Brian Lenihan, for his disastrous budget of 2009.

Members have seen how President Barack Obama's presumed feelings for a fellow Offaly man were slow to translate into an invitation to the White House for St. Patrick's Day. The fear of contamination is real and the perceived carrier of the virus may no longer be top of the invitation list in certain circles. After all, with a popularity rating of a mere 10% for his party in his own country, why should such a leader be particularly welcome elsewhere?

Had the wealth of the Celtic tiger, which was in the hands of the Fianna Fáil Government, been properly managed, Ireland would have been in a strong position to cope with the fall-out from global recession. However, as Members have seen repeatedly, as one Government fiasco after another is highlighted, the money was squandered and we were left unprepared and unable to withstand the pressures of the global downturn. The Government is in meltdown, unable to cope with the insolvency crisis in the banks, with 90% of deposits leveraged to the building industry. While the banks are bailed out, people are losing their jobs at a unprecedented level and low and middle-income earners are forced into insolvency. The collapse of lending standards has left thousands of young people with enormous personal debt. In some cases, their earnings are only a portion of their mortgage liabilities.

The wholesale destruction of our economic future is the outcome of the greed of chief executive officers in the corporate, banking, brokerage and real estate sectors. Primarily, however, this destruction is the result of actions taken by the Government. As Minister for Finance, the Taoiseach, in particular, failed to take the radical decisions necessary to protect our people and our economy. Fianna Fáil and the Green Party were so unprepared that they sat back and denied there was a recession. Meanwhile, the recession they failed to acknowledge continues to worsen while the Government frantically plays catch-up at the expense of the taxpayer and the public service. With the live register increasing to 330,000 and the prospect of it reaching 400,000 by the end of the year, the future is bleak. I meet frightened people on a daily basis who have been made redundant and are now falling into mortgage arrears. I urge the banks to work with home owners who are left unable to meet their mortgage commitments. The banks must take a more humane approach and forget about repossession orders or legal proceedings.

Farmers and businesses have been plunged into a cash-flow crisis because of the actions of the Government. It makes no sense for the Minister for Agriculture, Fisheries and Food to deny farmers what they are owed at a time when the Government is ploughing €7 billion into the banks. The reality is that the Government was and always will be in bed with the banks, property developers and construction industry. Ordinary people are left to clear up the mess, while corruption among the wealthy is rife.

It was reported in Monday's newspapers that the Minister for Finance, Deputy Brian Lenihan, remarked at the weekend that if the Government had foreseen the economic downturn it would have acted differently, but there is no point "in beating ourselves up about it". Neither the Minister nor his Cabinet colleagues are "beating themselves up". Instead, they are targeting the young, the old and the most vulnerable in order to make good their mismanagement and lack of foresight. Why did the Government not foresee the downturn? We on this side of the House saw what was happening and predicted the consequences of the Government's mismanagement of the economy in recent years. How are we to have confidence in a Government that is prepared to dip its hands into the money earmarked for public sector pensions, education, services for people with special needs, health, medical cards for the over 70s and so on? In short, the Government has struck anywhere it senses vulnerability. Meanwhile, the wealthy are protected and the bankers who caused the collapse are rewarded with obscene pay-offs and bonuses.

[Deputy James Bannon.]

The Government caused the downturn in public finances. It turned a blind eye to excesses in the public sector such as those associated with the Health Service Executive. It also ignored the excesses among its own ranks, such as the appointment of additional Ministers of State and the establishment of new Oireachtas committees. We had overpaid chiefs at the expense of underpaid Indians. The February figures show an escalation in the deterioration of the Exchequer. The Government is now floundering in its response to the banking crisis.

Retrospectively bringing in legislation to deal with the raiding of the public service pension fund is only a small reaction to the problems that beset the country. The creeping and insidious targeting of lower and middle-income earners by means of an income levy, pensions levy and now a pending income tax hike is nothing less than immoral. I call on the Minister for Finance and the Taoiseach to lay off those least able to cope with financial demands and finally, once and for all, to target those at the upper end of the economy who creamed off the wealth during the Celtic tiger years. What justification is there for hitting those who never saw any gain from the boom years but are now expected to pick up the tab for the Government's mistakes?

This grossly unfair Bill brings the House into disrepute. It is a retrospective move to legalise extortion from the public sector. Fine Gael will oppose it in the House today. The Government is attacking the most vulnerable in our society, including the elderly and the young. Its behaviour in the two years since it was re-elected has been shameful. We are coping not only with a recession but with a full-blown depression. This has arisen because of the behaviour of Fianna Fáil, which has been in government for 20 of the past 22 years. We will remind the public at every opportunity of this reality.

**Deputy Frank Fahey:** I propose to share time with Deputy Kennedy.

**Acting Chairman (Deputy Noel O'Flynn):** Is that agreed? Agreed.

**Deputy Frank Fahey:** I welcome this carefully constructed legislation which will have a significant impact in supporting and assisting the banking sector. A properly functioning banking system is vital for the economy. I welcome the approach we saw from Fine Gael and Labour this morning. This represents a far more responsible approach to the crisis in which we find ourselves. Therefore, it is disappointing to hear Deputy Bannon say that Fine Gael will oppose the Bill. I simply cannot understand this.

This legislation enables the National Pensions Reserve Fund to invest in Bank of Ireland and Allied Irish Banks under a commercial investment mandate. It is a good deal for the Exchequer. Contrary to Deputy Bannon's contention, we are not ploughing money into the banks. The National Pensions Reserve Fund is making a commercial investment in the two banks.

**Deputy James Bannon:** The ten members of the golden circle are being let off the hook.

**Acting Chairman:** Deputy Fahey should be allowed to continue without interruption.

**Deputy Frank Fahey:** The State will receive an 8% dividend on that investment. In addition, the State is allowed, through the purchase of preference shares, to appoint 25% of the directors and to have 25% of the voting rights. The National Pensions Reserve Fund is getting a much better return for its investment in the two banks than it would obtain from any investment anywhere in the world.

The 2000 Act provided for a minimum payment of 1% of GNP into this fund from the Exchequer in each year from 2001 to 2055. The objective of this was to meet, as far as possible,

the cost to the Exchequer of social welfare and public pensions from 2025 onward. It is important to emphasise that the State will continue to invest that €1 billion per annum during the course of this crisis. Of the €7 billion total, the National Pensions Reserve Fund will invest €4 billion in Bank of Ireland and Allied Irish Banks. Another €3 million, €1.6 million this year, which is provided for in the recent budget, and €1.4 million next year will be invested by the Exchequer. The Exchequer will continue the key principle, even in these tough times, that we will continue to put away 1% of GNP, which was the original intention of the Bill. I refer to the absolute importance of this reserve fund, which amounted to €16 billion at the end of last year. At its highest point, it was some €19 billion. It is probably down somewhat now.

**Deputy James Bannon:** It is down to €11.9 billion.

**Acting Chairman:** No one interrupted Deputy Bannon.

**Deputy Frank Fahey:** It amounted to €16 billion at the end of the year and it is vitally important that the Government retains the principle in good times and in bad times. I was concerned by proposals from the Labour Party, whereby the fund would be raided in good times to invest in capital projects.

**Deputy Joan Burton:** We know that Deputy Fahey invested in houses in Florida. He did not invest in Ireland. We are well aware of that, he had other countries to put his investments in.

**Deputy Frank Fahey:** That is an unfortunate personal attack.

**Deputy Joan Burton:** Deputy Fahey can lecture us on investment in public transport.

**Deputy Frank Fahey:** In December 2004, Deputy Burton stated:

And we have the money. Once again, this year, the General Government Balance is in surplus. There is scope for judicious exchequer borrowing if required, and there are extensive cash balances in the national pension reserve fund. All that is needed is some imagination and some drive.

**Deputy Joan Burton:** Absolutely. That can be invested in public transport. That is how Fianna Fáil made a mess of it. It gave money to its cronies, not to public investment. Crony capitalism.

**Deputy Frank Fahey:** This is hurtful for Deputy Burton but I have a question for her.

**Acting Chairman:** I ask Deputy Burton to observe the rules of their House. Last week she had the protection of the Chair for comments that were hurled across the floor.

**Deputy James Bannon:** She is only telling the truth.

**Acting Chairman:** I am surprised at Deputy Bannon. I want to continue this debate by allowing Deputies to speak without interruption. Members have had an opportunity to speak or will have an opportunity in the future.

**Deputy Ulick Burke:** Deputy Fahey is being provocative.

**Deputy Frank Fahey:** I have a question for Deputy Burton that she can answer in her own time. Does she now think that it would have been a good idea to raid the National Pensions Reserve Fund when the advice of the independent National Treasury Management Agency

[Deputy Frank Fahey.]

was that it was not in the best interests of the fund and that it did not adhere to the principles on which the agency was set up to invest money in any area other than——

**Deputy Joan Burton:** It was raided for at the Galway tent, which was wrong.

**Deputy Frank Fahey:** I know I am touching a nervous vein.

**Deputy Joan Burton:** Deputy Fahey was one of the chief boomers at the Galway tent. More than most, Deputy Fahey has personal responsibility.

**Deputy Frank Fahey:** The reality is that the Labour Party, and particularly Deputy Burton, wanted to raid this fund against the advice of the National Treasury Management Agency at a time when we were spending major amounts of money in this country——

**Deputy Joan Burton:** On builders and developers, the friends of Deputy Fahey.

**Deputy Frank Fahey:** It is just as well that those kinds of policies were not implemented and the Government did not give in to Deputy Burton or to the Labour Party when they were suggesting irresponsible policy at that time.

**Deputy Joan Burton:** We stand over every word.

**Deputy Frank Fahey:** While the investment value of the fund is going down, I have no doubt that it will increase again.

**Deputy Joan Burton:** It has lost more than one third.

**Deputy Frank Fahey:** I have no doubt that the investment, the first €4 billion invested in the two main banks, will have a significant impact in ensuring that we have a good banking sector in this country. While there are no proposals to put more money in at this time, and we hope there will not be, this is enabling legislation that allows for further investment in the banks if necessary.

**Deputy Ulick Burke:** It is a failure.

**Deputy Frank Fahey:** It also allows for the setting up of a company or body corporate as an investment vehicle. This will allow the commission the flexibility to invest through the investment vehicle where it is more efficient than investing directly. That is an important and significant amendment that will allow for future requirements in respect of liabilities that may have to be taken over as we try to correct the difficulties in the banking sector.

The other amendment in this legislation, dealing with contracts for difference, is also important.

**Deputy Joan Burton:** Deputy Fahey should tell us about that one.

**Deputy Frank Fahey:** It requires the disclosure of positions in financial instruments. As we have seen recently it is vital that investors with a significant investment in particular companies or banks should declare them and these should be known to the markets. Damage was done in that respect and it should not be repeated.

I wholeheartedly support this Bill and I hope the Labour Party, in becoming a more responsible party than it was in the past, will recognise the folly of its proposals when it tried to raid the fund to increase public expenditure when it was not in the best interests of the fund.

**Acting Chairman:** I call Deputy Kennedy and ask him to address all his remarks to the Chair. I ask other Members to desist from interfering or interrupting.

**Deputy Michael Kennedy:** This is important and necessary legislation. Anyone who suggests we should allow bank failures in this country is living in cloud cuckoo land. The savings of our pensioners, the money of small and big businesses, and the money of local authorities, etc., demand that we have a proper banking system in the national interest and for economic reasons. Anyone who suggests the Government had an alternative is not living in the real world. Taking away the small number of detractors in the Labour Party and Fine Gael, the vast majority of business people and the public recognise that the actions of the Government with regard to the banking system, guaranteeing deposits last September and investing in Allied Irish Bank and Bank of Ireland, are necessary.

I reject criticism constantly levelled at the Government that this is an Irish problem. It is a worldwide problem. We see media reports of the meeting between President Obama and Prime Minister Gordon Brown. They issued a joint statement referring to the two important issues. They are working towards a new global regulatory system for banks and a fiscal stimulus package. Mr. Gordon Brown is quoted as saying that he regards the battle against the global recession to be greater than fighting fascism throughout Europe in the 1940s. That puts it into perspective. We are not alone in this, countries such as Germany, France, Spain, Belgium and the UK have the same problems. This House should be big enough to recognise that and to stop petty bickering with regard to our national financial position. I understand the members of the European Central Bank will meet on Thursday to revise the forecast it made less than two months ago. The EU Commission revises, almost on a daily basis, where the world and European economy is going. To suggest that this is purely an Irish problem is to live in cloud cuckoo land.

The US, having put €750 billion into the banking system, last week had to put a further €40 billion into Citibank, and only yesterday it had to put another €40 billion into AIG, a company which has had to be funded for the third time. That puts everything into perspective, as this occurred having let Lehman Brothers collapse in the hope that it would resolve all the toxic debt problems.

Last week Mr. Jean-Claude Trichet in Dublin spoke highly of what the Irish Government did and how it was resolving its problems. Last week the Government put a €4 billion bond in place over three years. This was completed at a competitive rate and without any major difficulties, which speaks volumes about the confidence in the Irish economy. We should not lose sight of that fact. Anything people say to detract from our country's finances should be put in the context of how international investors and funders see us. We are at a very crucial time and making disparaging remarks about our banking system or otherwise is not in the national interest.

When Fine Gael and the Labour Party were in Government in the mid 1980s, they had to bail out a bank. We all recall that a company called the Insurance Corporation of Ireland got into major difficulties. I was fairly familiar with the chairman because I worked in the insurance business. It was of paramount importance that the company be saved because it would bring down AIB. That cost the State in the order of £450 million and nobody in their right mind would suggest that AIB in the 1980s should have been let go to the wall. Equally, nobody today should accept that the Government should sit idle and not make every effort to resolve our banking difficulties. This Bill is about resolving difficulties that both AIB and Bank of Ireland have.

I would have thought that Labour and Fine Gael might have recognised that they had the same problem as today's Government in terms of bailing out banks. The day for cheap political

[Deputy Michael Kennedy.]

posturing is over when we are talking about the national finances and our economy in general. I want to put to bed once and for all these smears that any Fianna Fáil Minister was involved with the Anglo Irish Bank fiasco. The Minister for Transport, Deputy Noel Dempsey, summed it up pretty well at the weekend when he made his remarks. We on this side of the House abhor the actions of certain bankers for their own personal gain which risk the security and stabilisation of the banking institutions. The Opposition should accept that. Smearing Members across this House does nobody any good. International investors and bankers are looking at us and we must move on.

I send my condolences to Deputy Bruton, whose father died over the weekend. I hope he and Deputy Burton will have a good look at our country's finances and that having got all the information, they will come to accept that we are at a very serious point in time regarding our finances. I sincerely hope that having studied those figures, they will see the need for passing the Bill today.

I cannot tell them what to do but I exhort them, in the national interest, to consider the bigger picture and think outside the box. This country needs a stable banking system and does not need people talking it down. It Fine Gael and Labour back this Bill it would show that they are responsible parties which have the country's interests at heart. To Deputy Burton in particular I suggest that we move on and take the actions required by the country in the national interest.

We are getting a good investment with this Bill in terms of what is proposed. We will have €560 million in income deriving from this investment in the two banks. That is twice, at 8%, what one would get in the open market. The €560 million will be put to good use. As Deputy Fahey stated on the National Pensions Reserve Fund, the fact that it was in place showed foresight on the part of previous Fianna Fáil-led Governments.

On the provisions for bank lending, the 10% provision for banks to lend to business is essential, and the quicker we pass the legislation and get the €4 billion into the system, the better it will be. The banks will do what we want and what the country — and specifically business — needs in lending money. The same is true of the 30% provision for first-time buyers.

**Deputy Ulick Burke:** I wish to share time with Deputy Seymour Crawford.

**Acting Chairman:** Is that agreed? Agreed.

**Deputy Ulick Burke:** Last evening the Minister for Finance, Deputy Brian Lenihan, introduced Second Stage of this Bill by stating that the Bill was needed “to allow the State, through the National Pensions Reserve Fund, to invest in Allied Irish Bank and the Bank of Ireland under the terms of the recapitalisation programme announced on 11 February.” One of the first reasons outlined was that the State would not let any relevant financial institution fail, with a second reason being that any State involvement in financial institutions would protect the interests of the taxpayer.

We have seen everything this Government, the Taoiseach and the Minister for Finance has attempted to do. We are now told there will be a fifth attempt at rectifying the country's financial position, and we have been promised a budget in the first week of April, as announced by the Taoiseach this morning. Every attempt made until now has obviously failed. It is not just a matter of anybody in this House saying that it has failed, as the international markets have clearly outlined through what has happened to shares and so on, that there is no confidence in what the Government and Minister for Finance has done to date.

The Minister for Finance stated that “through the bank guarantee scheme we created a space to assess for further measures.” How much space does the Government need before it takes realistic action to correct the position? We are now told that we must wait until April for a corrective budget but only a few days ago the Tánaiste said the finances were fine and under control. A couple of days later we are told we need €5.3 billion. We also need a mini budget to rectify this situation. All of this clearly indicates that nobody in the Government or in the Department of Finance has been realistic or capable of correcting the situation. When difficulties arose in recent decades, we had good advisers and prudent people in the Department of Finance who were capable of advising the then Government and Minister for Finance of the difficulties that might arise and how to correct them. I must say, without fear of contradiction, that the personnel in the Department of Finance have failed during the past 12 years when there was a boom to indicate to the Government of the day and to Ministers that they should rein in on their policies that resulted in the wastage of public finances on various schemes. They never warned the public at large or anybody else, although I am not sure whether they warned the Minister for Finance or the Government, about what approach that was needed. They had not recognised the approach that was needed prior to the last general election when the then Government said that its members were the only people who could handle the economy. The economy has been in autopilot mode for the past six or eight years. Regrettably, confidence in the personnel in the Department of Finance must be at an all time low, not only among the public but also among people in Europe.

What was needed was a degree of trust. From mid-summer 2008 until two days ago the banks, particularly AIB and the Bank of Ireland, said that everything was fine and that they had the resources and capacity to lend, but nothing could have been further from the truth. The revelation in recent days that AIB handed out loans to the value of €5.4 billion to 30 developers shows that it, like Anglo Irish Bank, was involved in the same routine. It was competing with a discredited bank and it also engaged in such dealings. I am sure AIB will reveal its difficulties in due course. The only thing Mr. Sheehy could do in the context of declaring these loans was to say he regretted lending to those 30 people. Regret was the sentiment he expressed. This morning we heard another chairperson of the board of a financial institution say she was sorry. It was the first such effort, but pressure was brought to bear on her to make that apology for that bank’s dealings.

The AIB has written off €2.9 billion in loans. How could anybody have confidence that the proposal before us will be successful? The international markets have declared this recapitalisation scheme for the banks a failure given that the value of shares in AIB and Bank of Ireland are insignificant and have fallen so low that they have nearly gone off the horizon.

One of the many conditions of this recapitalisation programme is that the banks would provide funding for small businesses to continue in operation. However, that is far from being the case at the coalface. The Bank of Ireland and Allied Irish Banks have committed to public campaigns to actively promote small businesses and mortgage lending at competitive rates to increase transparency about the criteria to be met. When the Minister announced the recapitalisation programme, that was the stated commitment given by AIB and the Bank of Ireland, but nothing could be further from the truth. They have contracted the resources being made available to small businesses. Many ordinary small businesses throughout the country are on their knees begging those lending institutions, Bank of Ireland and AIB, to provide even overdraft facilities to allow them to continue in operation not to mention financing prospective projects. These are the people who are providing employment and likely to retain workers. Unlike many international companies that have relocated — which were supported to a large extent by taxpayers — resulting in people losing their jobs and having to seek employment

[Deputy Ulick Burke.]

overseas, these small businesses will remain in this country. If there is not a sea change in the attitude of banks to lending proposals at local level, serious problems will arise.

Many small businesses have closed and the towns in which they were located are becoming ghost towns. Reference was made to such places in County Louth, close to the Border. That trend is not necessarily unique to that area. It is happening throughout the country. I regret there is a commitment in this scheme to provide additional finances for Enterprise Ireland and IDA. There is a need for the Minister and the Government to reassess the cost of each job created by those institutions because something has gone out of control within those organisations in terms of what they are trying to create.

**Deputy Seymour Crawford:** I thank my colleague for sharing time and welcome the opportunity to speak on this important Bill. There is an urgent need to bring some stability to the main banks and it is clear that can only be done through recapitalisation. The Minister, Deputy Brian Lenihan, stated in his contribution this will ensure that the Bank of Ireland and AIB will be in a position to provide necessary commercial credit facilities to their customers and the general economy. He also advised that the two banks are committed to increasing the lending capacity to small and medium-sized enterprises by 10% and to provide an additional 30% capital to first-time buyers. I hope that on this occasion those promises are delivered on because, as the last speaker said, they were made previously and nothing happened. In fact, things got much tighter. The Government promised this previously and it must keep its promise this time.

Fine Gael has tried to be as supportive as possible on all occasions when positive proposals were put forward by Government to save the situation or improve it as far as the banking structures are concerned, but the fact that in this proposal there is still no effort to deal with the serious bad debt situation or with the level of income earned by bank executives and the position of board members or auditors leaves much to be desired. When one hears a bank executive say that he will have to do with a salary of less than €2 million, one must ask what it is all about. These mega figures create huge dissatisfaction among the general public, the public servants who are having levies imposed and those who are losing their jobs. I have no doubt that must be dealt with.

In the past 12 months Members of the Dáil from all parties were advised through the committee structure that all banks were in a secure and safe position, but we know now that was not true. We had a Financial Regulator who clearly did not do the job that we thought he was supposed to do and yet on his retirement he got a package of €630,000 plus a generous pension. Where were the Central Bank and the Director of Corporate Enforcement during all this period? I welcome that Anglo Irish Bank is being investigated and given the legal situation, I do not want to make any further comment. However, it is impossible to understand how all these different things went on under so-called regulation. Regulators were appointed by this House as independent regulators and were supposed to do a job as our watchdogs.

It is clear a small number of inner circle people could do what they wanted, when they wanted as has now been clearly shown by what happened in Anglo Irish Bank and between that bank and other lending institutions. The chairman of Anglo Irish Bank was able to transfer debts of great significance from his own bank to another for the end of the financial reporting year on not one year but a number of years. Questions about the entire regulatory system were never asked. Who knew what was happening and why was a blind eye turned to all these structures?

1 o'clock

Equally one must question how ten individuals could be supported in borrowing €30 million each to buy shares in the same bank. I welcome that some effort is being made eventually to recapitalise and stabilise our two main banks but clearly this effort without some plan for the future will give little hope to those who are unemployed or in the process of losing their jobs. This is where the Government has fallen down dramatically in recent times. It is not giving any hope for structures to lead us out of this.

The fact that 26,000 more people joined the dole queue during the month of February adds at least another €500 million charge to the economy and this is the why Fine Gael is asking the Government to consider seriously ways and means of supporting employment or even, dare we say it, creating some. As the Taoiseach has stated, one person on social welfare having lost his or job costs a total of €20,000 on an annualised basis between social welfare payments and taxes lost.

It is clear that even in dire economic times it is good business to spend money on job creation, including through PRSI reductions for increased employment or low interest loans towards job creation. The Government must reconsider the use of FÁS schemes and other means of even giving part-time employment so that much-needed community structures can be improved and maintained.

One Government supporter said to me today that there is now a budget every week. I would say to the Minister it is vital that this capitalisation programme, which I am sure will be voted through in the next few days, not only works but is also backed up by a comprehensive new budget on the first week in April that not only creates stability but also provides clear direction and leadership towards better employment structures and growth for the next three years. We will not take ourselves out of this mess through charges and taxes alone without some leadership and job creation leading towards much needed exports.

I remember the early 1960s and the early 1980s, but never anything like this. There is a real need for leadership at this point in time but we are not getting it. We are getting desperation. The Taoiseach is spelling out the real difficulties, but is not coming forward with any plan. If we do not plan for the future we are heading for disaster. It is as simple as that. We on this side of the House want to see the economy starting to turn the corner. We want to see some hope.

We do not have the escape valves that we had in the 1980s when our young people were able to find jobs elsewhere. I have heard of young people who went to Australia, the United States and other places having to come back because there are no opportunities there either. I know we are in a global recession, but we are also in a recession created by ourselves to a large degree. We must take responsibility for that. The Minister must take responsibility for it.

Over the past five years Deputy Bruton has been warning that these difficulties were coming. The former Taoiseach boasted about us building 95,000 houses per year and comparing it with the UK and other countries with greater populations. That property bubble has burst. Allied Irish Bank, Bank of Ireland, Anglo Irish Bank and others gave out colossal loans that were off the wall to individuals for the purpose of buying properties in this city and throughout the country. When we hear of bankers arriving at people's houses at 9 p.m. to shove massive sums of money into their hands to buy property, we know something is wrong. We did not give the leadership to call a halt to the lunacy at that time. The ordinary people are now paying for this through income and pension levies, and now the Minister says that they will pay higher taxes from 1 April. I wish the Minister well in what he is trying to do. However, I say this to him clearly. For God's sake create a plan that will give us some hope.

**Deputy Bobby Aylward:** The convulsions and the relentless turmoil in the banking system in recent months have left everyone reeling. Confidence has been very badly eroded and people are genuinely apprehensive about their capacity to make any real progress or even to continue to subsist in these dire economic times. The ordinary man and woman in the street do not claim to comprehend the very complex nature of how banks and finance operate or what exactly has caused these grave problems. It is an extraordinary maze and events have moved at an alarming pace to compound the problems which are emerging in the economy.

However, the ordinary man and woman understand that to a very great extent money indeed makes the world go around and that there is an important co-dependence between the real economy and the financial institutions. For those who rely on a steady flow of money and credit — and that is pretty much everybody in this day and age — the continued availability of money is crucial if the economy is to function actively and productively. It is also imperative that the source of that money is reliable and is not subject to any unnecessary interruption. Clearly, when the flow of money dries up, serious inter-related problems begin to emerge. These problems escalate and feed off one another. They interact and a bad situation is compounded even further.

There is a very clear synergy between the ability to acquire money or credit and general buoyancy in the economy. The regular, uninterrupted flow of money is the lifeblood of trade and commerce, and the lifeline of industry and of business. It is the indispensable lifeblood which sustains living standards for everyone. The consumer, the farmer, the businessman, the professional, the hotelier, the tradesman and the technician all bear the brunt when money becomes scarce. It is the typical domino effect that permeates into every single facet of the economy and, as we all know, it has devastating human affects in terms of the consequences it visits on quality of life and expectations. It becomes the proverbial vicious cycle into which everyone is sucked.

Of course, we are not unique here in Ireland. We have not been insulated against the forces of the international crisis which is gripping the world at the moment. As an open economy, Ireland's position is acute in the context of exposure to the effects of the global recession. We have experienced a truly terrible confluence of events and all of these, however remote they may seem, are hurting everybody on an economic, social and human level.

While we are striving to readjust our spending priorities and as we get used to a change in our lifestyle and living standards, it is imperative the Government acts prudently and responsibly. The very stability and future of our economy is at stake and the Government is forced to take the drastic measures which are vital if we are to sustain our brittle economy and recover over time from this biting recession.

Irrespective of whether we like it, a healthy banking system is integral to our economy and we have to ensure viability and stability is restored and maintained. We all know that money has a velocity of its own. The regular availability of money and of credit lines keep that momentum going in any economy and allows it to expand and prosper. In recent months, international and domestic circumstances have conspired to hamper the ready availability of money and this, in turn, has had a very dangerous and tangible impact on all our activity and our ability to do business. Individuals and businesses alike have been unable to secure credit, loans and mortgages. All of this, in turn, creates a huge impediment to normal business and enterprise.

I am aware of numerous cases where businesses have been forced to let staff go or reduce their number of working days because customers are unable to get the necessary finance to buy products, merchandise and goods. Naturally, this in turn diminishes further the various tax receipts to the State as business is stifled and depressed. In addition, it puts an added burden on the State in terms of more social welfare payments to those who lose their jobs as a result

of business inertia. Manufacturers, wholesalers and distributors cannot engage in active business and so the awful cycle continues and spirals, and does untold damage to confidence and morale. All of this has a suffocating affect on the economy and stagnation inevitably sets in unless some sort of remedial action is taken to reverse the trend.

All the banks have taken a very heavy hit in the past six months or more, and we have all suffered the consequences to a greater or lesser extent. Trade, industry and commerce were all finding it very difficult to secure credit lines and loans anywhere and this has a crippling affect which trickles throughout the entire economy. The stark reality is that the whole economy could become paralysed if money and credit dry up. This is precisely why it has been necessary to recapitalise the two major banks in this country. These two banks represent a pivotal component in this economy and each of them is of enormous strategic importance in the effective functioning of the economy.

I am fully supportive of the Government's initiative to recapitalise these banks and to inject sufficient funds into each of them to ensure they can resume lending to their customers and to business generally. I fully support the Bill before the House. It enables the Minister for Finance to utilise moneys from the National Pensions Reserve Fund and to invest that money in the two major banks, each of which is integral to the country's financial and economic activities.

Naturally, we would all much prefer if this course of action was not necessary. Needs must, however, and I believe the Government has been absolutely correct in its approach to the recapitalisation issue, and that it is the right corrective action in this very hostile climate. In essence, the Government will inject €3.5 billion into Allied Irish Banks and the Bank of Ireland and the practical effect is that it will increase the level of capital or cash reserves to absorb any future losses on loans. It is the Government's intention to use €4 billion from the National Pensions Reserve Fund, which was valued at €16.4 billion at the end of last year. As the global economy crisis continues to worsen, losses on loans are expected to spiral and institutions have been unable to source investments privately as a result of the international banking crisis. Cash injections into the banks are necessary to shore up capital in anticipation of these heavy losses.

The Government proposes to take preference shares in the banks in return for the €7 billion recapitalisation. This means the Government will be paid dividends ahead of ordinary shareholders despite all the banks having cancelled dividends to shore up capital in expectation of severe loan losses. The Government intends to charge interest of 8% on the investment. This "coupon" effectively means that the State will receive €560 million in yearly payments from the two banks in question. This represents a good return on the State's investment in the banks. In the current negative environment, the upside potential is solid and the investment is guaranteed.

I commend the Minister on his action in recapitalising the banks for the future of the economy and people of this country.

**Minister for Finance (Deputy Brian Lenihan):** I thank the Deputies for their contributions. I am happy to clarify a number of issues that were raised during the debate.

A number of issues more relevant to the recapitalisation strategy have been raised in the proposed amendment to the motion for a Second Reading. I do not accept the case for the amendment. Indeed, in regard to the Fine Gael Party, I am disappointed it tabled a motion in the House suggesting that the Government recapitalisation strategy for Allied Irish Banks and Bank of Ireland has already been dismissed by the financial markets as lacking in credibility.

These institutions, which are our two largest banks, have substantial numbers of employees throughout Ireland. At all stages in the different debates we have had on banking, it has been made clear that the security and stability of these institutions is something which all sides of

[Deputy Brian Lenihan.]

the House were anxious to see assured. It is disappointing that the main Opposition party, in tabling an amendment to the Bill, decided it knows what the market knows is something I do not know.

We all need to act in a responsible manner in regard to our banking system. We all need to recognise and we all accept, certainly in this House, that great mistakes were made and that many of those who made mistakes must take responsibility for that. Equally, however, the whole purpose of the recapitalisation strategy was to give confidence to these two institutions through a substantial investment by the State which would assure those investors who look at these institutions throughout the world that the State was prepared to put money on the line to ensure the survival and viability of these institutions. It ill becomes the main Opposition party in the State in regard to these two institutions to table a motion in Dáil Éireann stating that the recapitalisation strategy has been dismissed by financial markets as lacking in credibility.

The reality of course is that we all want to see these institutions flourish. I do not question the goodwill of the Opposition parties in that respect. Indeed, Deputy Burton on behalf of the Labour Party has frequently alluded to the importance of securing these institutions. I am surprised Fine Gael would make its own private assessment of what the markets believe about these institutions.

Their shares are trading at a very low stock but shares of all financial institutions throughout the world are trading at a low stock. The crucial point here is that because the shares are trading at a low stock, the Government believed, and I would have thought all sides of the House would have agreed, it was essential to secure these institutions. I certainly accept there is room for a wide measure of disagreement, debate and argument about how we secure them but on the basic principle of how they are viewed throughout the world, it is not a good idea for the main Opposition party to raise questions about this in a motion in the House.

With regard to the second feature of the Fine Gael amendment, namely, “the Government has refused to provide an assessment of the superior ‘Good Bank’ recapitalisation model put forward by Fine Gael Finance Spokesman Richard Bruton TD”, I am quite happy to give an assessment of the “good bank” recapitalisation model put forward by Deputy Bruton. As canvassed by Deputy Bruton in the House, it involved an actual default on our international obligations on the part of the banking industry. Again, it is unhelpful for the main Opposition party to suggest we should contemplate default in regard to banking obligations.

With regard to the question of the income cap for bank executives, I agree with the spirit of that element of the Fine Gael amendment. We very definitely need an income cap on bank executives; we need to insist it happens and I support it. The report of the Covered Institution Remuneration Oversight Committee, CIROC, has arrived in my Department and while I have yet to study it, I assure Deputies it will be brought before the Government with all due haste.

In the debate in this House on the Government’s proposed recapitalisation of Allied Irish Banks and Bank of Ireland, I highlighted the detailed preparatory work undertaken before the Government announcement. The loan book assessment undertaken by PricewaterhouseCoopers was supplemented by an assessment for the Financial Regulator by independent valuers Jones Lang LaSalle of elements of the bank’s property-based loan portfolio and the value of collateral underlying it. This allowed PricewaterhouseCoopers to make a complete report on the loan books of these two banks and provided a basis for an assessment by the NTMA, assisted by Merrill Lynch, of the level of capital required.

The total amount to be invested in AIB and Bank of Ireland, €7 billion or €3.5 billion for each bank, was determined following consideration of advice on likely trends in property values

and on various stress scenarios for the economy and property values. The State's investment will significantly strengthen the core tier 1 capital of these banks, increasing it well in excess of regulatory limits. The recapitalisation proposals are subject to approval by the banks concerned at EGMs to be held in late March and early April.

I read Deputy Burton's entire contribution on Second Stage because I can understand that she did not appreciate the economics spokesperson of the Government not being present.

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

**Deputy Brian Lenihan:** The Deputy expressed a specific concern about the adequacy of the capitalisation which was proposed for each of the institutions. It is important to note that the impact of the Government's proposed investment has been assessed to increase AIB's core capital to €12 billion and Bank of Ireland's to €11 billion. In addition, Deputies should be aware that the existing reserves of the banks will be supplemented by ongoing profits with the result that the banks are well equipped to deal with the expected losses. It is important to highlight that in the House because the suggestion has been canvassed in some quarters that the sums identified by the State as part of the State investment are somehow inadequate because they do not correspond to the anticipated losses of the institutions. It is important to note that there are not alone existing reserves at these institutions but there are also ongoing profits out of which expected losses can be met.

To turn to the area of assets at risk in the institutions, there has been much debate both domestically and internationally in recent times on solutions to deal with the asset side of bank balance sheets, whether this is a "good" bank, a "bad" bank or a "legacy" bank as Fine Gael chose to name its option, or a form of asset insurance. On 11 February, the Government committed to examining proposals to deal with the assets that were at risk on the balance sheets of the banks, specifically land and development loans, with a view to bringing greater certainty and transparency to the operations of systemically important financial institutions. In examining possible options in this area the Government will have particular regard to developments internationally, especially at EU level where the Commission and the ECB have already issued guidance. Discussions are also ongoing between the Finance Ministers at Ecofin on this subject.

Any arrangement on asset risk management would require detailed preparatory work to define the categories of assets covered, and the State's role in managing and reducing risk associated with these assets. I have appointed Mr. Peter Bacon to work with the National Treasury Management Agency and to report and advise me, with the agency, on the options available to Government in this area. I made the point to Deputy O'Donnell, who opened the debate for the Fine Gael Party, that it is important that we appreciate there is a cost associated with the management of risk. There is a sizeable up front cost for the taxpayer in the capitalisation or funding of a "bad" bank institution, for example. Clearly the loans must be purchased by the "bad" bank and there is a cost annexed to this. I have noticed in public debate that the "bad" bank is often compared to a skip or a local authority vehicle into which one can dump these loans, harmlessly. That is far from being the case. Were we to establish a "bad" bank there would be a definite up front funding cost for such an institution, which initially would have to be borne by or borrowed from the taxpayer.

That is the reality of the bad bank option and those who glibly canvass this option must cost their proposal with great care. I do not say it is a bad option or that necessarily it is not the option that should be pursued here but it requires a great amount of analysis and necessitates an up front cost in funding. I do not believe this has been recognised in public debate on the subject to date. The other options that have been canvassed relate to some form of insurance

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whereby the financial institutions pay the State up front for the cost of insuring the loans and the State undertakes to indemnify the banks in respect of future losses. Analysis of that proposition immediately reveals that, in certain circumstances, it could amount to a time bomb for the Exchequer and the taxpayer.

With regard to pay levels in the banks I have previously stated, and it is accepted internationally, that the pay regime within banks needs to change to ensure that any rewards in the sector are structured to meet the long-term objectives of the banking institutions and the overall health of the financial system. The Government recognised from the outset the need to limit pay levels in banks benefiting from State support. Under the guarantee scheme the remuneration packages of directors and executives, including total salary, bonuses, pension payments and any other benefits are subject to review by the Covered Institution Remuneration Oversight Committee (CIROC). I have just received the report and am considering it. Caps are proposed for the remuneration of the various senior executive positions within each institution. I will take into account points made today in respect of the report.

The Bill strikes a prudent balance between the need to recapitalise the financial institutions in the current difficult market conditions and, in the context of maintaining long-term budgetary stability, the need to preserve the National Pensions Reserve Fund as a means of providing for as much as possible of the cost of welfare and public sector pensions when the full impact on pension costs of an aging population begins to kick in about twenty years from now.

Deputy O'Donnell asked me to clarify what is intended by the provision that the Minister for Finance may transfer a shareholding or other interest to the National Pensions Reserve Fund Commission. Deputy Rabbitte referred to the credit institutions not listed on the stock exchange, namely the mutuals, the EBS and Irish Nationwide. The Government announced its proposals in respect of the recapitalisation of the two main banks. It also announced it is in discussions with the other covered institutions, Irish Life and Permanent, EBS and INBS, concerning their respective capital positions and about the review of the guarantee scheme.

Deputy O'Donnell also asked what would happen if further funds were needed to recapitalise the banks. There are several options. It would be possible to invest Exchequer moneys directly under the Credit Institutions (Financial Support) Act 2008; to provide moneys from the Exchequer to the NPRF Commission for investment in a listed credit institution under this Bill; and it would be possible under this Bill for the Minister for Finance to direct the Commission to invest in a listed credit institution from its own funds. I make it clear that none of these options is under examination at present. I clarify this matter for Deputy O'Donnell because he asked about the legal reach of the Bill rather than about any concrete proposals the Government might have in that regard.

Questions were raised about the transparency of the provisions that enable the Minister to make additional directed investments in the future. Deputy Rabbitte also touched on this issue. First, the annual 1% of annual GNP contribution to the fund is being maintained and will be provided for in the Budget each year as heretofore. Second, when the Minister makes an additional contribution from the Exchequer for the purposes of a directed investment Dáil Éireann will be aware of this. However, directions of this nature by the Minister can only be made in circumstances where the Minister is of the opinion, having consulted the Governor of the Central Bank and the Financial Regulator, that the direction is needed to remedy a serious disturbance in the economy or prevent serious damage to the financial system. In this type of circumstance, there may be a balance to be struck between transparency and the need to withhold — at least for a time — market sensitive information about investments which the NPRF is being directed to make in the public interest.

Deputy Olivia Mitchell said we were raiding the NPRF and purloining the next two years' contribution. In fact, the investments made by the NPRF in the banks will be part of the fund and the returns earned on them will accrue to it. Through the dividends from the banks which are part of the recapitalisation scheme, the fund will earn in the short term a very attractive rate of return in present market conditions, namely 8%.

I take issue with Deputy Mitchell's depiction of what this Bill will bring about. The National Pensions Reserve Fund was an important initiative to set aside moneys for investment to help meet the rising cost in the future of social welfare and public service pensions. The framework within which the fund operates was carefully structured in that the Commission was given discretion as to how fund moneys are invested and managed. Times have changed and we must consider how best to provide the funds needed by our financial institutions to re-establish their capital adequacy. It is reasonable to look to the moneys that have been put away for investment in the National Pensions Reserve Fund. In particular, I draw the attention of the House to the terms of the agreement under which the banks are to be recapitalised and the dividends and warrants the State has obtained.

Recapitalisation will work and it is the correct decision on the part of the Government in the face of the extraordinary turmoil in the financial system. We are not asking the NPRF to provide more than €4 billion at this time and therefore it will not have to liquidate any of its equity holdings for the present. As Deputy Mitchell noted, we propose to pay more than two years' contribution to the fund this year, for investment in the two main banks. I am confident that will be a profitable investment.

Deputy Burton proposed that there should be an annual report on the investments which the NPRF will be required to make in listed credit institutions. There is already a provision for the NPRF Commission to present an annual report on its activities and that report will contain information on its directed investments as much as on what I might call its traditional portfolio.

Deputy Burton also referred to section 5 of this Bill which disapplies section 7 of the Credit Institutions (Financial Support) Act 2008. Section 5 provides, *inter alia*, that certain provisions of competition and takeover law, and section 7 of the Credit Institutions (Financial Support) Act 2008 do not apply in respect of an acquisition or proposed acquisition by the Commission of an interest in a listed credit institution or a transfer into the fund of the Minister's interest in a listed credit institution if the acquisition or transfer results from a directed investment.

Question put: "That the words proposed to be deleted stand part of the main Question."

The Dáil divided: Tá, 75; Níl, 63.

Tá

Ahern, Dermot.  
Ahern, Michael.  
Ahern, Noel.  
Andrews, Barry.  
Andrews, Chris.  
Ardagh, Seán.  
Aylward, Bobby.  
Blaney, Niall.  
Brady, Áine.  
Brady, Cyprian.  
Brady, Johnny.  
Browne, John.  
Byrne, Thomas.  
Calleary, Dara.  
Carey, Pat.  
Collins, Niall.  
Conlon, Margaret.

Connick, Seán.  
Cuffe, Ciarán.  
Dempsey, Noel.  
Devins, Jimmy.  
Dooley, Timmy.  
Fahey, Frank.  
Finneran, Michael.  
Fitzpatrick, Michael.  
Fleming, Seán.  
Flynn, Beverley.  
Gallagher, Pat The Cope.  
Gogarty, Paul.  
Gormley, John.  
Hanafin, Mary.  
Harney, Mary.  
Haughey, Seán.  
Healy-Rae, Jackie.

## Tá—continued

Kelleher, Billy.  
 Kelly, Peter.  
 Kenneally, Brendan.  
 Kennedy, Michael.  
 Killeen, Tony.  
 Kirk, Seamus.  
 Kitt, Michael P..  
 Kitt, Tom.  
 Lenihan, Brian.  
 Lenihan, Conor.  
 Lowry, Michael.  
 Martin, Micheál.  
 McDaid, James.  
 McEllistrim, Thomas.  
 McGrath, Mattie.  
 McGrath, Michael.  
 Moloney, John.  
 Moynihan, Michael.  
 Mulcahy, Michael.  
 Nolan, M.J..  
 Ó Cuív, Éamon.

Ó Fearghaíl, Seán.  
 O'Brien, Darragh.  
 O'Connor, Charlie.  
 O'Flynn, Noel.  
 O'Hanlon, Rory.  
 O'Keeffe, Batt.  
 O'Keeffe, Edward.  
 O'Rourke, Mary.  
 O'Sullivan, Christy.  
 Power, Peter.  
 Power, Seán.  
 Roche, Dick.  
 Ryan, Eamon.  
 Sargent, Trevor.  
 Scanlon, Eamon.  
 Smith, Brendan.  
 Treacy, Noel.  
 Wallace, Mary.  
 White, Mary Alexandra.  
 Woods, Michael.

## Níl

Bannon, James.  
 Barrett, Seán.  
 Broughan, Thomas P..  
 Bruton, Richard.  
 Burke, Ulick.  
 Burton, Joan.  
 Byrne, Catherine.  
 Carey, Joe.  
 Clune, Deirdre.  
 Coonan, Noel J..  
 Crawford, Seymour.  
 Creed, Michael.  
 Creighton, Lucinda.  
 D'Arcy, Michael.  
 Deasy, John.  
 Doyle, Andrew.  
 English, Damien.  
 Enright, Olwyn.  
 Feighan, Frank.  
 Flanagan, Charles.  
 Flanagan, Terence.  
 Gilmore, Eamon.  
 Higgins, Michael D..  
 Hogan, Phil.  
 Howlin, Brendan.  
 Kehoe, Paul.  
 Kenny, Enda.  
 Lynch, Ciarán.  
 Lynch, Kathleen.  
 McCormack, Pádraic.  
 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'Mahony, John.  
 O'Shea, Brian.  
 O'Sullivan, Jan.  
 Penrose, Willie.  
 Perry, John.  
 Quinn, Ruairí.  
 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 Niall Blaney; Níl, Deputies Paul Kehoe and Emmet Stagg.

Question declared carried.

*Sitting suspended at 1.40 p.m. and resumed at 2.30 p.m.*

**Ceisteanna — Questions (Resumed).****Priority Questions.****Údarás na Gaeltachta.**

35. **Deputy Michael Ring** asked the Minister for Community, Rural and Gaeltacht Affairs if he had received legal advice regarding possible dual mandate restrictions on future guidelines surrounding Údarás na Gaeltachta elections; and if he will make a statement on the matter.  
[9018/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** My Department has received advice from the Attorney General with regard to potential conflicts of interest arising from membership on local authorities by Údarás na Gaeltachta members.

The matter is being considered in the context of possible amendments to the Údarás na Gaeltachta Acts arising on foot of recommendations in the report of the Linguistic Study of the Use of Irish in the Gaeltacht and the deliberations of the Cabinet committee on Irish in the Gaeltacht.

**Deputy Michael Ring:** Is the Minister saying the Attorney General has confirmed to him that there is a conflict? I raise the question because I read about this in Foinse some months ago and several people who have dual membership of both contacted me. They are concerned that they might find themselves in a position where they will have to make a decision whether to remain as members of Údarás na Gaeltachta or the county council.

As the Minister will be aware, I brought a case to the High Court in regard to allowing Oireachtas Members stand in council elections. I did not pursue the matter to the Supreme Court but I continue to feel strongly about it and believe I was correct. Many of the Minister's colleagues tell me now they wish they had given me more support and that they had not let the legislation go through the Dáil but the legislation is now in place.

I seek clarity from the Minister on his own view and that of the Government, as it was he and his Government that introduced the dual mandate. Does the Minister believe we should have a dual mandate in respect of people being members of the board of Údarás na Gaeltachta and of a local authority? Is that contradictory to Government policy? Current Government policy is that one cannot be a Member of the Oireachtas while being a member of a county council. What is the Minister's thinking on that? The Minister is due to bring an Údarás na Gaeltachta Bill before the House. Will there be any references to this issue in that Bill?

**Deputy Éamon Ó Cuív:** It was in the context of a new Bill we were drafting at the time that the issue arose, and it is an issue of appropriateness. It is because of specific issues regarding a dual role on a specific issue, i.e. under the 2000 Act Údarás na Gaeltachta has planning remits, and who is it advising only itself. The real issue in drafting a new Bill, is if it would be appropriate for people to be members of the two bodies. The answer to the question lies in the functions given to Údarás na Gaeltachta. The Deputy is asking a question of policy and whether someone should be on a local authority while being a member of Údarás or what happens should an issue arise regarding the person who is on the board of Údarás and is also a Member of the Oireachtas. Currently, it is legal to be both a Member of the Oireachtas and a member of Údarás na Gaeltachta. In fact, there is an Oireachtas Member who is a member of the board of Údarás, and obviously that person cannot be a member of a local authority. That is a question of policy.

[Deputy Éamon Ó Cuív.]

The other issue depends on the functions that are given to *Údarás* and whether it is appropriate because of those functions overlapping local authority functions for the people to be on the two bodies. It was not a general philosophical question such as that the Deputy is raising. It was more to do with specific functions both bodies might have that would overlap.

**Deputy Michael Ring:** I put it to the Minister again as it concerns me that in the last election for the European Parliament one could not be a Member of the European Parliament and a Member of the Dáil. It was not practical or possible but even now, if a Member of the Dáil stands for the European Parliament and he or she is elected, he or she must cease membership of the Dáil on the day he or she is elected to the European Parliament.

I am aware the Minister is currently drafting the Bill in regard to *Údarás* and the *Údarás* elections to bring it before the Oireachtas. I understand he may be considering giving further powers to *Údarás* members — the Minister can confirm or deny that — in terms of planning, something I would not disagree with. There is no reason an *Údarás* board should not deal with the planning applications. In some cases, similar to central Government, some members of local authorities do not have an understanding of the *Údarás*, rural areas and rural life. It might not be a bad thing to return some of those powers back to the people instead of taking them away from them.

As a member of a Government that introduced and then abolished the dual mandate in respect of Dáil and Europe and a member of the Dáil and the county council, is it hypocritical for the Government to say, on the one hand, that people cannot be a Member of the Dáil and a local authority while, on the other, it is fine to be a member of a county council and the *Údarás*? The Minister might answer that straight question.

**Deputy Éamon Ó Cuív:** The Government has no problem with a person being a member of a town council and a local authority but the person cannot be a member of two local authorities or a Member of the Oireachtas and a member of a local authority. Those issues fall to be considered in the context of the new Bill and much of what will decide our final thinking will be the shape of *Údarás na Gaeltachta* following our conclusions on the study. I cannot go ahead until then. The answer to the Deputy's question is that to make a final decision on the dual mandate issue, if we want to call it that, between local authorities and *Údarás na Gaeltachta* ahead of deciding what *Údarás* will be and the powers and functions it will have is putting the cart before the horse. Until now, and it is clear from the previous legislation I brought in, I did not see a particular difficulty with being a member of both bodies but the issue arises to be considered, depending on the powers we give *Údarás* and the relationship — and this is the major issue that arose — between *Údarás* and the local authority in terms of powers.

### **Drug-related Deaths.**

36. **Deputy Jack Wall** asked the Minister for Community, Rural and Gaeltacht Affairs his views on the figures published by the alcohol and drug research unit of the Health Research Board in regard to drug related deaths; his further views on whether these figures reflect a continuing unacceptable use of illicit drugs; the steps he will take to reduce the demand for such drugs; and if he will make a statement on the matter. [8978/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** The publication last November of the National Drugs-Related Death Index by the Health Research Board provided for the first time a comprehensive understanding of the death toll associated with problem drug use in Ireland. The Index, which has been compiled to

the highest European standard, was commissioned under the national drugs strategy by the Departments of Health and Children and Justice, Equality and Law Reform.

The index covers the period 1998-2005 and I accept that it presents a stark picture of the consequences of problem drug use. It found there were 2,442 drug-related deaths over the eight year period examined. In 2005 there were 400 drug-related deaths, of which 232 were directly related to drugs, with 168 linked indirectly to drug usage. The index showed that the number of deaths increased over the period from 1998, with the greater rate of increase relating to indirect deaths, where drugs were a contributory factor.

The report's analysis implicated heroin and other opiates, poly-substance use of both illicit and licit drugs including alcohol, and prescription and over the counter medication as causes, to varying degrees, in the direct deaths. While the report does not include deaths relating to alcohol only, I understand that research in that regard is ongoing by the Health Research Board.

The report confirms the significant health dangers, including premature death, associated with problem drug use. The results of the all-island drug prevalence surveys, carried out in 2002-2003 and again in 2006-2007 by the National Advisory Committee on Drugs in conjunction with its colleagues in Northern Ireland, sets out the most robust evidence of the prevalence of problem drug use in the general population in Ireland. Comparisons between the two all-island surveys indicate that the drug problem facing the country is changing to a degree. Evidence from the first bulletin of the 2006-07 prevalence survey launched last year indicates that while rates of lifetime and recent, that is, last year, overall illegal drug misuse have increased, the level of current, that is, last month, illegal drug use has stabilised.

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

The increase in lifetime use for all drugs was expected given that older people tend to have less exposure to — and usage of — drugs over their lifetimes and that illegal drug use is primarily a youth-younger adult — under 35s — phenomenon. The increase in last year use is of more concern and it emphasises the challenging task that we continue to face in tackling problem drug use in Ireland. Meanwhile, the overall stabilisation in last month use is to be welcomed and I am hopeful that, with the continuing valuable work being done through the national drugs strategy, this trend will continue.

The findings from the index further supports the approach adopted in the National Drugs Strategy 2001-2008 involving a combination of demand and supply reduction measures to tackle problem drug use. The current strategy has sought to reduce the impact of problem drug use in our society, including the level of drug deaths, through the development of treatment and rehabilitation services, including harm reduction approaches, for those engaged in problem drug use; promulgating prevention and awareness messages throughout society, but most particularly aimed at young people at risk and those already involved in problem drug use; and supply reduction initiatives through the Garda and Revenue's Customs Service.

As the Deputy is aware, a steering group comprising representatives of the statutory, community and voluntary sectors is currently developing proposals on a new national drugs strategy and I expect to receive its recommendations in the coming weeks.

In the context of developing its proposals, the steering group is considering what further actions can be developed to counter the level of drug deaths. In this context, the Deputy should note that the Health Service Executive has already initiated work on the development of a national overdose prevention strategy which is a very welcome development.

**Deputy Jack Wall:** I am sure the Minister will agree with me that the numbers involved represent a sad loss and a waste of young life. When we consider that 2,442 people have died from drug abuse in that period, it puts a huge emphasis on what must be done to ensure that this issue is brought to public notice.

I would like to know from the Minister the geographical spread in terms of these deaths. Are they occurring, as some would assume, mostly on the east coast or is there an equal spread in terms of these deaths throughout the country? We have continuously said in the House that we want to highlight the stark reality of what drug misuse does to young people. I understand that most of the deaths are of young men. Can the Minister of State indicate if any research has been done on that? Why is it the case that it is mostly men who are affected?

Also, what is the mix in terms of alcohol and the use of drugs? I recall asking the Minister's predecessor a question on cocaethylene, where a mixture of cocaine and alcohol creates a different drug. What research has been done on this? It causes heart problems. What is the situation regarding its effect on young people? The main issue is the geographical spread of the problem. What are we doing to highlight the fact that 2,442 young people die as a result of drug misuse in a seven year period?

**Deputy John Curran:** I am pleased the figures have come to light because I spoke with a number of people over a period of time who clearly felt what was reported regarding drug-related deaths was significantly understated. This is the first comprehensive report and is very detailed and thorough. The numbers, as the Deputy said, are staggering. In 2005 alone 400 people died as a result of drugs. When we discuss those people here, we talk about them as a statistic but behind every one of those deaths was a family. The person was somebody's son, daughter, parent, brother or sister. The loss of life has been staggering, as has been its impact on families and communities.

The Deputy asked a number of questions. The incidence is higher in the Dublin area than in the rest of the country. Just over half of the deaths are as a result of poisoning or using more than one substance, including legal and illegal drugs. Opiates, including heroin, are still the main cause of deaths among people who die from poisoning. The information on the 400 deaths is from 2005. Cocaine was implicated in 100 of those deaths. A quarter of the poisonings were as a result of alcohol in conjunction with another drug. Again, this information is only for 2005. The majority of cases were males aged between 20 and 40 years of ages.

I want to make some general points. The Deputy asked what we would do about it. Before we can address the problem, it is important to identify there is not one single problem but multiple problems to be addressed. Illegal drugs are involved in many cases of drug-related deaths. However, prescribed drugs and over-the-counter medication, such as anti-anxiety drugs like valium, antidepressants and pain-killers are frequently involved in such deaths, either alone or in conjunction with illegal drugs. For example, benzodiazepines are often combined with an illegal substance and have resulted in almost one in every three deaths by poisoning. That is one aspect of the issue. It is very complicated and there is not just one solution to the problem.

Not all deaths were from poisoning. Other issues arose, such as infection with HIV through needle sharing and cardiac events due to cocaine use. Again, the profile in that age group was male.

**An Leas-Cheann Comhairle:** Deputy Wall can ask a brief supplementary question.

**Deputy Jack Wall:** My question relates to the assistance given to people to get off drugs, and concerns the use of methadone. Some articles state that methadone is involved in many deaths. A question raised here asked if drug addicts were getting access to methadone from more than

once source. If that is the case, instead of curing themselves, addicts are creating more problems for themselves and can become addicted to using methadone. The figures stated that in 2005 more than 60 deaths were as a result of one drug and 60 deaths involved the use of methadone.

**An Leas-Cheann Comhairle:** The Minister of State can make a final reply.

**Deputy John Curran:** The figure Deputy Wall stated on the numbers using methadone is correct. Not everybody who uses methadone uses it exclusively. A combination of other drugs can be used and that appears to be the case. The HSE, which is specifically charged with responsibility for the matter, is in the process of implementing a national overdose prevention strategy which would address the issue of benzodiazepines, prescription drugs and methadone.

Since I became a Minister of State, I specifically asked the HSE to review what we are doing about methadone use. I have a grave concern that people seem to be on methadone for an extended period of time. I may not be in my position long enough, but I would like to see the hard evidence to show progression. In other words, I would like to see an active methadone reduction programme. The overdose prevention strategy would specifically address the issue to which Deputy Wall referred.

### **Marine Funding.**

37. **Deputy Joe McHugh** asked the Minister for Community, Rural and Gaeltacht Affairs the commitment he is giving to marine, aquaculture or inshore funding as contained in the new round of partnership funding for coastal communities in view of the new threat to white fish fishing in area six and the imminent threat to ban small boatmen who operate white fish boats of 12 metres or less in size in the inshore; and if he will make a statement on the matter. [9019/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** I was unsure of the relevance of this question to my Department. I, therefore, have a very brief answer which gives the Deputy the maximum opportunity to clarify the information he seeks. White fish fishing is the responsibility of my colleague, the Minister for Agriculture, Fisheries and Food, Deputy Brendan Smith.

**Deputy Joe McHugh:** I am delighted with that answer because there is a very simple rationale behind this question. It encompasses the Departments of Communications, Energy and Natural Resources, Agriculture, Fisheries and Food and the Minister's Department, in terms of the partnership money which was set aside for alternative enterprises in coastal communities such as Inishowen.

The Government is seeking partnership across the floor of the House. It wants us to co-operate and work together because of our serious financial situation. The reason I tabled the question for the Minister is that I respect him as a west of Ireland man who has a cognisance and relationship with rural life and landscape, in terms of how it should be worked and lived on. I need the Minister to sit down and work with the Ministers from the Departments I mentioned. We can create jobs in Donegal tomorrow morning in alternative enterprises in the marine sector. We can create jobs in the white fish sector, not for large boats but for boats under 12 metres. We can create jobs in the aquaculture sector for mussels and oysters.

The Minister knows that as he is a west of Ireland man. However, we are crippled with regulation, legislation and a lack of responsibility at an interdepartmental level. All I have seen from my year and a half as a Deputy in this House is Departments pushing from Billy to Jack and saying, "That is not our responsibility". We need to create jobs in the country. With a little

[Deputy Joe McHugh.]

foresight and communication between Departments, we can create jobs. I am sick and tired of tabling parliamentary questions——

**An Leas-Cheann Comhairle:** The Deputy should ask questions and not make a speech.

**Deputy Joe McHugh:** ——and hearing Ministers say, “I can create jobs in the morning”. Donegal, as a county, can create jobs but the Government is not willing to take responsibility.

**An Leas-Cheann Comhairle:** The Deputy will not ignore the Chair.

**Deputy Joe McHugh:** Get rid of the red tape and the nonsense and get people working again, rather than queuing in the dole offices in Buncrana or Letterkenny.

**An Leas-Cheann Comhairle:** The Deputy will not ignore the Chair.

**Deputy Joe McHugh:** I am asking the Minister for his indulgence. I apologise to the Leas-Cheann Comhairle.

**An Leas-Cheann Comhairle:** The Chair is on his feet.

**Deputy Joe McHugh:** I am very angry about this.

**An Leas-Cheann Comhairle:** This is question time.

**Deputy Joe McHugh:** I know it is question time.

**An Leas-Cheann Comhairle:** I ask the Deputy to allow the Chair to speak. This is question time. The idea is for Members to seek information from members of the Government——

**Deputy Joe McHugh:** Which we are doing.

**An Leas-Cheann Comhairle:** ——and not to make Second Stage speeches.

**Deputy Joe McHugh:** It is not a Second Stage speech.

**An Leas-Cheann Comhairle:** I call on the Minister.

**Deputy Éamon Ó Cuív:** I do not make the rules of the House, but they are clear. If a Deputy tables a question on another Minister’s functional responsibility——

**Deputy Joe McHugh:** I have tabled three of them.

**An Leas-Cheann Comhairle:** Allow the Minister to speak.

**Deputy Éamon Ó Cuív:** If a Deputy asks a question on another Minister’s functional responsibility, I am not allowed to answer it. This question was very specific and referred to white fish.

**Deputy Joe McHugh:** It related to partnership money.

**Deputy Éamon Ó Cuív:** The question asked about the new round of partnership funding given to the marine, aquaculture or inshore fishing sectors. If the Deputy reads his question he will see the problem regarding its phrasing. Partnership funding cannot be spent on direct support for agriculture or fisheries. It is a European rule.

**Deputy Joe McHugh:** What about the marine. The Minister said such money could not be spent on marine or aquaculture projects.

**An Leas-Cheann Comhairle:** Allow the Minister to reply.

**Deputy Éamon Ó Cuív:** The funding under the Leader programme cannot be spent on direct support for agriculture or fisheries.

**Deputy Joe McHugh:** What about alternative marine projects? What about marine tourism? The Minister should look at the question.

**An Leas-Cheann Comhairle:** If Deputy McHugh allows the Minister to reply, I will call on him again.

**Deputy Joe McHugh:** He is not replying.

**An Leas-Cheann Comhairle:** He is not getting a chance to reply. If Deputy McHugh does not want the question to be answered we will move to another one.

**Deputy Éamon Ó Cuív:** I was genuinely trying to puzzle out the answer to this difficulty. I have often returned parliamentary questions to the section if I think I know what the Member is driving at, even where it is not absolutely clear from the question. I try to give the information I think the Member is seeking. In this case, we were genuinely puzzled about what the Deputy was seeking because of the reference to white fish fishing.

**Deputy Joe McHugh:** Will the Minister intervene?

**An Leas-Cheann Comhairle:** The Minister without interruption.

**Deputy Éamon Ó Cuív:** With regard to the wider issue raised by the Deputy, he can rest assured that I have said repeatedly that as core, traditional primary production in both the fishing and agriculture industries declines, we must examine alternatives. I gave a speech recently, for example, on the issue of marine leisure, which presents a major opportunity. I have referred time and again to the issue of using rural funds for on sea and on land alternatives. However, I cannot support fishing or agriculture as separate industries.

I have again and again on issues I cannot tease out during Question Time invited members of the Oireachtas Joint Committee on Arts, Sport Tourism, Community, Rural and Gaeltacht Affairs to engage in detailed debates on them. Debates have taken place on modulation and so on and whether we should help farmers more outside the farm gate. Most farmers in the west could not survive without off-farm income, no matter how much investment is made in their farms.

**Deputy Joe McHugh:** I appreciate the Minister's honesty. The question is vague because it encompasses three Departments. It relates to funding by the Minister's Department for alternative marine enterprise. I have a letter, which I will give to the Minister, in which a salmon fisherman outlines how he made a proposal to set up an alternative marine enterprise only to be turned down by a partnership company on the basis that it did not fund such enterprises. That is a critical issue. I apologise to the Leas-Cheann Comhairle and I acknowledge the sensitivity regarding protocol in the House.

**An Leas-Cheann Comhairle:** There is no sensitivity. I am obliged to comply with the rules of the House.

**Deputy Joe McHugh:** I have a job to do and I must listen week in, week out to Ministers saying they would like to hear our ideas. Constituents visit my clinics every week with plans for projects and enterprises but they cannot get through the red tape.

**Deputy Éamon Ó Cuív:** I was surprised the Deputy did not frame the question in the context of the salmon hardship fund and community supports. The Deputy prefaced it by referring to white fish.

**Deputy Joe McHugh:** White fish have absolutely nothing to do with the core of the question. Let us put the record straight.

**An Leas-Cheann Comhairle:** We must move on. We are more than two minutes over time on this question. The Deputy should have some respect for order in the House.

**Deputy Joe McHugh:** The Minister should have some respect for my question.

**An Leas-Cheann Comhairle:** We are more than two and a half minutes over time on this question because I allowed the Deputy to make a long speech at the beginning. I call Question No. 38.

**Deputy Joe McHugh:** The Minister was about to reply. I am trying to be helpful——

**An Leas-Cheann Comhairle:** I have to be fair to every Deputy. A total of 30 minutes are allocated for priority questions and the Deputy has taken up nine minutes.

**Deputy Joe McHugh:** ——on behalf of people who want to work.

**An Leas-Cheann Comhairle:** I want to allow for the questions of other Members to be answered. I call the Minister on Question No. 38.

### **Straitéis don Ghaeilge.**

38. D'fhiafraigh **Deputy Brian O'Shea** den Aire Gnóthaí Pobail, Tuaithe agus Gaeltachta cathain a chuirfidh sé an dréacht-straitéis 20 bliain agus a chuid moltaí maidir leis an straitéis faoi bhráid an Rialtais; agus an ndéanfaidh sé ráiteas ina thaobh. [8979/09]

**Deputy Éamon Ó Cuív:** Tá obair ar siúl faoi láthair maidir le straitéis 20 bliain don Ghaeilge a fhorbairt, bunaithe ar ráiteas polasaí an Rialtais i leith na Gaeilge. I rith na bliana seo caite, tá mo Roinnse, i gcomhar le Fiontar DCU, na comhairleoirí neamhspleácha atá ag cuidiú chun an straitéis a chur le chéile, tar éis tabhairt faoi phróiseas leathan de chomhairliúchán poiblí, ar a n-áirítear cruinnithe poiblí agus suirbhé ar-líne maidir leis na heilimintí éagsúla a bheidh sa straitéis. Bunaithe ar na moltaí agus an aiseolas a tháinig ón bpobal i rith an phróisis sin, foilsíodh plé-pháipéar maidir leis na gnéithe éagsúla a mheastar a bheidh sa straitéis. Tugadh faoi sraith eile de chruinnithe poiblí chun deis a thabhairt do dhaoine a dtuairimí a thabhairt faoin doiciméad sin.

Chomh maith leis an gcomhairliúchan poiblí, chuaigh Fiontar DCU i gcomhairle leis na príomh-gheallsealbhóirí san earnáil phoiblí agus san earnáil deonach faoina gcuid moltaí i leith na straitéise agus thugadar le chéile i gcoiste comhairleach saineolaithe idirnáisiúnta a bhfuil taithí acu i mbeartais teangacha.

Tá doiciméad faighte agam anois agus á breithniú. Faoi mar is eol don Teachta, tá coiste Rialtais bunaithe chun scrúdú a dhéanamh ar na saincheistanna a bhaineann leis an Ghael-

tacht agus an Ghaeilge, agus beidh an dréacht-straitéis á plé ag an gcoiste sin sula gcuirfear faoi bhráid an Rialtais í. Tá súil agam go dtarlóidh sé sin go luath.

**Deputy Brian O'Shea:** Ba mhaith liom buíochas a ghabháil leis an Aire as ucht freagra a thabhairt dom atá an-cosúil leis an freagra a fuair mé ar 29 Eanáir. Tá sé soiléir nach bhfuil aon dul chun cinn déanta.

Ag féachaint ar conas atá cúrsaí, bhí an straitéis ann Mí na Nollag 2006, ach tá muid ag druidim anois leis an toghchán do bhord Údarás na Gaeltachta, a bheidh ar siúl i mí Aibreán na bliana seo chugainn. Níl aon rud ag tarlú, ach beidh reachtaíocht ag teastáil, cuirim i gcás nuair a bheidh an plean gníomhach críochnaithe. Céard go díreach atá ar siúl? Iarraim ar an Aire bheith macánta linn. An bhfuil an Rialtas anois ag rá leis an Aire stad a chur leis nó é a chur ar leataobh? An bhfuil an Rialtas ag iarraidh dul ar aghaidh gan ligint do rud ar bith a tharlú? Tá eagla ormsa go bhfuil an cinneadh sin déanta ag an Rialtas. Ní cinneadh foirmeálta atá i gceist agam, ach cinneadh an Ghaeilge, an plean gníomhach, agus an straitéis a chur ar leataobh agus ligint do chúrsaí Gaeilge dul chun donais mar atá ag tarlú.

**Deputy Éamon Ó Cuív:** Ní raibh an Teachta ag ardfheis Fhianna Fáil ag an deireadh seachtaine. Dá mba rud é go raibh sé ann, bheadh sé ar an eolas go bhfuil muid ag treabhadh ar aghaidh leis an obair seo. A mhalairt ar fad don mhéid atá ráite ag an Teachta atá fíor.

Tá sé iomlán cruinn a rá go raibh súil againn go mbeadh sé seo déanta roimh deireadh na bliana. Nuair a thosaigh muid ag plé na ceiste agus ag snaidhmeadh an plean 20 bliain agus an aisfhreagra ar na moltaí a d'éirigh sa tuarascáil teangeolaíochta, tháinig ceisteanna móra chun cinn. Thosaigh muid ag breathnú as an nua ar go leor rudaí ar glacadh leo i saol na Gaeilge ó bhunaíodh an Stát. Tá an próiseas seo ag tógáil cuid mhaith ama. Tá, mar adúirt mé, dréacht cháipéis againn agus tá muid ag obair ar sin, ach teastaíonn uaim go ndéanfaidh muid jab foirfe.

Cuireann an mhéid atá le rá, maidir le an mbeidh plean ann, an dtarlóidh sé agus mar sin de, i gcuimhne dom an t-am a raibh muid ag réiteach Acht na dTeangacha Oifigiúla. D'fhéadfainn go leor gearrtháin nuachtáin a thaispeáint don Teachta inar dúradh go raibh an Rialtas tar éis sin a chur ina leataobh agus nach dtarlódh sé go brách agus nach raibh ann ach caint. Ach, ar ndóigh, mar is eol don Teachta, tháinig Acht na dTeangacha Oifigiúla ann.

Beidh an straitéis ann. Tá go leor oibre ar bun. Tá chuile cúnamh, tacaíocht agus ugach á tabhairt ag an Taoiseach di agus spéis phearsanta aige inti, ach tá muid ag iarraidh go ndéanfaidh muid jab ceart agus cuimsitheach uirthi.

**Deputy Brian O'Shea:** Is deacair sin a chreidiúint, mar níl rud ar bith le feiceáil againn. An mbeidh Bille um Údarás na Gaeltachta ina Acht roimh Aibreán na bliana seo chugainn, roimh na toghcháin don údarás? An rud is tábhachtaí, an mbeidh na hathruithe ar teorainneacha na Gaeltachta in áit roimh an toghchán seo? An mbeidh an plean gníomhach foilsithe roimh briseadh na Cásca nó na Nollag nó roimh deireadh na bliana? An féidir leis an Aire aon geallúint a thabhairt dúinn i dtaobh sin? Maidir leis an straitéis, cathain a bheidh sí faoi bhráid an Rialtais? An mbeidh sí foilsithe agus ar fáil dúinn go léir sa Teach roimh briseadh na Cásca nó na Nollag nó roimh deireadh na bliana? An mhéar fhada atá i gceist anseo. Tarlaíonn sin i gcónaí leis an Aire seo agus tá sin ag tarlú anois. Níl aon rud le feiceáil a dtugann muinín domsa go bhfuil aon obair fhiúntach ar siúl.

**Deputy Éamon Ó Cuív:** Ní ghlacaim leis go gcuirim rudaí ar an mhéar fhada, ach is maith liom rudaí a dhéanamh go cuimsitheach. Ag breathnú siar ar an scéal, tugadh Acht na dTeangacha Oifigiúla isteach chomh sciobtha le hAcht ar bith eile, go mór mhór nuair a thógtar san áireamh gur Acht as an nua ar fad a bhí ann. Maidir leis an straitéis——

**Deputy Brian O'Shea:** An polasaí maidir leis an todhchaí atá uaim.

**Deputy Éamon Ó Cuív:** Tuigim é sin, ach tá an Teachta ag rá go gcuirim rudaí ar an mhéar fhada agus ní ghlacaim le sin. Mar is eol don Teachta, tá go leor eolas ar fáil ag an pobal maidir leis an próiseas seo, mar d'fhoilsigh muid an plé-cháipéis agus tá sin ar fáil. Tá na critéir ar eolas againn. Táimid ag obair ar an dréacht cháipéis i láthair na huaire agus tá go leor tuairimí breactha síos agus go leor rudaí dá scrúdú.

Tá sé éasca doiciméad a fháil 90% ceart, ach is é an 10% go minic a thógann an t-am. Dá n-iarraidh an Teachta orm buille fé thuairim a thabhairt, ó thaobh cúrsaí ama de, faoin am go mbeadh leagan Béarla agus Gaeilge agus aistriúchán sásúil déanta agus seo a bheith ceadaithe ag an gcoiste idir-rannach agus comhaontú againn trasna an bhord, agus ag glacadh leis go bhfuil i gceist againn an rud foirfe a dhéanamh, is ag tús an tsamhraidh nó ag briseadh na Cásca a bhféadfá bheith ag súil leis an plean. An chaoi a mbeidh sé ná ní bheidh sé againn lá amháin ach beidh an iomlán críocheithe againn an lá ina dhiaidh. Tá sin níos réalai.

Maidir leis an ráiteas, is cuimhin liom gur cuireadh siar trí seachtaine é. Aistríodh é, ach ní raibh mise sásta leis an aistriúchán mar shíl mé go raibh sé doiléir agus nach raibh sé an-inléite. Nuair a thosaigh muid ag breathnú ar an aistriúchán, d'ardaigh sin ceist faoin bunleagan agus bhí orainn dul ar ais chuige sin. Chaill muid trí seachtaine ansin ar fhoclaíocht, mar níor athraigh muid aon rud suntasach a bhí ann. Tá sé tábhachtach go mbeidh na cáipéisí seo soiléir agus scríobhtha i mBéarla agus Gaeilge atá thar a bheith intuigthe, le go mbeidh a fhios ag daoine céard go díreach atá i gceist againn. Tógann an cineál sin ruda am.

### **Drugs Task Forces.**

39. **Deputy Catherine Byrne** asked the Minister for Community, Rural and Gaeltacht Affairs the reason for the recent cuts to funding for a large number of services in drugs task force areas, which are struggling to deal with the drug problem in communities; his views on the real threat to the viability of services on the ground if their annual funding is reduced; and if he will make a statement on the matter. [8858/09]

**Deputy John Curran:** The Government is firmly committed to tackling the problem of drug misuse in society. This is evidenced by the fact that the funding targeted at community-based initiatives funded through my Department's Vote doubled from 2003 to 2008, increasing from €31.5 million to more than €64 million. The relative reduction in the 2009 funding allocation to my Department for the drugs initiatives must, therefore, be viewed in this context.

In 2008, the budget for community-based initiatives in the local and regional drugs task force areas was nearly €34.8 million. Funding for 2009 will be approximately €34.6 million, of which more than €23 million is being allocated to the local drugs task forces while more than €11 million is being earmarked for the regional groups.

Unfortunately, no area is impervious to cost cutting measures in the current economic environment. It is in this context that all drugs task forces were asked to identify savings across their areas of responsibility. While I appreciate that this will involve some difficult choices being made, it was a matter for the drugs task forces to identify measures to enable them to work within their allocated budgets.

Across Government, we are taking a number of difficult decisions, but our approach is to do it in as balanced a way as possible. There is a critical need to ensure that resources are directed in a targeted and effective manner and that the maximum benefit is achieved. I would like to assure the Deputy that my primary concern has been and continues to be the protection

of front line services delivering vital programmes and initiatives in areas worst affected by problem drug use.

Projects have been approved funding for the first six months of 2009 and this expenditure will be reviewed before allocating the remaining six months' funding. We will continue to work with the task forces to ensure that this funding is targeted in the most appropriate manner. I am confident that the funding in 2009 will continue to facilitate the delivery of meaningful and viable community-based initiatives to address problem drug use.

As the Deputy is aware, the drugs strategy is based on a co-ordinated approach across many Departments and agencies. My Department's allocation is part of a much larger investment programme in drugs services by these other bodies. In 2007, it was estimated that total expenditure on drugs programmes was over €230 million. The figures for 2008 are currently being compiled.

**Deputy Catherine Byrne:** I will not criticise the Minister of State, whose heart is in the right place. Asking any group to choose which service to remove is difficult, but last night's television coverage of another shooting proved that crime, much of it relating to drugs, is alive and well on the streets of Dublin. The Government must do everything possible and take the drugs issue seriously if we are to get anything done. We cannot continue to pass the buck. Irrespective of whether the money comes from the Department directly, the HSE or elsewhere, this matter falls under the drugs umbrella and must be faced. The buck stops with the Minister of State.

Last week, I had the pleasure of visiting Aiséirí services in County Tipperary. Using 28-day periods and the 12 steps, that unit deals with people who are drugs and alcohol addicted. It provides an excellent service that gives people hope and continues to treat them afterwards.

In my area, the local Inchicore drugs team has been asked to reduce its budget by €30,000. While I know that the Minister of State did not ask it personally, it must make cutbacks. Finding areas in which to make those cutbacks is difficult. Reductions are occurring everywhere.

Aiséirí and another service in County Wexford are being asked to reduce their budgets by 14%, a considerable amount of money for groups trying to treat vulnerable people. In the next year, those projects will lose out on €67,000. This is endemic of society. If we are asking drugs task forces to remove services, we must be prepared to shore them up in other ways.

**Deputy John Curran:** I agree with many of the Deputy's comments. However, it is important to clarify. In 2008, the funding available to the task forces was €34.776 million. This year, the figure is €34.6 million, a slight reduction. Task forces must make choices between projects, but it is also worth noting that the total spend including statutory agencies has increased significantly over the years.

It is appropriate that we constantly evaluate and monitor what we are supporting to ensure that we provide maximum benefits. In some cases, programmes are being run where statutory agencies have neglected to or have not provided services. We must be able to change for when statutory agencies start dealing with the issue.

The Deputy mentioned Aiséirí in the voluntary sector. She is correct in that, around the country, many drugs and alcohol rehabilitation services are run by the voluntary sector. We have appointed a national rehabilitation co-ordinator in the time since I have assumed my position. This is important because the provision of rehabilitation services by statutory agencies and voluntary and community bodies had been fragmented. We need to bring them together in a co-ordinated way, which is what we are doing now.

## Other Questions.

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### Community Development.

40. **Deputy Jim O’Keeffe** asked the Minister for Community, Rural and Gaeltacht Affairs his plans to re-open the CLÁR single to three-phase electricity conversion scheme; the outcome of the review of the scheme; and if he will make a statement on the matter. [8870/09]

**Deputy Éamon Ó Cuív:** As the Deputy will be aware, the CLÁR three-phase electricity conversion scheme has proven to be a popular and worthwhile measure. Since 2002, almost €5.42 million has been invested in 438 businesses, sports clubs and community centres to enhance electricity supply.

In a context where funding approved under CLÁR and the level of outstanding commitments increased significantly in 2008, a number of measures, including the three-phase electricity conversion measure, were closed and new applications are not currently being accepted. Against the background of the current economic climate, I am reviewing the CLÁR programme as a whole, having regard to demand, the funding available and the level of outstanding commitments. In this context, I will consider the reintroduction of a modified single to three-phase electricity measure when circumstances allow.

**Deputy Michael Ring:** I am glad to learn that the Minister will reconsider the measure, which benefited community groups, businesses and sporting organisations. City people in particular do not understand rural Ireland’s problems, the greatest of which is existent, but poor quality electricity supply. Businesses are trying to operate and create employment, but it costs them a fortune to install three-phase electricity.

Whatever review the Minister is undertaking in respect of the CLÁR programme, many causes are worthy of support while others are not so worthy. It is important for rural life and business to reintroduce this scheme. The Minister should try to find some funding, even if the scheme was to be confined to the business element for the present, to try to create employment. I ask the Minister to provide some funding in his budget for this year to try to maintain the three-phase electricity conversion scheme for the business element, in an effort to retain employment in rural and Gaeltacht areas.

**Deputy Éamon Ó Cuív:** I fully accept the Deputy’s observations and this scheme is of particular importance. I have personal experience regarding the effective lack of three-phase electricity and of trying to operate machines off the backs of tractors in single phase and so on. This is a priority scheme and I will go further by referring to the three issues I have stated I wish to address, once the money to accept new applications becomes available. A major overhang of work that was sanctioned last year exists, particularly regarding water and sewerage schemes and so on, that must be paid for this year. However, the first of three priority areas I have identified is the three-phase electricity scheme. At its height it cost approximately €1.5 million per year and grew hugely when we expanded the CLÁR areas. The second priority is the group water scheme top-ups because it involves putting piped water into areas that were totally dependent on wells. No one knew the capacity of each well, many of which used to dry up in the summer and there were other problems. The third priority I wish to consider is the issue of sewerage schemes in very small villages. For example, in Deputy Ring’s native County Mayo, villages such as Cross and The Neale made great use of the scheme to install treatment plants on a small network. Once one has done that much, one can add to the network again in the

future, if the basic core has been put in place. This allows such small villages to grow. Once the existing applications and approvals have worked their way through the system and we can accept more applications, these will be the priorities I will consider in respect of the scheme.

**Deputy Jack Wall:** It would be a retrograde step to do away with this scheme. Given the present economic downturn, the Minister still should find a way to provide the funding that would ensure the continuation of this programme. Not only should it be continued in the CLÁR areas but it should be extended to all districts because its benefits are enormous. As an electrician, I understand the workings of single phase and three-phase electricity. In respect of agritourism and everything associated with it in rural Ireland, this scheme would be received with open arms in every community nationwide. I press upon the Minister the importance of ensuring it is not lost in the cuts his Department will undertake. His promise in the House today that he will investigate its continuation in both the CLÁR areas and everywhere else certainly would be welcomed.

**Deputy Michael Ring:** Deputy Wall undoubtedly lights up this Chamber when he speaks. I had not realised he was an electrician. While this lies partially outside the Minister's brief, the ESB recently announced that it intended to take on apprenticeships nationwide in a highly worthwhile initiative. Although the ESB will reduce its prices soon, as is appropriate, it has made a substantial profit in recent years because the Regulator lacked the power to allow it to reduce prices heretofore. Consequently, the Minister or his officials should talk to the ESB to ascertain whether it now could do something for rural Ireland, where in some cases it failed to provide the requisite services. It should be asked to put together some kind of fund, in conjunction with the Department, to try to help to keep this scheme alive. As Deputy Wall noted, it is important for rural Ireland. People in the cities will not understand that one cannot operate unless one has a proper power supply. While the ESB has been given this job, in some cases it does not do it. The Minister might talk to its chief executive to ascertain whether it would provide some funding to the Department to try to introduce a scheme, which now is needed more than ever as jobs are needed in rural areas in particular.

**Deputy Éamon Ó Cuív:** That certainly is a good idea and I will consider it because I am willing to explore any possibility of getting funding into rural areas. As for Deputy Wall's remarks, there is another scheme that runs in parallel to this that my Department inherited from the Department of Agriculture, Fisheries and Food. I refer to the farm electrification grant scheme, or FEG scheme, as it is often known, which was dying slowly. Although there had been major interest in that scheme, when the waste management grants became available, many people then applied under the agricultural disadvantaged areas scheme for connections to sheds and to all the equipment they had for a slurry tanks and so on. The question of electricity supply for large commercial farming operations and for small businesses is vital. While we hear much about gaining access to broadband, in many parts of rural Ireland the ESB is the first requisite and broadband is the second and both are equal in the world in which we live. I am open to considering simple ideas to deal with the bread and butter issues. While one never will get on the front pages of the newspapers for such a debate, it changes people's lives and I thank Members for their support for this process and I certainly will keep their remarks in mind.

41. **Deputy Tom Hayes** asked the Minister for Community, Rural and Gaeltacht Affairs the level of funding which has been provided from 2008 to date, on a county basis, towards community development programmes; and if he will make a statement on the matter. [8889/09]

**Deputy John Curran:** The community development programme was established in 1990 in recognition of the role of community development in tackling the causes and effects of poverty and disadvantage. It aims to offer new opportunities to enable people to use and develop their skills, knowledge, experiences and common purpose to improve the quality of their own lives and the good of their community.

A total of 184 projects are currently funded under the programme. These are located in recognised disadvantaged areas nationwide, in both urban and rural areas. All projects are managed by local voluntary management committees. They operate as a resource for the communities in which they are located, with their main purpose being to work with the community in identifying and tackling those issues which have resulted in a lack of positive community development.

Details of funding allocated under the programme from 2008 to date, on a county basis, are listed in a table that will be included in the Official Report.

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

County	Total funding allocated from 2008 to date
	€
Carlow	157,142.84
Cavan	340,153.33
Clare	562,625.34
Cork	2,400,408.35
Donegal	1,460,804.18
Dublin	10,965,899.30
Galway	1,842,431.23
Kerry	740,758.50
Kildare	465,652.33
Kilkenny	203,566.67
Laois	157,699.50
Leitrim	292,873.33
Limerick	1,500,497.48
Longford	176,687.26
Louth	454,945.73
Mayo	1,557,358.87
Meath	391,461.33
Monaghan	462,225.82
Offaly	275,375.97
Roscommon	292,027.50
Sligo	336,213.33
Tipperary	847,385.37
Waterford	1,234,118.53
Westmeath	287,213.83
Wexford	1,089,042.09
Wicklow	927,995.48
Support and Associated costs	1,110,665.27
Total	30,533,228.76

**Deputy Michael Ring:** Although I had not realised that yesterday's announcements in respect of the economy, the finances and everything else would be made, I tabled this question because I was concerned regarding cutbacks in respect of this budget. It already has been cut back by several million euro this year. Can the Minister of State guarantee Members and those who are involved in the aforementioned organisations that he can protect the funding that is available to them at present? Can he guarantee that this funding will not be cut further on foot of what is happening in the country? I am sure that each Department will be obliged to reconsider its running costs for the year. As such organisations and the people involved identify the problems that exist in both rural areas and cities, this funding is necessary. Can the Minister of State give a guarantee to the House today that he will protect the necessary funding in his Department to ensure there are no further cuts in the budget?

**Deputy John Curran:** No, I cannot. It would not be possible for me to make such a promise in advance of whatever will happen later in the month. Neither my Department nor any other will be immune to what is happening in the economy. I am aware of the work undertaken by these community development groups and other groups that work in communities. I will endeavour to work with all groups to ensure the services they provide continue to be provided in the communities and areas of disadvantage. However, if the Deputy is asking whether I can guarantee the actual cash figure that has been allocated will continue, I cannot. Nevertheless, in respect of front line services that are being provided in areas of disadvantage and which are experiencing great difficulties at present, I will work to ensure that they will continue to be provided.

**Deputy Michael Ring:** I accept the Minister of State has been honest. However, his reply worries me and I am concerned that these services are under threat at present, particularly those pertaining to the most vulnerable in society. Given the good work done over the years, it is highly important that the Minister of State and his senior colleague should fight to ensure that such funding is put in place. It is the most vulnerable who are affected and who are protected and identified in these schemes.

I was going to refer to the mini-budget but I mean the fifth budget in recent times. As I noted last night in the House, we used to have a budget once a year but last year we had two. We now are into the third month of the year and it looks as though we are going to have one each month. If this continues, we will have a budget every week. However the Minister of State should protect the most vulnerable in society in respect of this issue.

**Deputy John Curran:** As I said, I will work to ensure these services are provided. We constantly evaluate and monitor what is going on. These organisations do not work in isolation to other community groups, partnerships and so on. It is important that we achieve the maximum value for money. In the current economic climate, in which we face the prospect of cutbacks in all Departments, I cannot say in advance that the budget for my Department or for a particular subhead will not be affected. It is not possible to provide a categorical assurance in this regard.

**Deputy Jack Wall:** I fully support Deputy Ring on this issue. Likewise, the Minister has my party's full support in terms of any mechanisms he may employ to ensure funding is provided for the schemes to which he referred. I am familiar with these types of schemes in my own constituency. These facilities often open on a Sunday and are used by people at all times of the day and night. They are of benefit to the entire community.

I will do everything I can to assist the Minister in making a case for the retention of these schemes. Cutbacks should not impact on entire communities in this manner. We will only

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survive current difficulties if communities pull together. This funding must be retained. My colleagues and I will fully support the Minister in every step he takes to meet that objective.

**Deputy John Curran:** I acknowledge the work that has been done under the community development programme. There are 184 of these projects throughout the State. I will work tirelessly to ensure the services, particularly front line services, they provide are maintained.

Funding is a separate matter. It is important to ensure that we constantly evaluate and monitor what these groups are doing rather than just viewing them in isolation. In any community, there may be multiple community development programme projects but they do not work in isolation from partnerships and other groups. In order to ensure that the needs of the community are being met, it is important we take a more holistic approach. We must strive to achieve efficiencies while also ensuring there are no gaps in services and that a comprehensive package is available in communities. We will work tirelessly to maintain front line services for communities. I acknowledge that the challenge is greater this year than in previous years. I appreciate Deputies' support on this matter. The budgetary issue is for another day but I assure Members that we will fight our corner.

### **Grant Payments.**

42. **Deputy Emmet Stagg** asked the Minister for Community, Rural and Gaeltacht Affairs the grants made to a group (details supplied) during 2008 and to date in 2009; and if he will make a statement on the matter. [8974/09]

52. **Deputy Brian O'Shea** asked the Minister for Community, Rural and Gaeltacht Affairs the reason payments to a group (details supplied) were increased by 62% in his Department's Estimate for 2009 in view of the fact that virtually all other headings relating to the Gaeltacht and the Irish language were reduced; and if he will make a statement on the matter. [8973/09]

**Deputy Éamon Ó Cuív:** I propose to take Questions Nos. 42 and 52 together.

The group referred to in the "details supplied" is a fund operated by my Department under which payments are made for specific purposes. As the questions have been put down on a "details supplied" basis, my understanding is that the rules of the House prevent me from being more specific in this regard. However, I have arranged that a list of the grants approved from the fund in 2008 and 2009 to date be supplied directly to the Deputies.

The reason the provisional 2009 allocation for the fund has shown an increase of 62% relates to a provision announced in the budget for a particular group. Again, I understand I am unable to provide a more specific reply in the context of a "details supplied" question. However, I can say that the provision in question related to both capital and current funding. It is envisaged that a significant portion of the amount in question — that relating to the capital funding — will transfer out of my Department's Vote in the context of the forthcoming Revised Estimates volume.

**Deputy Brian O'Shea:** I am somewhat bewildered by the Minister's response. It is not the first time I have had such a reaction in my dealings with his Department. I am concerned that something of a shadow has been cast over the organisation in question, which performs an important function.

**Deputy Éamon Ó Cuív:** If the Deputy names the organisation to which he refers, I can give him the answer to his question.

**Deputy Brian O'Shea:** The organisation to which I refer is Comhaltas Ceoltóirí Éireann.

**Deputy Éamon Ó Cuív:** If the Deputy had included the organisation's name in his question, I could have responded more directly.

**Deputy Brian O'Shea:** I am glad the Minister is so careful of all details. However, his response strikes me as fussy beyond what is reasonable. Nevertheless, we now have clarity as to the point raised in these questions.

Both *Foinse* and *The Irish Times* have reported that on the eve of the budget, an application was made by Comhaltas Ceoltóirí Éireann for funding of €50,000, but that it subsequently received an allocation of €3 million. This has been denied by Comhaltas Ceoltóirí Éireann, which claims it applied for €4 million and received €3 million. Will the Minister clarify this for the House? Other than transport to the islands and the 62% increase for Coiste na Gaeilge, funding under every other subhead relating to the Irish language and the Gaeltacht has been reduced. The Minister has made a public statement in which he said that the precise funding for Comhaltas Ceoltóirí Éireann in 2009, and the breakdown between current funding provided by his Department and capital funding provided by the Department of Arts, Sport and Tourism, will be decided shortly when the Revised Estimate volume is completed.

**An Leas-Cheann Comhairle:** References by Deputies to public statements by Ministers are not in order at Question Time.

**Deputy Brian O'Shea:** I am seeking clarification on this issue. I thank the Leas-Cheann Comhairle for bearing with me. All I want is clarity.

**Deputy Éamon Ó Cuív:** I am pleased to be able to clarify this issue. I will provide the Deputy with a table which outlines the payments from my Department to Comhaltas Ceoltóirí Éireann in 2006, 2007 and 2008, as well as the approved allocation for 2009. Parallel to the current funding provided by my Department, capital funding has been provided in recent years through the Vote of the Department of Arts, Sport and Tourism for the development of regional centres for Comhaltas Ceoltóirí Éireann.

What happened was that, in order to complete the capital programme, money was provided and was included in my Department's Vote when it should have been included in the Vote of the Department of Arts, Sport and Tourism. In order to convey the full picture, I will provide the Deputy with all the detail of current spending, as well as comparative figures, breakdowns and so on. After that, I suggest that he ask the Department of Arts, Sport and Tourism how much it has given in capital funding in the relevant years. It will then be clear that there has been no large windfall increase in funding for Comhaltas Ceoltóirí Éireann.

The core funding for that organisation was €575,000 in 2006; €600,000 in 2007; €630,000 in 2008; and will be retained at €630,000 for 2009. However, an additional €30,000 will be added to that figure representing the €30,000 that was allocated in each of those years to the Coleman centre in Gurteen, which allocation is now being subsumed into the core funding. In addition, we have acceded to Comhaltas Ceoltóirí Éireann's application for €60,000 in respect of Brú Ború. Therefore, it is receiving an additional——

**Deputy Brian O'Shea:** Does this sum correspond to the €50,000 to which reference was made in the media?

**Deputy Éamon Ó Cuív:** Yes, but according to my Department, the sum involved is €60,000. We will not argue over €10,000.

**Deputy Jack Wall:** We may have to before the year is over.

**Deputy Éamon Ó Cuív:** I understand the sum in question is €60,000.

The allocation under the regional development programme was €865,000 in 2006; €950,000 in 2007; and €1.25 million in 2008. This year, at the completion of that programme, there will be a full-year cost of €1.46 million. The reason for the increase is that this was a rolling programme of regional centres being opened by Comhaltas Ceoltóirí Éireann. If a person was employed in September last year, for example, full-year funding must be provided this year. Given that the programme was agreed four or five years ago, it did not appear in the freedom of information request regarding the funding sought by Comhaltas Ceoltóirí Éireann for 2009. This funding was requested and granted some years ago.

The total allocation, therefore, was €1.47 million in 2006; €1.58 million in 2007; €1.91 million in 2008; and €2.18 million for 2009. The 2009 figure includes the €60,000 for Brú Ború and the final instalment of increases under the regional development programme. The total increase is some €270,000 this year. I will send the tables to the Deputy but I am not sure what amount it received in capital spending. Some of the €3 million that was allocated to my Vote has been transferred in the Revised Estimates to the Department of Arts, Sports and Tourism. I do not have figures available on whether this represents an increase or a decrease on last year's capital allocation. The Deputy will have to contact that Department.

**Deputy Brian O'Shea:** The Minister's detailed reply casts some light on the situation for me. Coiste na Gaeilge is funded by the national lottery and part of the allocation from the Department of Arts, Sports and Tourism for capital funding to Comhaltas Ceoltóirí Éireann ended up in the allocation to Coiste na Gaeilge.

**Deputy Éamon Ó Cuív:** Temporarily.

**Deputy Brian O'Shea:** Why did that happen? I thought that Ministers were very careful when planning their budgets and knew what happens in total detail. The Minister does not know why a sum of €3 million funded by the national lottery arrived under a head in his Vote. I find that incredible but I am sure there is an explanation.

**Deputy Éamon Ó Cuív:** There is a very simple explanation. Comhaltas Ceoltóirí Éireann has a rolling programme and it was divided between two Departments. Perhaps this is not the best arrangement but that is the way it has been done since the regional programme began. My Department catered for current spending and the Department of Arts, Sports and Tourism catered for capital spending. Comhaltas Ceoltóirí Éireann applied for this programme to be completed and the money was allocated to my Vote. It is a simple matter of transferring it into the correct Vote. It is untidy but I assure the Deputy that I keep a careful eye on minor details of Votes and how money is spent. It came into my Vote in the short term and it will now be transferred out. It was one of those things that happens. Comhaltas Ceoltóirí Éireann raised a legitimate question that it was in the middle of a capital programme and one cannot drop building projects halfway through. Comhaltas Ceoltóirí Éireann asked that it be given one final allocation to build regional buildings and this was acceded to at the last minute. It went into the wrong Vote to put it simply. There is some extra current spending included but it only amounts to €200,000. This does away with many other arguments, such as that money was given to Comhaltas Ceoltóirí Éireann at the expense of Údarás na Gaeltachta. That was nonsense.

**Deputy Michael Ring:** We spoke about this at the last Question Time. It is a national scandal and that is why we spoke about the one-stop shop at the last Question Time. As Deputy O'Shea says, we have too many agencies and too many organisations draw money from several

agencies. That is why Deputy McHugh was frustrated. When one tables questions, the information is not with one Minister but it is with another Minister. This causes frustration. One wonders whether the Government has organised this in such a way that it will not answer the queries. Comhaltas Ceoltóirí Éireann is under this Department or the Department of Arts, Sports and Tourism and no organisation should be able to draw down funds from two Departments if one Department has control of the organisation. Is everything received by Comhaltas Ceoltóirí Éireann audited and does the Department receive audited accounts every year?

**Deputy Éamon Ó Cuív:** There is a simple answer to the second question. We receive business plans and audited accounts. Members of Comhaltas Ceoltóirí Éireann and its branches have access to the audited accounts. Under the new charities legislation, if the organisation has charitable status, it will have to publish audited accounts. No one would have any difficulty accessing the audited accounts of Comhaltas Ceoltóirí Éireann.

In principle I agree with the Deputy in respect of matters being simpler and why this is split between two Departments is a good question. With CLÁR funding, Deputies will agree with the idea of someone providing top-up funding to group water schemes. In an ideal world the Department of the Environment, Heritage and Local Government would have given that funding years ago but it did not happen. In the real world, to make it happen, I provided it. Deputy Ring's suggestion is a question for debate. If we told partnerships that they could not participate in community employment schemes under the Department of Enterprise, Trade and Employment, Deputy Ring would be very quick to table a question on this.

**Deputy Michael Ring:** They are all State agencies but I referred to where they are not State agencies and are drawing down from various agencies without accountability. At least county councils, the Minister and other Departments——

**Deputy Éamon Ó Cuív:** Not to obfuscate, I provided a table on current spending and I have told the Deputy that if he received a similar table on capital spending from the Department of Arts, Sports and Tourism he would have the other part of the equation. He would then have both the current and capital spending and could compare whether the money is increasing or decreasing and whether there was a windfall for Comhaltas Ceoltóirí Éireann. I was trying to be upfront about the information.

**Deputy Brian O'Shea:** I accept that the Minister is being upfront but Comhaltas Ceoltóirí Éireann receives money from the Department of Arts, Sport and Tourism, the Arts Council, the Department of Community, Rural and Gaeltacht Affairs and the Department of Foreign Affairs in respect of international travel. The organisation does the country proud when it travels. When money turns up in the Vote of the Department and the Minister is not quite sure why it is there, it raises the question to which Deputy Ring has referred. Should we not streamline the funding of an organisation so that it comes from one source? Money is wasted and resources are wasted if different Departments have to process various claims. Does the Minister agree with this approach or does he agree that the current system is appropriate and the most effective and efficient?

**Deputy Éamon Ó Cuív:** In principle I agree with the approach of Deputy O'Shea as long as it is not carried on to a ridiculous degree. When one makes a rule one finds that it applies to a situation to which one did not intend it to apply. I agree that there would be sense in all Departments funding this together. Such an approach created this problem because Comhaltas Ceoltóirí Éireann was receiving the money from two Departments and it sought funding from a Department that is over us all. It received additional current spending, €200,000, and capital spending together. Rather than dividing the sum it was allocated to one Vote because a unitary

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view was taken to the whole package. This is why it wound up in one Vote rather than two. It would have been better if a unitary view was taken as suggested by Deputy O'Shea before it was split into the appropriate Votes. Taking the unitary approach created this problem because capital and current allocations were put into the same Vote. It is a valid question.

### **Community Development.**

43. **Deputy Jack Wall** asked the Minister for Community, Rural and Gaeltacht Affairs if his Department provides grants to community groups for the restoration and upgrading of buildings in their communities, which have fallen into disrepair; and if he will make a statement on the matter. [8948/09]

**Deputy John Curran:** The programme of support for locally based community and voluntary organisations provides funding towards the costs of refurbishing and equipping community facilities. Given the volume of applications received to date, the level of commitments to projects approved for funding to the end of 2008 and the reduced level of funding available this year, I regret that I have had to suspend the programme since the end of February. It is unlikely that my Department will be in a position to open the programme again in the near future. My priority is to fund as many of the applications as possible that have already been received.

**Deputy Jack Wall:** This is a vital ingredient in restoring community life. In many areas there are buildings of historical value as well as of community value. These need grant assistance to create community activities in the area. In my area we are trying to organise a number of artists to use an old school building as a studio. There is the Tanyard in Ballitore, for which we are seeking funding. How many applications were received in 2008 and what funding is being provided? Is there a waiting list and is there any instance in which the grant system can be restored for 2009?

The grant does a number of things. It helps the community and, more importantly as of now, creates employment in many cases because buildings must be restored. That has a spin-off with regard to the local hardware store and so on. It is very important that we look at this as there are too many factors that cut off the local builder. The same thing is happening with the grant system relating to senior citizens. We are acting right across the country to the detriment of employment; we are not providing funding, we are cutting back instead. This is another instance of it. Will we see any funding provided to allow the scheme to continue?

**Deputy John Curran:** I will try to be as helpful as possible. The scheme fell into three sections, with refurbishment grants to upgrade premises used for community benefit in the ownership of the local community and voluntary organisations. That goes to 95%, up to a maximum of €60,000. There was also a maximum grant of €10,000 towards the cost of equipment for community facilities, with a third section being the training grant.

With specific reference to figures, we currently have 180 projects on hand. I decided to suspend it because it would be unfair to give groups and organisations an unrealistic hope of putting an application in where there may not be funding. The 180 have not been assessed but I anticipate that the current funding would be sufficient for these projects, if they are successful.

We have had to make some difficult decisions this year. Earlier, the Deputy spoke about trying to preserve funding for our community development projects. Deputy Byrne spoke about preserving funding for the task forces, and the likes of the task forces and competency development programmes will continue to provide front line services as they are being prioritised.

We could have looked at making alterations in other programmes I felt strongly about, including the scheme we run for elderly people with regard to monitored alarms. We have made an allocation for that programme and have not touched it. We have had to make difficult choices.

The Deputy asked if the scheme will be introduced again. It is suspended pending the take-up of the 180 projects. If there is funding left, the scheme will be introduced again. It would be unfair to communities to draw up proposals and apply for something when there may be no realistic prospect of receiving funding. It is regrettable that we are here but there must be priorities. My priority is to support the drugs task forces and community development projects that the Deputy has spoken about, as well as the monitored alarms for the elderly. That is why the scheme has been suspended.

**Deputy Jack Wall:** We must obviously make choices but we must also look after communities. In dealing with drugs and everything else, we must create the image of communities working together. These are ideal opportunities in that respect. There should be a quick assessment of the 180 projects. Much lottery funding has not been drawn down and there is no lottery funding this year. Something should be done to ensure those which did not draw down funding get a positive or negative answer, otherwise we will be depriving another community. I would be happy if only ten communities get the grants but we should not allow just wait for somebody to make a decision. If this occurs, the momentum is lost. If those with the applications in do not carry out the work, the opportunity should be given to somebody else.

**Deputy John Curran:** I agree with the Deputy and that is what we are trying to do. The maximum is €60,000 and it is not like a couple of hundred thousand euro is being spent on a sports facility. In some cases people in my Department work with people in the community to try to afford them the opportunity to complete the applications or get the additional information rather than telling them they are out because of a failure to supply information. There is a balance in supporting those communities in completing the process. There is also a policy of not allowing an overhang that will delay the system, meaning others who may benefit are being deprived.

*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 Frank Feighan — the processing of housing grants in County Roscommon; (2) Deputy Shane McEntee — the refusal by Eircom to repair a damaged phone line in Nobber, County Meath; (3) Deputy Joe Costello — the need for the Minister for Justice, Equality and Law Reform to outline his proposals for restructuring and financing the National Drugs Strategy; (4) Deputy John Perry — to ask the Taoiseach if he will make a statement on the introduction of new bilingual recordings for voice annunciators in lifts and prerecorded telephone messages in public buildings including Leinster House; (5) Deputy Dan Neville — the need for further resources for suicide prevention programmes in times of recession; (6) Deputies Joe McHugh, Tom Sheahan and Dinny McGinley — the interpretation of European Council Regulation No. 2371/2002; (7) Deputy Seymour Crawford — that the Minister for Transport should work with the NRA and Monaghan County Council to ensure proper signage, lighting and slip roads at junctions off the N2 road along the recently built 2 plus 1 bypass of Castleblayney town to ensure that no further accidents happen and will he make a statement on the matter; (8) Deputy Charlie O'Connor — the need to examine the building programme

[An Leas-Cheann Comhairle.]

in respect of Holy Rosary National School, Ballycragh, Dublin 24; (9) Deputy Mattie McGrath — to ask the Minister for Transport what the National Roads Authority intends to do with the vast amounts of land alongside the new N8 Road in south Tipperary to prevent transient traders from illegally parking on same, if the NRA intends to provide resources to South Tipperary County Council to put measures in place to prevent this illegal parking and if he will make a statement on the matter; (10) Deputy Ciarán Lynch — the need to finalise a national carer's strategy; (11) Deputy Thomas P. Broughan — the urgent need for the Minister for the Environment, Heritage and Local Government to bring forward a strategic development zone for the stalled and unfinished housing estates across the north fringe from Belcamp to Baldoyle; if he will establish a taskforce with Fingal County Council and Dublin City Council to investigate all aspects of the pyrite contamination of houses and apartments in parts of this and other areas of north county Dublin and also immediately establish a traceability audit of all materials used from an alleged pyrite contaminated quarry in Dublin 15.

The matters raised by Deputies Ciarán Lynch, Feighan; McHugh, Sheahan and McGinley; and O'Connor have been selected for discussion.

**Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Bill 2009:  
Committee and Remaining Stages.**

Section 1 agreed to.

**NEW SECTIONS.**

**An Leas-Cheann Comhairle:** Amendment No. a1 is in the name of Deputies Burton, Bruton and O'Donnell and amendments Nos. a1c, a1d, a1f, a1g and a1j are related. The amendments will be discussed together.

**Deputy Joan Burton:** I move amendment No. a1:

In page 3, before section 2, to insert the following new section:

“2.—The remuneration of any officer, employee or director of any financial institution to which funds are paid out of the National Pension Reserve Fund under this Act shall not exceed the sum of €250,000.”.

I ask that a list be provided of the groupings of the amendments. I have a list of my individual amendments but do not have a comprehensive list that includes those from the Minister. Is it available?

**An Leas-Cheann Comhairle:** That list is on its way and will be distributed as soon as it arrives.

**Deputy Joan Burton:** I appreciate that. Does the Minister have a copy of my amendment?

**Minister for Finance (Deputy Brian Lenihan):** I am checking that.

**An Leas-Cheann Comhairle:** We are dealing with amendment No. a1, a proposed new section. Does the Minister have a copy of the amendment?

**Deputy Brian Lenihan:** I do not seem to have amendments in the name of Deputy Burton.

**Deputy Joan Burton:** I have a copy of it.

**An Leas-Cheann Comhairle:** We must ensure everybody has a copy of all the amendments.

**Deputy Joan Burton:** I would not like to have the Minister turn the amendment down because he did not have a copy of it.

**An Leas-Cheann Comhairle:** The amendment is in the name of Deputies Burton, Bruton and O'Donnell.

**Deputy Brian Lenihan:** Does it begin with the words, "Any advance contributions"?

**Deputy Joan Burton:** The proposed new section states:

"2.—The remuneration of any officer, employee or director of any financial institution to which funds are paid out of the National Pension Reserve Fund under this Act shall not exceed the sum of €250,000."

**An Leas-Cheann Comhairle:** I have a copy in front of me. Does the Minister have a copy?

**Deputy Brian Lenihan:** Yes.

**An Leas-Cheann Comhairle:** The Deputy might make her contribution and the House could catch up with her.

**Deputy Joan Burton:** This amendment is similar to an amendment moved by the Labour Party on the night of the debate concerning the bank guarantee scheme and recently with regard to the pension levy on public service pensions. The proposed amendment is very simple in that it states that bankers' pay should be capped at the same level as that of the Minister for Finance.

I do not have to explain the idea. I heard from reports of the Fianna Fáil Ard-Fheis last weekend that in his warm-up speech to the Taoiseach's address, the Minister for Transport, Deputy Dempsey, described the bankers as having done great damage. He did not mean the ordinary bank staff but the people at the top echelons of the banks, those on the boards, chairpersons and particularly the senior executives and some of the people in Anglo Irish Bank who ended up, as the Minister said when the revelations about directors' loans emerged, did enormous damage to Ireland's reputation. The Minister for Transport is reported as having said that the damage done by the bankers was as bad as the damage done by Cromwell but that Cromwell at least did not just have a purely financial motive.

If the Minister for Finance shares the analysis of the Minister, Deputy Dempsey, and those who attended the Ard-Fheis who gave him a standing ovation — which the Minister for Finance who was there can confirm, if he can remember, as it often difficult to remember the details of Ard-Fheiseanna and party conferences as they tend to become blurred in one's mind immediately after the event — there is now an opportunity to revisit Cromwell. I would be astonished if the Minister did not accept this amendment.

I recall the famous quote Cromwell made in regard to the King in a speech he gave to the Rump or Long Parliament in the 1640s or 1650s when he said "In the name of God, go!" I have already said in regard to the Taoiseach, Deputy Cowen, and particularly the Minister, Deputy Dempsey, that I was surprised they did not also recall Cromwell's comments because they were famously subsequently quoted by a high ranking Tory MP, Mr. Amery to Neville Chamberlain after the disaster of Munich when Mr. Amery said that Chamberlain had done as much as he could do and that he should, "In the name of God, go!"

Given that members of Fianna Fáil were discussing bankers and Cromwell at the weekend, they might revisit the history of Cromwell. If the Fianna Fáil Ard-Fheis enthusiastically charac-

[Deputy Joan Burton.]

terised the behaviour of some senior bankers as being in the same category as what Cromwell did to Ireland, the pillage, burnings, lootings and so on, except that this was economic damage inflicted on this country in a terrible way, why then is Fianna Fáil shy and reluctant to act? We know that members of Fianna Fáil are not normally shy, reluctant, backward or unwilling to step out into the spotlight. Therefore, it must be asked why are they so unwilling to take action against the bankers, action that makes perfect sense?

We are not being so radical as to say, as per the Roundheads, “Off with their heads”. We are simply saying that their pay should be limited to the same level as that of the esteemed Minister for Finance. His salary package before the various levies are applied is just under €240,000, his ministerial expenses from what we know are approximately €60,000 or €70,000 and every Minister has a chauffeur driven car, with the car supplied by the State. That package adds up to approximately €350,000. In the name of God, to paraphrase Cromwell, why can the pay of the bankers not be restricted and why can the Minister not do that now?

This Bill is concerned with handing over €7 billion of our money to the banks in order to rescue them. We are agreed on the principle that the banks need to be rescued, particularly our two big banks, Allied Irish Bank and Bank of Ireland, because they are fundamental to our economy. They operate in every town and village in Ireland, are critical to the supply of credit to small and large businesses up and down the country and to retaining, maintaining and stabilising employment. Jobs is what this is about.

When he was in the House some hours ago the Taoiseach confessed that the Government anticipates that the jobless total, the number of people who will be unemployed, by the end of this year may have reached 450,000. That is a national tragedy, as big I suggest to the Minister for Transport, Deputy Dempsey, as the tragedy Cromwell inflicted on this country and the damage that the bankers have done recently.

Why is the Government reluctant to limit the pay of the bankers? I have heard the Taoiseach say on a number of occasions that there is a committee of senior mandarins and other great people working on this and I understand they have been working on it since last Christmas. We were told today that we are facing another harsh budget sometime in the first week of April. We were told that the hole that the Government proposes to plug is €2 billion to €2.5 billion or maybe more in terms of income tax increases to address the fall in the tax revenue announced in the Exchequer figures yesterday, and an increase of €1 billion to €1.5 billion in spending, apparently due mainly to increases in the numbers of people signing on the live register and claiming unemployment and to increases in demands for medical cards as a result of people being unemployed.

The Minister will look to the ordinary taxpayer in this respect. Make no mistake about it, we will be looking for Fianna Fáil to address the issue of the people who got so much out of this economy in the good days and had the opportunity to avail of the tax shelters to which the then Minister Charlie McCreevy was addicted and the then Minister, Deputy Cowen, did not have the courage to close. They made the bubble in the economy worse. Yet, from what we hear from Fianna Fáil they will not be targeted, rather it will be the ordinary family, that of a husband and wife with two children in their 30 to 40s who will pay even more come the first week in April. In view of this why can the Minister not agree to cap the salaries of the bankers?

If the Minister has a better amendment I would be happy to withdraw this one. I am sure Fine Gael will also co-operate to allow the Minister to change the figure. If it comes up to €300,000 or €350,000, I will not quibble. I heard the chief executive of Allied Irish Bank say the other day that he expects his salary will have come down to approximately €700,000 this

year. God love him, that is terrible. He was earning €2 million or €3 million a year and his salary has gone down to €700,000.

I do not believe that the families who will have to bear the brunt of the new wave of tax increases the Government seems to be about to propose in April can accept very great pain and hardship unless there is some notion of fairness. Fairness in terms of the bankers is seeing them return and undo some of the damage they have done to the economy. We are putting our shirts on this measure by putting €7 billion into the banks. We are not saying to the bankers that they should join the dole queue and see what it feels like for the 450,000 people who may be unemployed by the end of the year but we are saying they can join a gold plated dole queue by restricting themselves to the salary, emoluments and the compensation package of our Minister for Finance. What can be wrong with that? A sign of leadership is needed from the Minister. I encourage him and I hope he can accept this Labour Party amendment.

**Deputy Kieran O'Donnell:** We tabled a similar amendment, but it does not appear to be on the list of amendments.

**An Leas-Cheann Comhairle:** It is.

**Deputy Kieran O'Donnell:** Is it? We have not received it.

**An Leas-Cheann Comhairle:** It is on a separate list. There is not a consolidated list of amendments. It is a similar amendment to this amendment.

**Deputy Kieran O'Donnell:** What is its reference number?

**An Leas-Cheann Comhairle:** We are taking amendment No. a1 in the names of Deputies Burton, Bruton and O'Donnell.

**Deputy Kieran O'Donnell:** Okay, my apologies.

**An Leas-Cheann Comhairle:** For clarity, similar amendments being discussed with amendment No. a1 are amendments Nos. a1c, a1d, a1f, a1g and a1j.

**Deputy Kieran O'Donnell:** I will speak to amendment No.a1. Our amendment is amendment No. a1.

**An Leas-Cheann Comhairle:** Yes.

**Deputy Kieran O'Donnell:** I note that the Minister has stated that he has received the report on executives in the covered institutions. I ask him to make the contents of that report known to the House during Committee Stage. Perhaps we could withdraw this amendment if he let us

4 o'clock know exactly what the report stated and we could move on the measure. The public can see €7 billion of their money being invested into the two main banks.

We all wish for a sound banking system. However, the people are paying €1.4 billion on the pensions levy and will face having to pay €2 billion on the income levy alone. Many of those provisions are hitting people on modest incomes. We are looking for fairness and we tabled the motion in that light. As the Minister is now in possession of the report on the remuneration of the executives in the covered institutions, he should now advise the House of the contents of the report, including its recommendations. In the spirit of co-operation that the Minister calls for from the Opposition and which we are now bringing forth, we would like to be able to consider the report and work in partnership in terms of its contents. I hope the Minister will accept our amendment in the light of co-operation. The Minister is in possession

[Deputy Kieran O'Donnell.]

of the information and it is incumbent on him to make the details of the report known to the House today.

**An Leas-Cheann Comhairle:** Would Deputy Bruton like to contribute at this stage?

**Deputy Richard Bruton:** No. I would like to hear the Minister.

**An Leas-Cheann Comhairle:** I call Deputy Morgan to be followed by the Minister.

**Deputy Arthur Morgan:** My amendment is slightly different in that it proposes to insert the following:

The income of any senior manager or any employee of a financial institution that is availing of funds under the National Pension Reserve Fund shall not be greater than that of an Irish Government Minister.

I am sure many people know that our Ministers and Deputies are far too highly paid. In light of the significant bank of opinion that shares that view, offering to reduce the salaries of these banking executives to a level equivalent to that of a Minister is reasonable and probably far more generous than what the majority of people would like to see it. I believe they would wish to reduce it substantially more. In recent weeks we heard that one of these characters was earning more than €3 million plus bonuses per annum.

I understand that at a time when the Celtic tiger was running mad with developers, speculators and all sorts of characters coining it and making large fortunes, obviously these bankers lost the run of themselves, which is fair enough. The problem I have is that they did not even earn the money. We have only to look at the mess they have helped create around us. Clearly the banking sector has been a major contributor to the reputation that we now have internationally, where the level of trust in financial institutions is on the floor. It will be extremely difficult to improve that level of trust and begin to get the economy moving again.

I acknowledge that the banks play a pivotal role in the running of any economy. However, we need to ensure the executives have their feet on the ground. They are highly paid and contributed substantially to wrecking the economy. The least we should expect of them now is that they would take a level of salary that is supported by this House. That would send a strong message to society generally and particularly to low and middle-income earners who are hurting badly. Many public sector workers when they look at their wage slips tomorrow will see that the pensions levy will have kicked in in some cases and its impact will begin to hit home. Painful as that is, at least if people in this category saw others, particularly bank executives, sharing the burden it would be some comfort to them. This is our opportunity to send that very clear message to the bank executives and the public generally.

I have tabled another amendment on this matter. The bonuses those executives received in each of the past three years should be handed back. In many cases people were acting, to say the least, very dubiously while they were receiving those bonuses. Therefore it is my very strong view that they earned those bonuses through means other than fair play. It is critical that those bonuses be handed back.

I agree entirely with Deputy O'Donnell. The Minister has the report on the executives' remuneration. Will he share it with us? Can he at least give us the conclusions of the report to allow us evaluate them?

**Deputy Brian Lenihan:** When the Credit Institutions (Financial Support) Bill was before the House, many Members expressed reservations about the levels of remuneration and bonus

arrangements that were in operation for senior banking executives. That debate continued in the discussion on the scheme the Government drew up on foot of the Credit Institutions (Financial Support) Act in connection with the guarantee. The Government listens to views expressed on all sides of the House. During the debate on the Credit Institutions (Financial Support) Bill the concerns expressed by many Members at various times of day and night were very carefully noted in my Department and the scheme was drawn up in the light of concerns expressed by Deputies on all sides at that stage.

The decision to establish the Covered Institutions Remuneration Oversight Committee was taken on foot of the scheme approved by the House and reflected concerns raised by Members of this House. That committee has now reported. I have not as yet had time to consider the details of the report and therefore I am not in a position to put it before the House today. In any event before I take any decision on the recommendations, I propose to bring the report to Government for its consideration.

I can, however, say that the basis of the report is to consider the salaries and remuneration arrangements that apply to the chief executives, chairmen and directors of the different covered institutions, establish what the salaries in comparable commercial institutions in Irish life are and recommend scales of remuneration in accordance with that basic comparison. That is the basis upon which the committee has drawn up its recommendations. As I said they will be before the House in due course.

I wish to emphasise that this committee is not some method of kicking this issue to touch. It is the means of raising and dealing with the issue in the context of the deliberations of the House itself last autumn. That said, I appreciate that because of what has come to light in the banking sector since then, Deputies are anxious to make statements about what they deem to be an appropriate level of remuneration. However, I need to await consideration by the Government of the report and its decision in that regard. Prior to the recapitalisation decision the Government insisted on having certain preconditions on remuneration laid down. Those preconditions were without prejudice to whatever would be recommended by the committee. So, for example, Allied Irish Banks and Bank of Ireland agreed an immediate curtailment of salary and remuneration of 33%. No performance bonuses will be paid for senior executives at the capitalised institutions. No salary increases will be made in 2008 and 2009. In addition the non-executive directors' fees were reduced by 25%.

That was done as a basic commitment or precondition of the capitalisation itself. We are now in possession of a report that covers the salary scales, which will be dealt with expeditiously by the Government. However, the basis of the report is a scientific assessment — not a popular assessment — of what comparable companies in Irish life obtain. It is worth noting that the balance sheets, for example, of the two main financial institutions bear a substantial relationship to the gross domestic product of the economy itself. These two institutions are very important and the report should be considered in that context. Again, the matter will be brought to Government and a decision will be made on it in due course.

In so far as legislative provision is required, which is what these amendments are about; legislative provision to deal with this matter exists in the guarantee scheme. The legislative provision in the guarantee scheme is wider than any legislative provision that can be inserted here because the legislative provision inserted here would only apply to a capitalised institution which under the legislation could only be one of the three quoted credit institutions on the Irish Stock Exchange. The legislative provision that is already in existence covers six institutions and it is important that those six guaranteed institutions all have their senior executive level remuneration dealt with in an orderly way. That is what I propose to do.

**Deputy Joan Burton:** The Minister's remarks have made me very angry and people listening in to the Minister's comments will also be very angry. I do not know if the Minister realises how frightened, angry and despairing many people are out on the street.

**Deputy Brian Lenihan:** Of course I realise it.

**Deputy Joan Burton:** It is astonishing for the Minister to suggest that the method of assessing the salaries of these people by means of a review committee of top people is a scientific method of assessment as compared with——

What was the word he used? He said it was scientific as opposed to——

**Deputy Arthur Morgan:** He said “popular”.

**Deputy Joan Burton:** It is “popular”. There is a place in every country for popular feeling, particularly when we are listening to the representative of the government which has driven the economy into a ditch.

I recall all last summer another scientifically based report on which the Taoiseach ducked, dived and weaved for six or seven long months, namely, the report on the remuneration of higher paid public servants, including the Taoiseach and senior politicians who were Cabinet members. The consequence of this scientifically based report on remuneration for top people has been that we now have the highest paid President in the world and the Taoiseach is certainly the highest paid leader in the European Union and earns far more than the President of the United States. We also have a Governor of the Central Bank who earns more than the Governor of the European Central Bank. If we are returning to planet reality, what are these scientific assessments of top people's salaries?

I heard the Minister of State responsible for labour affairs on RTE two weeks ago giving a very scientific comment on the salaries of people on the bottom of the scale, when he clearly suggested the minimum wage was up for consideration as being unaffordable in the context of our current economic situation. Yet, the Minister for Finance can come in here and say what he has just said. We have actually been too soft with Fianna Fáil and with this Government, which has driven the economy to ruin. It should get out now and follow Cromwell's dictum — in the name of God, go.

There is a lengthy article in *The New York Times* of last Saturday which is most interesting. There is a widespread movement in the United States which has a great deal of merit, which is to look for a clawback from senior bankers in regard to the compensation they took, particularly in recent years when they drove the bond markets, stock markets and, in particular, bank shares to ever more dizzying heights, and took their compensation accordingly. While I am sure they will do so in due course, I do not know if anyone has done an analysis of the compensation packages of top bankers over the past five to ten years. However, from newspaper reports, it would appear the chief executive and chairperson of Anglo Irish Bank would in salary and compensation have earned somewhere in the region of €20 million in addition to pension contributions. We must remember that even under the revised guidelines for top people's pensions in the private sector, it is possible now to accumulate a pension fund of more than €5 million and to have 20%, or €1 million of that paid out tax free from the pension fund of these retiring bankers. Moreover, it is a safe bet to assume their pension funds are in the many millions of euros.

I am utterly shocked by the notion the Minister would tell the House that because the net assets of the balance sheets are large, a scientific method of assessing salary is appropriate. The assets of the balance sheet are large but what we are discussing today is putting in €7 billion

because many of those assets have turned out to be fool's gold in terms of loans on property and construction. In this regard, Allied Irish Banks said on Monday that the likely losses over the next couple of years may be contained, it hopes, around the €8 billion mark. Two weeks ago, Bank of Ireland said it hoped its level of likely losses over the next two to three years can be contained around the €6 billion mark. If there was any logic, not only would be not make the soft offering of keeping the bankers' salaries at the level of Ministers' pay, we would look for a clawback in regard to their pension funds and in regard to the money that was paid to them and helped them to indulge in utterly reckless behaviour.

Clearly, the Minister has the report. I am disappointed he was not able to share the contents of this scientific study. Does he think science is beyond us? I did not do science in school because I did not have an opportunity but I could learn pretty quickly if he would offer me this scientific report. I simply do not understand this, particularly when I saw the Fianna Fáil delegates cheering to the echo proposals that Fianna Fáil would get tough on bankers. Perhaps when Fianna Fáil is out in Citywest, it is talking to more ordinary people, the kind of people who support Fianna Fáil up and down the country, most of whom have the best interests of the country at heart. However, when it comes to dealing with the bankers, Fianna Fáil has another set of criteria and it is then scientific. This is like George Bernard Shaw with regard to scientific socialism. We now have scientific capitalism from this Minister to determine bankers' pay.

I remind the Minister that we are now a byword throughout the European Union and the world for extraordinarily excessive payments to top people in both our public service — Ministers, the President and the Taoiseach — and our banks. Part of the recovery of our reputation will be to say “that was then, this is now” and that we have reined in these types of payments. If this scientific report is to compare salaries with other similar companies, what exactly does that mean? The average remuneration for top executives in publicly quoted companies in Ireland has drifted more and more above the €1 million to €2 million mark. When one takes into account the pension contributions which attract tax relief and which are very special arrangements — it is not like the civil servants having to pay 6% in pension levies — where they can accumulate up to €5 million and distribute €1 million of that tax free, we are being offered a suggestion that there is a scientific methodology in all of this. I want the Minister to re-think this matter.

**Deputy Richard Bruton:** I am surprised by the Minister's response given what he has said about the need to have a dramatic change in the banking culture. Let us not forget it was by buying into risks which these executives did not understand that we are in our present position. If they had any science about them they might not have been doing this sort of thing. Bogus science was behind the enormous explosion, particularly in the way packages and derivatives were handled. Even in Ireland, this was evident in the way they were willing to price land for a potential beyond any realistic value.

It is the nature of the job in a reformed banking structure that should dictate what these people are paid, not the nature of jobs in other sections of the private sector. The point has been made, not only in this House but elsewhere, that one of the problems in the commercial world in recent years was the way in which senior executives catapulted their remuneration into the outer stratosphere, compared to what others working in their institutions were paid. This was partly responsible for the decline in the system and was a sign of a decay in the way it worked. Rather than look at the pattern of executives elsewhere who have been infected by this approach, we must look to the nature of the banker's job in the modern changed environment the Minister is trying to establish. That should tell us what they should be paid. We should set the standard much closer to what a senior public servant or a chief executive of a

[Deputy Richard Bruton.]

modest semi-State body earns. These are not people at the cutting edge of technology. Banking is an age-old system and it was done best when done on the basis of common sense and prudence. It was about trust in relationships and bankers understanding the client and his or her needs as well as those of the bank. We must get back to that.

I am not reassured by the Minister's resumé, not having read the report. He appears to be telling the House that we can expect the top earners in the Irish Stock Exchange, or somewhere similar, to tell us what these people will get. We are in a different world. Let us not forget that what is unique about banking is that when things go wrong he and I and the rest of the taxpayers in the country must step up to the mark, take the knock and guarantee the banks. They are not on their own in a raw world where they must take all the consequences of their bad decisions. As we have seen to our cost, we carry the consequences of such decisions.

I am disappointed the Minister will not give us some insight on what is contained in the document. If he was told by this committee that he must set banking salaries towards the high end of earners in the Irish Stock Exchange, he should tell the committee "No". What we are looking for is much more like a semi-State body, or senior public servant level, and that the banks be run on a different basis because the way banking went was an aberration. We want a much more modest approach to banking based on relationships, trust and a new model. The Minister should tell these people that if they want huge earnings, banking is not the world for them.

**Deputy Arthur Morgan:** I ask the Minister to listen to what is being said in the House, particularly to what Deputy Burton said some moments ago. It may not be what I am looking for but she suggested ministerial level pay or something slightly above that, as proposed by the other amendment before the House, or perhaps something marginally above that again.

I am prepared to compromise and the Minister has heard the same from other Deputies. We are not trying to shoehorn him into an untenable position. We can have a conversation about this and arrive at a reasonable proposal that will enjoy the support of the entire House. That would be an immensely more practical solution than the proposed scientific examination. One must ask whether the comparable scientific examination takes into consideration that many people in these other industries are also grossly overpaid, as the previous speaker mentioned. People lost the run of themselves during the so-called Celtic tiger era. Some bankers and other characters were going around like emperors of old, for goodness sake. The only thing missing was people carrying them on a grand seat at shoulder height. It was ridiculous. They were like peacocks strutting around.

Did the group which made the scientific examination consider that the massive salaries and huge bonuses those executives were getting might well have encouraged the greed that led us into the crisis we are in now? I do not hang everything on the bankers' necks. There was a deregulatory regime, speculators and the Government looking the other way while it all happened. However, I want the bankers to carry their fair share and I want all of us to get real about the situation and bring it back to practical levels.

We do not ask that their salaries be reduced to the level of a Deputy's salary. I would like them to be reduced to my salary, which is not that of a Deputy. It is worth advising the House, and the Minister will know this, that the Sinn Féin Deputies and Senator take the average industrial wage. We survive on that. If we can do it why can the bankers not do the same? I do not even ask them to come to that position. We are prepared to compromise and to be reasonable in this matter.

A previous speaker was right. The biggest cheer of the night at the Fianna Fáil Ard-Fheis, judging from the part I saw on television, was when the Minister for Transport, Deputy Noel Dempsey, said he was going to hold the bankers to account and rein them in. I am sure there would be a cheer at the same decibel level from this House if the Minister were to exercise his power, rein them in and deal with them. If we miss this chance today in the Dáil I have no doubt the gate will be open for them again. I do not see the Minister or his Government making any serious attempt to rein in these characters. Here is the chance to do it, to give public leadership and be fair and reasonable in this matter, once and for all. Even doing that is to be unfair, but none the less my party will go along with it in this case.

I hope we can go back to the good old-fashioned level of honesty within banks. I do not refer to quills or pocket watches or that kind of detail. We will settle for less than that but we want the honesty and integrity that went with that era. The bankers could demonstrate they are prepared to go there if they agreed to take the kind of salary cap we wish to impose.

**Deputy Kieran O'Donnell:** How lengthy is the report on remuneration? How many pages?

**Acting Chairman:** The Deputy should continue.

**Deputy Brian Lenihan:** It has been submitted to Cabinet. That question is not in order.

**Deputy Kieran O'Donnell:** This report is critical. It was brought in with the Credit Institutions (Financial Support) Act 2008 and the guarantee scheme. The Minister spoke about 33% for the banks but that percentage comes off a very high base and bears no comparison to a person affected by the pension level, be to 3% or 4%, or with the 1% levy for a person on low income. Deputies are lobbied about that.

This report is highly critical with regard to the entire area of recapitalisation of the banks. The Minister told us he has a report in his possession. I suspect it is not very lengthy and he has not told us when he got it. I would like to know when he received it. Why would it have to go to Cabinet? Why can the Minister not provide us with details in the House in respect of what is in the report?

**Deputy Brian Lenihan:** The report was received yesterday. There was a Private Members' motion and an amendment and an amount of legislation to bring through the House. It is open to a Minister to bring any matter of public importance to the Government for decision. This is a matter of sufficient public importance to require a Government decision. In answer to what Deputy Bruton indicated, I agree with him that this is a very important issue. This is the reason that on foot of the guarantee arrangement we put in place a scheme which provided for a scientific determination of this issue. This scientific determination rests not just on a comparison with comparable positions but also takes into account the fact, as Deputy Bruton pointed out, that these institutions are guaranteed. This is something the committee has to take into account and it also has to take into account the fact that these institutions are capitalised. All those factors are being taken into account by the committee in its report. I can confirm that much to the House because I do not want the work of the committee to be misrepresented in any way.

This is an important issue about which we are all very anxious. As I have said many times both in the House and outside of it, the existing salary levels of senior executives in banks are way out of line with appropriate and comparable norms in private sector employment. That is the reason the committee was asked to do this exercise. It has completed the exercise and decisions will be made in due course. The reference to the 35%, the abolition of bonuses, was contained as a basic commitment in the capitalisation of these institutions but this precedes the recommendations of the committee, which will now be considered by the Government.

[Deputy Brian Lenihan.]

With regard to Deputy Burton, I listen to her when she is discussing accounts but when she wanders into history I become worried because, of course, that famous cry, “In God’s name, depart”, uttered by one of Cromwell’s supporters, led to the establishment of a military dictatorship in England for a period of a decade and a half. I hope her similar echo does not have a similar consequence for this country.

**Deputy Arthur Morgan:** It was not much worse.

**Deputy Joan Burton:** I know the Minister is an historian and I am not. However, I think that was the high point of English republicanism. Last weekend when Deputy Noel Dempsey invoked Cromwell, I think it was as one republican party to another on our sister island. I felt the hand of history was hovering over Deputy Dempsey and it might have given him a clout at any point.

Is the Minister serious, a scientific report as opposed to popularism and popular discussion among the unscientific and uneducated in the House? On what planet is the Minister living? Is he afraid? Has he read the report?

**Deputy Brian Lenihan:** Who suggested the Deputy was uneducated?

**Deputy Joan Burton:** Has the Minister had the time to read the report? A bit like the Anglo report——

**Deputy Brian Lenihan:** The report arrived yesterday.

**Deputy Joan Burton:** One would imagine it would be hot off the presses and into the Minister’s hands and that he would be very anxious to read it. The Minister is indicating to the House that the scientific basis of this study will put these bankers on a comparison for payments with the top people in the top companies in Ireland. He indicated that these are companies with very large balance sheets with, as I said, very large holes. There are bigger holes in their balance sheets than there are in the national accounts. We are being asked to stay our hands on a perfectly reasonable amendment to cap their salaries at €250,000 by law in this Bill for the duration of the period that these gentlemen avail of the State’s hospitality of the guarantee. What could be possibly wrong with that? Is the Minister afraid that some of these guys are going to quit? Is he afraid that some of the people who brought the banks to ruin would walk out and leave because they were no longer getting as much money as they were used to? I am not sure I would be desperately upset if some of these guys took a walk. The only reason we might need to hold on to them is to find out what they were up to in order that we can try to repair the damage. What is the Minister’s reason, particularly given that the remarks of the Minister, Deputy Dempsey, seemed to get an enthusiastic reception at the Fianna Fáil Ard-Fheis from the assembled Roundheads in the audience? They seemed to almost want it to be “off with their heads” for the bankers. They were in a real republican mood. If Mr. Michael Foot, who wrote a biography of Cromwell, had been there he would have said this was true inter-island co-operation and admiration from one set of republicans to another republican long deceased but who is regarded in England as a republican hero even if he is regarded in Ireland, and rightly so, as a terrible despot.

I appeal to the Minister to have courage. If he were to accept this amendment, would the rest of his Cabinet collapse because bankers would be restricted to around the same salary as Cabinet members? I think they would learn to live with it and I recommend the amendment.

**Deputy Richard Bruton:** One of the issues we discussed with the Minister in the committee last week was the status of people who have received very substantial pay-offs from the banks. The Minister indicated that legal advice would be required to determine the status of those payments. Has the covered institutions remuneration committee taken such advice? One of the aspects which people find extremely galling is the notion that people who were at the heart of the banks when they got into this hole would walk away and be given Rolls Royce packages even if the Minister is resolving — we do not yet know what the resolution is — to bring in a new regime. Has this been studied to see if there is scope for bringing sanity into the packages of those who are leaving?

**Deputy Arthur Morgan:** There is a public expectation that the issue of the banks will be put on a proper footing now, once and for all. That expectation extends to proper regulation being put in place which will oversee these banks and which will ensure the carry-on in which they were engaging will end once and for all. The sackings the public expected have not happened. Those who have left have gone, I understand, on very good terms. There is significant public disquiet, indeed anger, about this aspect. This legislation should be a first step in correcting this mess, this carry-on and crisis in the banking sector which was largely self-created. To be paid at the level of ministerial pay should be more than adequate for any of them. It is beyond me why the Minister will not accept the amendment. The majority should have been sacked anyway.

Why will the Minister not share the report with the House? Is it confidential? What does the report contain that could be confidential if it is a scientific report, as the Minister stated, with levels measured against other industries? What is wrong with sharing that information with the House? What is the secret? Is there something that may damage the public interest to prevent the Minister publishing the report now, this afternoon? I ask the Minister to elaborate as I would be happy with that at least.

**Deputy Kieran O'Donnell:** When does the Minister propose to bring this remuneration report before the House?

**Deputy Brian Lenihan:** As I indicated, I intend to bring the report before the Government and that is the reason the report is being treated as confidential. This is the normal practice with reports which are brought before the Government. I do not know if there is very much I can add to this discussion because the core point is that this House agreed last October to a method of determination of senior executive pay in all six covered institutions and not just the particular institutions that are the subject matter of this Bill. I have made it clear to the House that this committee has taken into account, not alone the mandate given to it by this House, but also the fact of the guarantee and the capitalisation. On that basis the committee has recommended definite caps on executive pay which will set a guideline for all executive pay within financial institutions. That is the situation. It is useful to use these amendments as a peg for providing this discussion, but that is the position and decisions will be taken on foot of that.

With regard to the query about payments that were made to particular institutions in relation to severance, that is a matter for them. However, with regard to Anglo Irish Bank I can tell the House that, of course the board of the bank, now under public ownership, can obtain legal advice in respect of any such payments.

With regard to the Minister for Transport, Deputy Noel Dempsey, and the Fianna Fáil Ard-Fheis, I would not like Deputy Burton to be left with the impression that this was some form of mutual admiration society between the Minister and Oliver Cromwell. My understanding of

[Deputy Brian Lenihan.]

what Deputy Dempsey said is that the bankers had visited indignities on the Irish nation similar to those that had been visited on it by Oliver Cromwell.

Amendment put.

The Dáil divided: Tá, 62; Níl, 76.

Tá

Bannon, James.  
Barrett, Seán.  
Broughan, Thomas P.  
Burke, Ulick.  
Burton, Joan.  
Byrne, Catherine.  
Carey, Joe.  
Clune, Deirdre.  
Coonan, Noel J.  
Coveney, Simon.  
Crawford, Seymour.  
Creed, Michael.  
Creighton, Lucinda.  
D'Arcy, Michael.  
Deasy, John.  
Doyle, Andrew.  
English, Damien.  
Enright, Olwyn.  
Feighan, Frank.  
Flanagan, Terence.  
Hayes, Brian.  
Hayes, Tom.  
Higgins, Michael D.  
Hogan, Phil.  
Kehoe, Paul.  
Lynch, Ciarán.  
Lynch, Kathleen.  
McCormack, Pádraic.  
McEntee, Shane.  
McGinley, Dinny.  
McGrath, Finian.

McHugh, Joe.  
McManus, Liz.  
Mitchell, Olivia.  
Morgan, Arthur.  
Naughten, Denis.  
Neville, Dan.  
Noonan, Michael.  
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.  
Quinn, Ruairí.  
Rabbitte, Pat.  
Reilly, James.  
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.

Níl

Ahern, Dermot.  
Ahern, Michael.  
Ahern, Noel.  
Andrews, Chris.  
Ardagh, Seán.  
Aylward, Bobby.  
Blaney, Niall.  
Brady, Áine.  
Brady, Cyprian.  
Brady, Johnny.  
Browne, John.  
Byrne, Thomas.  
Calleary, Dara.  
Carey, Pat.  
Collins, Niall.  
Conlon, Margaret.  
Connick, Seán.  
Cregan, John.  
Cuffe, Ciarán.  
Cullen, Martin.  
Dempsey, Noel.

Devins, Jimmy.  
Dooley, Timmy.  
Fahey, Frank.  
Fitzpatrick, Michael.  
Fleming, Seán.  
Flynn, Beverley.  
Gallagher, Pat The Cope.  
Gogarty, Paul.  
Gormley, John.  
Hanafin, Mary.  
Harney, Mary.  
Haughey, Seán.  
Healy-Rae, Jackie.  
Hector, Máire.  
Kelleher, Billy.  
Kelly, Peter.  
Kenneally, Brendan.  
Kennedy, Michael.  
Killeen, Tony.  
Kirk, Seamus.

Níl—*continued*

Kitt, Michael P.  
Kitt, Tom.  
Lenihan, Brian.  
Lenihan, Conor.  
Lowry, Michael.  
McDaid, James.  
McEllistrim, Thomas.  
McGrath, Mattie.  
McGrath, Michael.  
Mansergh, Martin.  
Martin, Micheál.  
Moloney, John.  
Moynihan, Michael.  
Mulcahy, Michael.  
Nolan, M. J.  
Ó Fearghaíl, Seán.  
O'Brien, Darragh.  
O'Connor, Charlie.

O'Flynn, Noel.  
O'Hanlon, Rory.  
O'Keeffe, Batt.  
O'Keeffe, Edward.  
O'Rourke, Mary.  
O'Sullivan, Christy.  
Power, Peter.  
Power, Seán.  
Roche, Dick.  
Ryan, Eamon.  
Sargent, Trevor.  
Scanlon, Eamon.  
Smith, Brendan.  
Treacy, Noel.  
Wallace, Mary.  
White, Mary Alexandra.  
Woods, Michael.

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Pat Carey and John Cregan.

Amendment declared lost.

**An Leas-Cheann Comhairle:** Amendment No. a1a is in the name of Deputy Burton. Amendments Nos. a1e and a1h are related. Amendments Nos. a1a, a1e and a1h are being taken together.

**Deputy Joan Burton:** I move amendment No. a1a:

In page 3, before section 2, to insert the following new section:

“2.—Any funding to any financial institution to which funds are paid out of the National Pension Reserve Fund under this Act in excess of a cumulative total of €7 Billion shall not be made save pursuant to a resolution of both Houses of the Oireachtas.”.

The purpose of this amendment is that, in respect of any financial institution to which funds are paid out of the National Pensions Reserve Fund under this Bill in excess of a cumulative total of €7 billion, no additional money over that €7 billion will be given to the institutions unless the proposal to give them extra funding over the €7 billion comes back to the floor of the Dáil where there will be an opportunity to debate it in the House.

This is rushed legislation which is giving excessive powers to the Minister to give €7 billion today to Allied Irish Bank and Bank of Ireland. We agree in principle that those banks must be recapitalised but as I suggested in discussions on earlier parts of the Bill, it is possible that the €7 billion is inadequate and there is a power in the Bill whereby if the amounts prove to be inadequate, the Minister might not have to come back to the House to debate that. This Minister may be willing to indicate that he will come back to the House but there is no actual requirement to do that. We are moving this amendment to ensure that if this Minister or a future Minister seeks to put more funds into these banks from the National Pensions Reserve Fund or otherwise, they will be obliged to return to the Dáil and debate it in the Dáil. The banks are getting a great deal of money and because this legislation is being rushed through the House, we are concerned that the powers being granted to the Minister in this respect are excessive.

**Deputy Kieran O'Donnell:** Fine Gael has tabled a similar amendment. The purpose of this legislation is to put moneys from the National Pensions Reserve Fund into the two main banks — AIB and Bank of Ireland — but as the legislation currently stands, can the Minister put funds into the listed financial institutions, AIB and Bank of Ireland, and Irish Life & Permanent, without bringing it back before the House? We are tabling an amendment that anything in excess of the €7 billion allocated to the two main banks, AIB and Bank of Ireland, from the National Pensions Reserve Fund could be allocated only on the basis of a resolution of both Houses of the Oireachtas. Does this Bill entitle the Minister to put additional funds into the listed banks without bringing the matter before the House? I commend this amendment to the House.

**Deputy Arthur Morgan:** I support this group of amendments, one of which, a1h is my own and states:

“The Minister shall not direct the Commission to use funds from the National Pension Reserve Fund in excess of €7 billion for the purposes of investing in any financial institution without the consent of both Houses of the Oireachtas.”.

It is a reasonable belt and braces approach to deal with this fund, which is so critical to people's futures and pensions, and ensures it is protected at all times. I do not know why the Minister would not accept any of these amendments. They are being brought before the democratic institution and give representatives of the people their say in the Chamber. It would not need to be a long project or process. Money in excess of €7 billion could be moved to one of the institutions concerned quickly if the need arose. I have a hopeful expectation the Minister will accept the essence of these amendments.

**Deputy Kieran O'Donnell:** Amendment No. a1e is grouped with these amendments in the names of Deputy Burton and me. We would like some clarification. It is extremely important to remember this is taxpayer's money. The Minister mentioned advanced contributions in the order of €3 billion. Those contributions should be restricted purely to investment in these financial institutions with specific reference to ensure the flow of credit.

We have also looked to ensure the institutions which receive funds from the National Pensions Reserve Fund publish a quarterly report to the Houses of the Oireachtas, detailing the increased lending they have provided to enterprises and first time purchasers. I note some Fianna Fáil backbenchers have also made this point and agreed with me. There is a 10% increase in capacity for small and medium sized businesses within the proposed scheme and a 30% increase in capacity for first time buyers.

We need to know exactly what the institutions will do, how many people they have considered for loans, how many loans they have granted and the terms by which such loans are advanced so that the House can see they have honoured their commitments. We need to see the number of loans they are granting, the number of people involved, the amounts granted and the number of applications refused. Ultimately, there is a danger we will lose sight of the main function of the recapitalisation of the banks, which is to ensure funds flow to small business.

We are discussing this Bill in light of the fact that the Government is now looking to find €5 billion. The worry is it will take funds out of the economy. It is critical the banks ensure we do not have a situation where there is further contraction in funds from banks. In amendment No. a1e we put forward two very straightforward measures. The first is that the advanced contributions would be specifically used to invest in the financial institutions concerned. The second measure, given the reason for this recapitalisation is to ensure the flow of credit in the economy,

that any institutions involved — the two currently involved are AIB and Bank of Ireland — must publish a quarterly report detailing the increased lending provided to enterprises and first time buyers to the Houses of the Oireachtas.

Last night, during the Private Members' debate, the Minister built his speech around co-operation with the Opposition. We are introducing proposals and the Minister, in terms of the remuneration committee on higher executive bankers, has refused to provide the report to the House. He effectively evaded the question, which I take to be a negative.

**Deputy Brian Lenihan:** I answered the question.

**Deputy Kieran O'Donnell:** The Minister did not answer the question.

**Deputy Brian Lenihan:** I said the closed matters were brought to Government in the House——

**Deputy Kieran O'Donnell:** After it has been brought to Government, can the Minister then bring it before the House? Is he giving that commitment?

**Deputy Brian Lenihan:** The matter will be dealt with on that basis.

**Deputy Kieran O'Donnell:** Is the Minister giving a commitment to the House that we will see the contents of that report?

**Deputy Brian Lenihan:** Of course.

**Deputy Kieran O'Donnell:** I am glad to hear that. In that spirit, I hope the Minister will look favourably on the amendments we have proposed. The main issue is the flow of funds to small businesses and first time buyers. We need to see clear evidence it is happening and to date we have not. We are being asked to vote on a Bill which is giving €7 billion of taxpayer money to two institutions.

**Deputy Brian Lenihan:** I agree with Deputy O'Donnell. The most important matter is to ensure resumption in the flow of credit from the banks to the economy and those who wish to borrow money for consumer, commercial and business purposes. That is the core objective of all our work here.

There has been a great deal of concern voiced by the Deputy, me and others to the banks about the flow of credit to viable businesses. There is a great deal of evidence of cash flow financing difficulties. Falling demand for credit has played a role but the perception of limited credit availability is very damaging at a time of fragile business and consumer confidence. That is why the Government decided to conduct an independent review of bank lending to provide an accurate picture of the current position of bank lending to small and medium sized enterprises in Ireland, and that review will report within a short time frame.

AIB and Bank of Ireland have agreed to fund this independent review, which will be managed jointly by the banks, Government and business representatives. Consultants will be appointed to conduct the review in the coming days. I agree with Deputy O'Donnell. I am not sure that changing the provisions of this legislation would have any impact on this issue. I am not satisfied it will but I share his concern and it is something we have to address. It is the most important issue of all.

Regarding Deputy Burton's amendment, she wants the ministerial direction to be cleared in advance by the Houses of the Oireachtas. I considered this amendment carefully. The Bill provides that the Minister for Finance may give directions to the NPRF Commission only in

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circumstances where the Minister is of the opinion, having consulted the Governor of the Central Bank and the Financial Regulator, that the direction is needed to remedy a serious disturbance in the economy or prevent serious damage to the financial system.

The Minister for Finance must have that power without having to go to the House in advance. The details of any investment will emerge in the annual report or can be elicited by way of a parliamentary question, but the power must be given to the Minister to make the actual decision because it is made to remedy a serious disturbance in the economy or prevent serious damage to the financial system. It is important that a Minister can act urgently in such circumstances.

Under the credit institutions legalisation, the Minister could transfer funds to the NPRF for the purposes of investing in a listed credit institution in the context of recapitalisation, without any resolution of the Houses. Therefore, the Minister can follow an indirect route to secure the same objective. In those circumstances, I do not see any great advantage in accepting the amendment proposed by Deputy Burton, although I understand and accept the spirit in which she tabled it. I agree it is a fine question.

Clearly, were I to exercise power under the credit institutions legislation it would show in the Exchequer statements. Under this legislation it would be shown in the annual report or be elicited by way of a parliamentary question.

**An Leas-Cheann Comhairle:** Is the amendment being pressed?

**Deputy Brian O'Shea:** I am somewhat disappointed with the Minister's reply. He made the point that if there was a serious disturbance in the economy, the Minister would have to act urgently. Such a serious disturbance would require funds beyond the €7 billion provided for in this Bill. The Minister would be able to flag his position publicly but when significant State funds are being directed to banks, it is only proper in a democratic society that the Members of both Houses would have the opportunity to debate and make a decision on what he proposed. The Minister made an argument based on serious disturbance and urgent action. Action on the legislation was not urgent in the sense that the money was not transferred immediately. The intention to do so was flagged and this brought stability. I have a serious concern about the dilution of the function of the Oireachtas and its democratically elected Members in not having a say on major decisions, which have enormous implications for the State.

**Deputy Arthur Morgan:** There is a willingness to accede to the request for the Minister to handle the transfer of the sum of €7 billion and give direction to the institutions. However, this is hardly loose change. How far could the Minister go beyond €7 billion, given no cap is provided for? It is fair and reasonable that the Minister should return to the House in order that Members could tease out how much more than €7 billion would be transferred and get to the bottom of all the issues. How much more than €7 billion does the Minister anticipate he might need, even in an emergency? Does he believe there is a threshold above €7 billion that would tweak his instincts to revert to the House for a debate? If the amendments are not accepted, perhaps he would elaborate on that.

**Deputy Kieran O'Donnell:** One of the main debates today is the need to find €5 billion in savings through increased taxes and expenditure cuts. However, €7 billion of taxpayers' money is being put into the two main banks under this legislation. When AIB published its annual accounts, reference was made to the €3.5 billion being provided by the Exchequer through the NPRF in the context of its core tier 1 capital ratio. The bank has not received the money but this signal gave stability to the market. The Minister is seeking approval to amend the rules

governing the NPRF in order that it can take direction on investments from the Minister of the day. We cannot agree to a scenario where he or she can provide whatever amount is required by the banks without reference to the Houses of the Oireachtas.

The Minister will not be prevented from doing his job. If the banks require money, he has signalled his intention to bring legislation relating to this before the Oireachtas to seek approval to provide additional funds from the NPRF to the two main banks. It is extremely important that such a provision is brought before the Houses. Will the Minister clarify this?

**Deputy Brian Lenihan:** I understand the concerns expressed by Members but we should focus on the realities rather than on abstractions. The reality is I fear the House would know all about it had I to invest or give a direction on a sum in excess of €7 billion. The Minister must be given freedom of manoeuvre regarding this legislation because it concerns investment in particular institutions. Currently, the pension fund does not seek prior parliamentary approval for the investments in which it engages, which is crucial.

When this investment is completed, the remainder of the fund will consist of ordinary shares in companies all around the world, which have been acquired for the fund or on its behalf. I have made it clear in public debate and on the record of the House that the rapid disposal of those assets would result in a considerable loss to the pension fund. A decision on my behalf to give a further direction would entail a loss to the fund itself and, therefore, would take place in considerably difficult circumstances for the State. That is the reality of the position relating to a sum in excess of €7 billion.

Deputies could retort about the borrowing option available to the pension fund to finance credit institutions. As I made clear on Second Stage, we have frontloaded the Exchequer contribution to the pension fund for the next two years to secure the bank capitalisation and, therefore, that option could not be invoked for two years at the earliest.

With regard to the practicalities of the position, a theoretical issue has been raised. The Minister must have some freedom of manoeuvre in this matter. Were circumstances so grave that the ordinary shareholdings the State holds in the fund had to be disposed of to fund further investment in credit institutions, that operation would have to be conducted in secrecy prior to its disclosure.

**Deputy Kieran O'Donnell:** Under the legalisation, funds can be provided both from the Exchequer and non-central funds to the NPRF.

**Deputy Brian Lenihan:** That is correct.

**Deputy Kieran O'Donnell:** State assets could be sold and the money realised provided to the NPRF. In that case, taxpayers' money would be involved but there would be no accountability. We are not interfering with the Minister's role in dealing with the banks but the amendments provide for accountability to the Houses of the Oireachtas on the use of taxpayers' money. The Minister stated earlier he cannot direct the NPRF on its investment. However, under this legislation, the Minister will direct the fund's administrators to invest €7 billion in the two main banks, which is completely different. The issue is whether they can achieve liquidity on the international markets. To do so, their core tier 1 capital levels must be well above the minimum, as the minimum is irrelevant in the current environment on the international markets.

Where a 4% core tier 1 capital ratio was the norm, investors are now seeking a ratio of more than 8%. The Minister directed a number of weeks ago that €3.5 billion be invested in both AIB and Bank of Ireland. They were then able to go to the markets and state their liquidity ratios for core tier 1 capital had increased.

**Deputy Brian Lenihan:** There is no direction yet. A signal was made.

**Deputy Kieran O'Donnell:** The chief executive officer of AIB clearly stated his core tier 1 capital ratio had increased to 8.5% but this was qualified subsequently as being the case after the €3.5 billion is provided by the Exchequer via the NPRF. The amendment is reasonable, as it does not restrict the Minister from dealing with the banks and giving them the security they need. It ensures proper debate on the use of taxpayers' money.

We are being watched by people who are losing their jobs. In the past four months, nearly 100,000 more people have gone on the live register. We must explain to them an investment of €7 billion in the two main banks. The Government will increase taxes on people who are already hard pressed and reduce expenditure to correct the public finances. This is important if we are to restore the international markets' confidence in our economy and banking sector.

We need proper accountability for further funds invested in the banks. The mechanism through which the Minister can provide the banks an assurance would not be interfered with. In the public interest and the spirit of co-operation, we want him to debate in the Houses the signing of the cheque.

**Deputy Arthur Morgan:** I thank the Minister and his officials for their courteous and helpful briefing on this legislation. The Minister did not respond to my question on the ceiling. Section 3(c) states:

by inserting after subsection (1)(c)—

“(ca) to accept funds or assets for the benefit of the Fund from sources other than the Central Fund, if so directed by the Minister,”

I appreciate that his officials must examine it for a moment. It appears that the potential for the Minister's direction of the institutions' funding will be endless. I do not know whether he would clear the entire financial cupboard into the banks were they in such difficulty, but the prospect could arise. Given the level of funding, the Minister can see why we would like an input in deciding on what amount beyond €7 billion would be invested in the banks.

I will keep talking to allow the Minister time to get his brief. Section 3(c) raises the prospect of a significant addition, as we are also discussing assets. Perhaps the Minister will elaborate.

**Deputy Brian Lenihan:** The Deputy referred to section 3(c). I do not know whether we are speaking to that section, but I will address it. I appreciate——

**Deputy Arthur Morgan:** Is it not relevant?

**Deputy Brian Lenihan:** I will try to help the Deputy. The section allows the fund to accept funds or assets for its benefit from sources other than the Central Fund if so directed by the Minister. Currently, the commission can only accept contributions from the Central Fund, which previously included a surplus of tax receipts that could have been transferred on the 1% basis to the pension fund. The Central Fund might also include the proceeds and the realisation of sale of a State company.

The effect of the section is to allow funds or assets other than funds in the Central Fund to be transferred by the State. I hesitate to give examples because we have no current proposals, but shares in State-owned companies, State-owned lands or——

**Deputy Arthur Morgan:** An Post.

**Deputy Brian Lenihan:** —this building could, in theory, be transferred into the pension fund under this section.

**Deputy Kieran O'Donnell:** Is the Minister suggesting that?

**Deputy Arthur Morgan:** That is what I said. It is endless.

*(Interruptions).*

**Acting Chairman (Deputy Jack Wall):** The Minister, without interruption.

**Deputy Brian Lenihan:** The crucial point is that there are no current proposals to do so. However, Deputy Morgan is right in that we are taking power to do so.

Regarding the core issue of the amendment, the Minister must form an opinion after consultation with the Central Bank and the Financial Regulator and only to deal with serious disturbances or potential serious damage to the financial system. Clearly, the Minister must have this power. The question being raised is why the Minister cannot be prevented from exercising the power without parliamentary approval. While I appreciate Deputy O'Shea's point, the Minister requires this power to deal with emergency circumstances.

The example used in the amendment relates to the Minister proposing to exceed the €7 billion limit. Currently, were the Minister to issue a direction to the commissioners to exceed that limit, they would be required to sell shares, a commercially sensitive matter that could not be discussed in the House in advance. The commissioners would need to dispose of the shareholdings at the maximum possible value. The idea that we could have an extensive parliamentary debate before the exercise of such a commercial decision is wrong. It would not be desirable or in the public interest to advertise to the entire investment community that Ireland was required to fire sale some of the equities it held in a pension fund. For this reason, the power is not subject to prior parliamentary approval.

**Deputy Kieran O'Donnell:** I seek clarification. The National Pensions Reserve Fund is entitled to do its business independently. If it wishes, it can invest in any asset.

**Deputy Brian Lenihan:** We are discussing a power of direction.

**Deputy Kieran O'Donnell:** If the Minister has that power, he will be removing the commission's discretion. Regardless of whether he is investing funds from the Exchequer or elsewhere, he is using taxpayers' money. Obviously, he cannot interfere with the NPRF.

This issue comprises two elements. The commission has its own role and can invest in assets on which it believes it will get a maximum return. A different situation is arising wherein the Minister will direct the NPRF to invest in banks using €4 billion of its current cash and another €3 billion in front loading. In future, the Minister might give it a direction to invest further funds or he might invest Exchequer or other funds in the NPRF. This is an important matter, given the level of funding to be invested in the banks. According to Citigroup, the two banks will require an additional €3 billion. Other groups believe the figure will be higher. The situation will arise. The Minister refers to an emergency.

The key issue is the use of taxpayers' money. This is a question of €7 billion, not €100,000. Given the €5 billion today, the amount is put in context. The amendment is designed to ensure that the banks meet their minimum core tier one requirements. How much funding will flow to customers and small businesses? The Minister has pointed out that this is key.

[Deputy Kieran O'Donnell.]

The amendment is reasonable. The Minister would still be able to carry out his functions in terms of recapitalising the banks if necessary. Given the level of funding and the dire condition of the public finances, the public would expect a debate. Every euro counts, but we are discussing €7 billion.

**Deputy Arthur Morgan:** The Minister's reply made my point. He stated jovially that Leinster House could be sold to save the banks. As this Government already has sold off Aer Lingus and a Fianna Fáil Government previously sold off Eircom, a good track record exists in respect of selling off State goods.

**Deputy Brian Lenihan:** The Eircom proceeds were put into the pension fund.

**Deputy Arthur Morgan:** I know that. How much will it cost now to put in place proper broadband and infrastructure across the State to create competitiveness and jobs? I argue we are paying a far bigger price in respect of our competitiveness and job creation opportunities lost because of what happened then. My point is that €7 billion is more than enough. According to section 3, the amount the Minister in theory could put into the institutions is endless. This is the reason I consider it reasonable to request that a reference to this effect should be included.

Moreover, it need not be funds, as even assets can be transferred, by which I assume is meant that the value of such assets may be transferred. Effectively, they could be mortgaged into the institutions. This is the aspect that concerns me.

**Deputy Brian O'Shea:** As for selling Leinster House, a not inconsiderable number of people would consider that to be a very good idea. I see the relevance of the Minister's arguments regarding a serious disturbance in the financial system, the need to sell shares in a fire sale context and the need to proceed by way of secrecy in that instance. However, this must be balanced against other considerations, not least the primacy of Parliament. I take it that in a scenario in which the Minister would seek to exceed the €7 billion limit, he would be obliged to get Cabinet approval and obviously this would be done in a highly confidential setting.

While I do not intend to press the amendment at this point, I will leave it open for Deputy Burton to table it again it on Report Stage. Essentially, I am trying to balance both considerations. I can see the logic underlying the Minister's argument in respect of alerting the market and damaging the State's resources, were the word to go out that the Irish State intended to dispose of shares in an emergency scenario. I agree this would not be in the national interest, were this to be flagged to the markets. At the same time, I seek a way in which the primacy of Parliament and the democratic need for issues of such importance to the State to be dealt with by public representatives on behalf of the people, while listening to their views in that context, would be taken into account. I will not press the Labour Party amendment and will, by leave, withdraw it with the option of returning to it on Report Stage.

**Deputy Kieran O'Donnell:** To clarify, Fine Gael tabled a similar amendment. Has it been included in the amendment list?

**Acting Chairman:** I am not aware of it. Three amendments have been linked together.

**Deputy Kieran O'Donnell:** Although it has not been included on the list, Fine Gael tabled it as an amendment.

**Acting Chairman:** The amendments are in the names of Deputies Burton, Bruton and O'Donnell.

**Deputy Kieran O'Donnell:** They are different amendments.

I do not expect that those who manage the National Pensions Reserve Fund would invest in the banks of their own accord. This is being done because the Minister is directing them to make that investment.

**Deputy Brian Lenihan:** Yes, this is the reason for this legislation.

**Deputy Kieran O'Donnell:** Precisely. To follow on from this, as matters stand, there is nothing to stop the Minister from putting funds into the National Pensions Reserve Fund in the morning, if he wishes, by way of front-loading. The point is that were the Minister to invest such moneys into any of the listed institutions, the matter should be brought back before this House to be discussed and approved. It is as simple as that.

**Deputy Richard Bruton:** I wish to make a brief point before the Minister responds. I would not be completely opposed to giving discretion to the Minister, if I thought this threat was realistic. I refer to a scenario that was of such urgency that the Minister could not come back before the House for approval. However, our banks have been in trouble for a very long time and even under this recapitalisation proposal, they will not draw down the money until after their own extraordinary general meetings. They will not abandon procedures for their shareholders or if they so intend, Members should be informed that in these extraordinary times, the banks will set aside the interests of shareholders while dealing with the survival of their institutions. However, the Minister is asking the shareholders of Ireland Incorporated to set aside the interests of the shareholders, who Members represent, to push through this emergency measure.

I do not see how the circumstances the Minister envisages could be so time sensitive or such matters of life and death that the Government could not make an announcement to the effect that it intends to invest in X, Y or Z bank and that the Minister will go before the House in the normal way with an item of legislation to get its sanction to use the pensions reserve fund. In the normal course of events, the Government has a majority in the Dáil and in such circumstances, in which an emergency had arisen, it would be likely to have some support from the Opposition or at least an understanding. Consequently, I am unsure whether the case has been made.

If I thought the banks were going to their convocations or whatever they have — the Bank of Ireland has some highly elaborate old statutes — to state they were abandoning their procedures and that in the event of them being obliged to seek more Government recapitalisation, there would be no EGM and their shareholders would wake up one morning to find this has happened because of an emergency, in other words, if there was a *quid pro quo*, I then might agree that Members of the Dáil must recognise that these were extraordinary emergencies and that they must suspend their disbelief. However, I have not heard such a case being made and the normal procedure, whereby the Government gets the approval of the House for spending taxpayers' money, should continue to apply.

**Deputy Brian Lenihan:** First of all, this is not a normal position. Deputy O'Donnell refers to billions of euro of investments. The NTMA issues bonds worth billions without reference either to me or the House. The State must engage in commercially sensitive operations. The lending of money by or borrowing for the State is a commercially sensitive operation. I do not arrive in this House and ask for prior clearance for the NTMA to engage in such borrowing.

**Deputy Kieran O'Donnell:** Absolutely not.

**Deputy Brian Lenihan:** Likewise, this section is to deal with a commercially sensitive context. As Deputy Bruton may not have heard my previous explanation, I will repeat it. When the investment is made in the recapitalised institutions, the sole assets remaining in the pension fund will be equities or ordinary shares. Surely the State cannot advertise in advance its intentions to dispose of them? Any disposal of such assets must be done under conditions of strict confidentiality.

**Deputy Richard Bruton:** Is the Minister talking about disposing of equities or acquiring more?

**Deputy Brian Lenihan:** While I do not state I am minded to do this, were I to give a public direction to the pension fund to invest further in the three credit institutions, of necessity, the market then would infer that the pension fund would immediately need to dispose of an amount of its shareholding. That is a commercially sensitive operation and that constitutes market sensitive information. The Deputy is asking me to accept this amendment and disclose to the markets in advance, through a Parliamentary debate, that such a direction should be given. That is not possible.

To get around that problem, Deputy O'Donnell postulated an entirely different set of circumstances, as did Deputy O'Shea, in which somehow I would transfer funds from the Central Fund into the pension fund and then direct the pension fund to make an investment in a credit institution. I accept this is theoretically possible but this could only be done in the public domain because of the scale——

**Deputy Richard Bruton:** The Minister could come back before the House.

**Deputy Brian Lenihan:** If the Deputy bears with me for a moment, there is no market sensitivity attached to that operation because it would be done exclusively with State moneys. It would necessarily have to be disclosed by me because it would emerge immediately and in any event, in the Exchequer accounts in a matter of days. I wish to make one further point in reply to Deputy O'Shea, who grasped my point. I took great care in drafting this legislation to restrict the scope of possible investment to a credit institution listed on the Stock Exchange. I did so because, in addition to the safeguards that exist in regard to the disbursement of public moneys, there are also substantial Stock Exchange safeguards relating to disclosure in respect of investment in credit institutions. Were we required to invest in a building society, for example, that would have to be done outside the immediate context of this legislation.

**Deputy Richard Bruton:** I do not mean to be obstructive on this issue. The National Pensions Reserve Fund has shareholdings in companies quoted throughout the world. People are not basing their determination of the value of these internationally traded shares on the investment strategy of the National Pensions Reserve Fund. The Minister had no compunction about talking openly for weeks and months about the possibility of recapitalisation from the National Pensions Reserve Fund. This was not so highly sensitive a prospect that the Minister could not dream of releasing even a comma about the possibility it would take place.

**Deputy Brian Lenihan:** All my public comments made clear that such recapitalisation would be funded from realisable assets within the fund.

**Deputy Richard Bruton:** We were given a figure of €4 billion and there was talk at an earlier stage of a larger sum being required. It was not clear at all stages that the Minister intended to produce the double contribution from the State in one year. I do now want to be made a fool of in this matter. There was speculation that the National Pensions Reserve Fund might

have to sell some of its shareholding to be in a position to make this investment. This did not happen in the end, whether because the Minister decided not to do so or because the board informed the Minister that the losses would be too great or that it was locked in at a certain price or whatever.

These proposals were not of such extraordinary sensitivity that the Minister could not dream of whispering to the Members of this House that, by the way, more taxpayers' money might be required for the banks. The Minister, quite rightly, was open and willing in his announcements that the Government would stand by the banks and would recapitalise them from the National Pensions Reserve Fund. We on this side of the House have been asked to back off to some extent in questioning what we have been told is this very reasonable legislation because of its emergency nature. However, there is the question of the right of the House to have positive motions put before it and to have a chance to approve them. We were obliged to accept the legislation introducing the public service pension levy last week. In the case of the legislation to bring Anglo Irish Bank into State ownership, we accepted half a loaf where we were of the view that the Dáil was entitled to a greater say in how that matter was implemented. I suspect we are being sold a pup here and that it is not so highly confidential and critical an issue that the Minister could not say to the House that he intended to move from €7 billion to €10 billion or some other figure.

**Deputy Brian Lenihan:** Any such investment by the Minister or the National Pensions Reserve Fund would come to light in a matter of days. As a matter of practical commercial reality, the Minister cannot conceal such an operation.

**Deputy Kieran O'Donnell:** The Minister is missing the point that we live in very uncertain times. It was always accepted that the National Pensions Reserve Fund would be used as a vehicle to recapitalise the banks. It is generally acknowledged by most commentators that these two banks will require further recapitalisation. It is generally accepted that this recapitalisation will come from the National Pensions Reserve Fund.

**Deputy Brian Lenihan:** These matters are not generally accepted. The Deputy has referred to the views of Citigroup which has itself gone through three capitalisations. It is hardly an authority on the subject.

**Deputy Kieran O'Donnell:** The figures are clear. After being recapitalised to the tune of €3.5 billion, Allied Irish Banks will have a tier one capital ratio of 8.5%. The bank had an operating loss of €122 million in 2008 and expects further losses in 2009 and 2010. It will make a bad debt write-off of €1.8 billion for 2008 and there are indications that the figure for 2009 will be between €2.9 billion and €4 billion. These figures do not add up. The likelihood is that the bank will require additional funds. That is in the public domain. It is generally accepted that the funds will come from the National Pensions Reserve Fund.

**Deputy Brian Lenihan:** It is not. I have not said that. The Government has not committed itself to that.

**Deputy Kieran O'Donnell:** If the banks require further funds, where will that funding be found? We cannot borrow the necessary amounts, so the National Pensions Reserve Fund is the only option.

Deputy Bruton's proposal is reasonable. Taxpayers will not stand for a situation where more of their money is put into the banks without there being some discussion in the Dáil beforehand. It is as simple as that.

**Deputy Brian Lenihan:** I have no plans to put further taxpayers' money into the banks. I made it clear at the time of the recapitalisation statement that this was our strategy in regard to recapitalisation and that the next matter we have to examine is the control and elimination of the risks associated with certain assets in the banking system. I made that clear at the time of the recapitalisation announcement.

Amendment, by leave, withdrawn.

**Acting Chairman:** Amendments Nos. a1b, a1i and a1l are related and may be taken together. Is that agreed? Agreed.

**Deputy Joan Burton:** I move amendment No. a1b:

In page 3, before section 2, to insert the following new section:

“2.—The National Treasury Management Agency shall make an annual report to each House of the Oireachtas regarding funding provided under this Act.”.

This amendment is self-explanatory. Its purpose is to put information into the public domain and on to the floor of this House in respect of what is being done with the taxpayers' money that is being taken from the National Pensions Reserve Fund and put into the two banks. As a long-standing member of the Oireachtas Committee on Finance and the Public Service, I am aware that the National Pensions Reserve Fund produces an annual report. However, like many other such reports, it is issued a long time after the relevant year end and is, of its nature, quite generalised.

In the case of the National Pensions Reserve Fund, its annual report includes detailed reports on all the equity investments the fund makes in thousands of companies throughout the world, including tobacco and armament companies. The Minister has indicated there may be changes in this regard in view of ethics concerns. With a Green Party conference pending, we may be in a position to look forward to a stronger ethical base to National Pensions Reserve Fund investments. All the recent lists feature well known names such as Haliburton and companies with tobacco investments. I met the chairman of the National Pensions Reserve Fund at a meeting of the Oireachtas Committee on Finance and the Public Service some time ago to discuss these matters. He undertook to follow, on a voluntary basis, the United Nations guidance code on ethical investment. I understand the Green Party, as part of its negotiations for Government, received some indication that this ethical basis might be transferred into law. That would apply to all these thousands of investments in managed funds of different types, run by the various brokers who, in effect, are investors on behalf of the National Pensions Reserve Fund.

What I am talking about in this amendment is rather different. It proposes the publication of an annual report in respect of the funding provided under this Act, which relates to the covered institutions and the €7 billion in recapitalisation funding to Allied Irish Banks and Bank of Ireland. In addition, later sections of the Bill deal with the extension of regulation to derivative products, in particular to contracts for difference. The annual report of the National Pensions Reserve Fund will not contain any report on contracts for difference. Contracts for difference are now down the Swanee but the matters the report could refer to would include how these banks manage their affairs from a prudential and regulatory point of view.

This is our money. It would have been sitting in a pension fund for social welfare and public service pensions after 2025. This money was not to be touched until 2025 and we need to know what is happening to it.

It is not beyond the wit of some clever person on the Stock Exchange, as part of a hedge fund or in a private equity company, to buy up Bank of Ireland and AIB shares very cheaply. In three years time this investor would have a controlling stake in ordinary shares, subject to the provisions of the Credit Institutions (Financial Support) Act and the powers of the Minister under that Act. The heist of the century will be possible. In *The Irish Times* recently someone wrote that those in balaclavas stole only €7 million from Bank of Ireland last Friday while those in white shirts and ties have taken billions. We get understandably worried by those with shotguns and balaclavas robbing banks in the traditional way but we must be more worried about white collar criminals stealing whole banks from under the noses of the taxpayers. It is not beyond my capacity to imagine a private equity fund or a hedge fund buying the bulk of the shares at cheap prices, given that they are all but valueless at the moment, and one would be in a very powerful position *vis-à-vis* our Government. In two or three years time, when we hope the banks will have cleaned out the worst of the bad debts and got back to base in respect of capital, the banks become an attractive position to hold onto in private equity or in a hedge fund style for a further three or four years before selling, as was done with Eircom.

We want reports in this House on a regular basis to set out what is happening to the money we have given the banks. I saw a report by Transparency International, which sought better accountability and to combat corruption around the world. What this group had to say about Ireland was very interesting. It referred to a lack of accountability as a key weakness in our system. It has been a hallmark of this Fianna Fáil-Progressive Democrat Government for the past 11 years that it gives as little information as possible. Hence, freedom of information access was dramatically reduced by the Government.

**Deputy Brian Lenihan:** We are now a Fianna Fáil-Green Party Government.

**Deputy Joan Burton:** I am not sure that the Green Party has got involved in this, to be fair to it. God love them, they do not know where they are since they joined Government.

**Deputy Arthur Morgan:** Deputy Gogarty gave us a description of it.

**Deputy Joan Burton:** Deputy Morgan should not go there, that referred to duvets. The country prospered at the same time as the concept of freedom of information. I am not a capitalist but capitalism thrives in a free market where complete knowledge is the hallmark of being able to make good decisions on how to allocate capital among competing companies and projects. Closing down information means that we do not know how the banks are doing. One must be very skilled to understand the annual report. The Anglo Irish Bank report was 150 pages long and it told us almost nothing. There were statements about this, that and the other and the auditors told us that everything was dandy. We need the capacity to debate reports in this House or, more appropriately, before the relevant Dáil committee. We are trying to restore Ireland's reputation and I suggest this is a course to be recommended. The Minister referred to his fears about the previous amendment and information being disclosed about what the National Pensions Reserve Fund was doing with equity holdings. Equities are on the floor worldwide. The National Pensions Reserve Fund is trying to hold as much money as possible in cash, near cash or Government type bonds. We are not in equity markets at the moment and if those in the National Pensions Reserve Fund could get out of equity markets, they would run as fast as possible to get out.

**Deputy Brian Lenihan:** If they could get out.

**Deputy Joan Burton:** This is a simple amendment concerning accountability. I strongly commend the amendment to the House so that the annual report will be of assistance to the

[Deputy Joan Burton.]

Minister, his officials, the National Pensions Reserve Fund and the National Treasury Management Agency to get some sense of the purpose of the rescue of these banks. It is not about the banks, it is about rescuing credit and sustaining employment. If they do not have to report to this House that objective will float away because they will concentrate exclusively on de-leveraging and rebuilding their capital and clever people will be waiting to buy up shares. In two or three years time, when the taxpayer has taken the pain, they will be ready to pounce.

**Deputy Brian Lenihan:** This is a reasonable amendment although I will not accept it. The National Pensions Reserve Fund Commission is required to submit an annual report to the Minister of Finance under section 27 of the existing Act, as soon as may be but not later than

6 o'clock six months after the end of each financial year. Copies of the report must be laid before each House of the Oireachtas. Section 27(2) sets out what is required in the annual report, providing that, for the year under review, the annual report must include information on the investment strategy pursued by the commission in respect of the funds, a report on investment returns, evaluation of the net assets of the fund including the market capitalisation value of the fund and an illustration of the changes from year to year. A detailed list of the asset holdings of the fund, information on investment management and custodianship arrangements and the fees and expenses incurred in the administration of the fund, including expenses of the National Treasury Management Agency as manager, are also required. In compiling the report the commissioners must bear in mind the need for open and transparent reporting on the operation of the fund. This will ensure that the maximum appropriate detail will be made available to the Oireachtas and to the public.

I take the view that the commission's annual report as the vehicle for informing the House on all investments undertaken by the commission is the appropriate method for informing the House on funding provided by the commission to listed credit institutions on foot of a direction from the Minister. I do not see any advantage in providing for a separate report on this aspect of the commission's activities and I do not, on that basis, propose to accept the amendment.

I accept the valid point on the importance of information about credit institutions to the taxpayer and the public. Therefore, in the exercising of my powers under the NTMA legislation, I am undertaking to the House that the maximum possible information about investments relating to these credit institutions will and should be furnished in the annual report.

**Deputy Kieran O'Donnell:** On the basis of the assurance from the Minister and in the spirit of co-operation, we will be withdrawing amendment No. a1l.

**An Leas-Cheann Comhairle:** We have not quite got to that amendment as we are still dealing with amendment No. a1b.

**Deputy Richard Bruton:** The amendments are being discussed together.

**An Leas-Cheann Comhairle:** We will come to it presently. The Deputies do not intend to press amendment No. a1l in due course.

**Deputy Kieran O'Donnell:** That is correct.

**Deputy Joan Burton:** I did not quite hear the Minister's comments.

**Deputy Brian Lenihan:** The information must be provided and laid before the Houses of the Oireachtas already under the NTMA legislation. That was the substance of my reply. However, with regard to the credit institutions and the powers under this legislation, I will undertake to

the House to give a direction to the NTMA to provide the maximum possible information with regard to investment in the credit institutions as part of that annual report. I can see no merit in having a second separate report in addition to the annual report already required to be furnished under legislation.

Amendment put and declared lost.

**Deputy Joan Burton:** I move amendment No. a1c:

In page 3, before section 2, to insert the following new section:

“2.—Any financial institution to which funds are paid out of the National Pension Reserve Fund under this Act shall take all appropriate measures including those specified by the Central Bank and Financial Services Authority of Ireland in order to increase the flow of credit in the economy.”.

Amendment put and declared lost.

**Deputy Joan Burton:** I move amendment No. a1d:

In page 3, before section 2, to insert the following new section:

“2.—It shall not be lawful for any financial institution receiving funds under this Act to fail to recognise at least one trade union for the purposes of negotiation, being a trade union which is open to at least a majority of its staff.”.

Amendment put and declared lost.

**Deputy Richard Bruton:** I move amendment No. a1e:

In page 3, before section 2, to insert the following new section:

“2.—(1) Any advance contributions made by the Minister to the Fund shall be confined to the provision of funds to certain financial institutions agreed by a resolution of the Houses of the Oireachtas to constitute critical financial institutions to the provision of financial stability and the flow of credit in the economy.

(2) Any institution that receives funds under this Act must publish a quarterly report, to be provided to the Houses of the Oireachtas, detailing their increased lending provided to enterprises and first time home purchasers.”.

Amendment put and declared lost.

**Deputy Arthur Morgan:** I move amendment No. a1f:

In page 3, before section 2, to insert the following new section:

“2.—The income of any senior manager or any employee of a financial institution that is availing of funds under the National Pension Reserve Fund shall not be greater than that of an Irish Government Minister.”.

Amendment put and declared lost.

**Deputy Arthur Morgan:** I move amendment No. a1g:

[Deputy Arthur Morgan.]

In page 3, before section 2, to insert the following new section:

“2.—Any senior manager or any executive of a financial institution which is availing of funds under the National Pension Reserve Fund shall return all bonuses which have been collected as part of his or her remuneration in that financial institution over the past three years.”.

Amendment put and declared lost.

**Deputy Richard Bruton:** I move amendment No. a1ga:

In page 3, before section 2, to insert the following new section:

“2.—Any funding to any financial institution to which funds are paid out of the National Pension Reserve Fund under this Act in excess of a cumulative total of €7 billion shall not be made save pursuant to a resolution of both Houses of the Oireachtas.”.

**Deputy Pat Rabbitte:** Has the Leas-Cheann Comhairle run out of letters of the alphabet?

Amendment put and declared lost.

**Deputy Arthur Morgan:** I move amendment No. a1h:

In page 3, before section 2, to insert the following new section:

“2.—The Minister shall not direct the Commission to use funds from the National Pension Reserve Fund in excess of €7 billion for the purposes of investing in any financial institution without the consent of both Houses of the Oireachtas.”.

Amendment put and declared lost.

**Deputy Arthur Morgan:** I move amendment No. a1i:

In page 3, before section 2, to insert the following new section:

“2.—The Minister for Finance shall make a quarterly report to both Houses of the Oireachtas on all financial institutions availing of funds from the National Pension Reserve Fund.”.

Amendment put and declared lost.

**Deputy Arthur Morgan:** I move amendment No. a1j:

In page 3, before section 2, to insert the following new section:

“2.—Any drawdown of funds under the terms of this Act will have sole application to the primary banking activities of either beneficiary and will be confined to the said financial institution’s activities wholly within the island of Ireland.”.

Amendment put and declared lost.

Section 2 agreed to.

### SECTION 3.

**Deputy Richard Bruton:** I move amendment No. a1k:

In page 4, line 26, after “Minister” to insert the following:

“having secured the prior approval of each House of the Oireachtas”.

This is to require the approval of the Houses of the Oireachtas and I hope the Minister agrees to it as it would show some deference to the House.

**Minister of State at the Department of Finance (Deputy Martin Mansergh):** I cannot accept this amendment.

**Deputy Kieran O'Donnell:** The relevant part of this section states: “...to accept funds or assets for the benefit of the Fund from sources other than the Central Fund, if so directed by the Minister,”. This gets back to taxpayers' property funding, and the Government would show respect for the House in making decisions. This is another form of directed investment by the Government with regard to the banks and it would be absolutely critical that they would come back to the House to get prior approval. This could involve selling off State assets but we do not particularly know what it involves. It is in line with our previous amendment in that if an amount more than €7 billion is required, approval from the House would be required.

The worry with this legislation is that we are not only giving the Government, in amending legislation, €7 billion of taxpayers' money to be invested from the National Pensions Reserve Fund into AIB and Bank of Ireland but we are also giving the Minister for Finance the powers to invest further funds in the banks without the prior approval of the Oireachtas. We are here to represent the taxpayers of this country and accept funds or assets for the benefit of the fund from sources other than the Central Fund. What does this entail and what assets are included?

The Minister spoke jocosely earlier in that it might involve the Houses of the Oireachtas themselves. To put it in context, this is about accountability and showing respect for taxpayers' money. It is not good enough for the Minister of State to say he will not accept this amendment or, furthermore, for him not to give an explanation for not accepting it.

**Deputy Martin Mansergh:** I will do that now, if the Deputy wishes.

**Deputy Kieran O'Donnell:** I await the Minister of State's deliberations.

**Deputy Martin Mansergh:** At present the commission can accept contributions only from the Central Fund. This section will enable the commission to accept funds or assets for the benefit of fund from sources other than the Central Fund if so directed by the Minister. This is effectively the counterpart of the power given to the Minister under section 6 to transfer shareholdings or other assets into the fund. To the extent that the Minister has power to transfer assets into the fund, the commission formally needs the power to accept them. It is a technical provision which does not justify the amendment.

More generally, the clause falls well within normal ministerial discretion, as the executive branch of Government. The Minister is accountable for any executive decisions he or she makes to the House subsequently. Therefore, the House has adequate opportunity to pronounce on it if it so wishes. We do not want to have a situation where the Minister has to seek prior approval for every decision he or she has to take.

**Deputy Pat Rabbitte:** The commission can only accept moneys from the Central Fund. Does this change now mean that, for example, a State company could be brought to the market and

[Deputy Pat Rabbitte.]

the proceeds of it transferred to the commission? The provision opens up the possibility for the acceptance of moneys from other than the Central Fund, but what source of funds caused the change?

Who has paternity of the 8% coupon? To whom will the annual dividend of €280 million — as I understand it to be from memory — revert? Will it revert to the vehicle or to the Exchequer centrally?

**Deputy Martin Mansergh:** There is no particular definition of what funds would or would not be covered. I do not want to set up lines of speculation or conspiracy with regard to any particular category. As it stands, the Deputy could put forward a range of possible scenarios but, in practice, we are not talking about anything as exciting as, for example, selling off the ESB in order to put the proceeds of it into the fund.

**Deputy Pat Rabbitte:** The Leas-Cheann Comhairle might permit me to try again. It is unlikely this provision was inserted without a reason. There must be some anticipation in this regard. If I politely probe the Minister of State, he might be extravagant in his next reply. I cannot imagine the Department of Finance putting in this provision.

I had the pleasure last night of encountering a former assistant secretary of the Department of Finance, who was quite plain in his comments. He wanted to close down the country, everything except assistant secretaries, and for it to be amalgamated into one giant HSE, which would let us solve the country's problems at a stroke. I am sure that the Minister of State, Deputy Mansergh, would not preside over such an arrangement but I find it difficult to believe that this provision is in place and not intended to be used and that nobody had in mind what was intended at the time.

I remind the Minister of State of my second question. To where will the proceeds in terms of €280 million per annum go?

**Deputy Martin Mansergh:** The dividend on the bank preference shares, those of AIB, Bank of Ireland, will go to the fund.

**An Leas-Cheann Comhairle:** How stands the amendment?

**Deputy Kieran O'Donnell:** I am pressing it.

Amendment put and declared lost.

**Deputy Kieran O'Donnell:** I move amendment No. *a11*:

In page 4, between lines 26 and 27, to insert the following:

“(cb) at the end of each year the Fund shall provide accounts for both its investments made in the normal course of its business and its ‘directed investments’ pursuant to this Act.”.

The Minister gave an assurance in the House that he would direct the National Treasury Management Agency to give the maximum amount of information in terms of the directed investments in the banks. It is extremely important that this would be defined and that a separate section of the report would specifically deal with the overall investment rather than there merely being extracts in terms of the main report. I hope that the Minister of State will qualify the assurance given on that basis. I would like to hear his view on this. We would be willing to withdraw the amendment in the spirit of co-operation.

**An Leas-Cheann Comhairle:** We have already discussed this amendment, therefore, technically, we should not be discussing it again now. Does the Minister of State wish to make an observation?

**Deputy Martin Mansergh:** It is a reasonable request that this be highlighted in the overall report in regard to the NTMA so that people can see where this figures. The Deputy's observations will be conveyed further.

Amendment, by leave, withdrawn.

**Deputy Martin Mansergh:** I move amendment No. 1:

In page 4, lines 31 and 32, to delete all words from and including "in" in line 31 down to and including "underwriting" in line 32.

Section 3(e) provides that the NPRF commission can advise the Minister for Finance on a proposed investment or underwriting about which the Minister proposes to give a direction under section 19A or 19B. There is a bit of a mismatch here because section 19A deals with investment and underwriting while section 19B deals with the commission holding, managing and disposing of investments. The effect of the amendment the Minister is proposing is to provide that the NPRF commission can advise him not only on making investments in listed credit institutions but also on holding, managing and disposing of investments.

The provision on advising the Minister on making investments will allow the commission to sign contracts immediately this Bill is enacted for the carrying out of the due diligence process on Allied Irish Banks and Bank of Ireland, and that was the primary purpose of the provision. However, it would also be appropriate that the commission have a formal function in advising the Minister on holding, managing and disposing of a shareholding in a listed credit institution.

If the amendment is made the subsection will read as follows — "to advise the Minister, whenever the Minister so requests, on any matter about which the Minister proposes to give a direction under section 19A or section 19B".

Amendment agreed to.

Section 3, as amended, agreed to.

Sections 4 and 5 agreed to.

## SECTION 6.

Question proposed: "That section 6 stand part of the Bill."

**Deputy Pat Rabbitte:** On Second Stage we discussed the proposal to change the normal arrangement in respect of quarterly instalments to facilitate the front loading and so on for the present year and for the subsequent year in order that the total of €7 billion be realised. During his introductory speech the Minister for Finance said he was prepared to contemplate the notion of a holiday in respect of the normal deduction or set-aside in this regard. I am not entirely sure what he meant by that in the sense that if we need to front load and use it up this year and next year, the question of a holiday in the short term does not seem to arise. Is the Minister of State, Deputy Mansergh, in a position to elaborate on the Minister's thinking in this? Does he envisage the 1% traditional deduction each year might be put in abeyance for a period? If he does can he outline his thinking to the House?

**Deputy Kieran O'Donnell:** It is critical that the front loading by the Minister to the National Pensions Reserve Fund would be specifically for the purpose of investment into these financial institutions. Furthermore any of these institutions that receive funding should provide a quarterly report to the Houses of the Oireachtas detailing their lending to the enterprises and first-time house purchasers. We have had considerable talk about recapitalisation. Fundamentally the recapitalisation scheme is about funds flowing to small businesses and first-time house buyers. Within the recapitalisation scheme for the two banks we are talking about an increase of 10% in capacity to small businesses and 30% to first-time house buyers.

We still have no guarantee as to how the House will know whether these banks are fulfilling their obligations under the terms of the recapitalisation scheme. It is extremely important that AIB and Bank of Ireland would publish quarterly reports, provided to the Houses of the Oireachtas, detailing this increased lending. The reports should outline the people to whom they are providing it, when they are providing it, how much they are providing and whom they have turned down for applications. We need to know how many first-time house buyers' applications they have considered, the funding that has been provided and whose funding has been turned down.

The problem with the Bill, including section 6, is that the legislation is very loose once it comes into being. It will be possible to front load contributions to the National Pensions Reserve Fund. However, there is nothing there to state how it is to be used. The Government is providing €7 billion for the recapitalisation of the banks, but the Bill appears to provide the power to provide extra funding through the National Pensions Reserve Fund without discussion in the House.

Furthermore section 3 provides the power "to accept funds or assets for the benefit of the Fund from sources other than the Central Fund, if so directed by the Minister". Again, no prior approval is required by the Houses of the Oireachtas. This legislation appears to greatly benefit the Minister to enable him to recapitalise the banks at will henceforth through the use of taxpayers' money either through Exchequer funds — borrowing is probably extremely difficult in the current climate — through use of the existing assets within the National Pensions Reserve Fund by directed investment, or through selling off non-Central Fund assets. That is not democracy. This House is entitled to know what further amounts of taxpayers' money are being put into the banks. That is not too much to ask.

The Government will now seek approximately €1.5 billion in cuts from public expenditure which will affect services to the general public. Furthermore it will seek €3.5 billion in increased taxes. The Government is unwilling to discuss in the Houses of the Oireachtas the spending of further taxpayers' money. It is like making an application for an overdraft facility for €7 billion and being told that one can go to whatever limit one wants thereafter. It should not work like that and it does a disservice to the House.

The Minister for Finance has been at pains to state in recent days that he wants a spirit of co-operation and wants to work with the Opposition. We have tabled reasonable amendments in terms of controlling further expenditure, so that the Government would have to get approval of the House for any further taxpayers' money to be put into the banks. If other non-Central Fund assets are to be sold to put more money into the banks the Government should come back to the House to discuss it. Furthermore any of the front loading of contributions to the National Pensions Reserve Fund from the Exchequer, a disappointing recurring theme throughout this legislation, should be curtailed in respect of being used for the recapitalisation of the banks. I hope the Minister will take stock of what we have proposed and will come back before the House for any further recapitalisation of the banks.

**Deputy Martin Mansergh:** In response to Deputy Rabbitte, as I understand it, the Minister made no commitment on the question of possible contributions being in abeyance. Section 6 amends section 18 of the principal Act in a number of respects. It allows the Minister to make the annual contribution to the National Pensions Reserve Fund in one lump sum or in several instalments. It also allows him to pay a sum of money into the fund for the purpose of a directed investment or to transfer shareholdings or other interests he holds into the fund. Such payments or transfers will be treated as advance payments of the statutory annual contribution of 1% of GNP, which the Minister is required to make into the fund. The provision will, for example, allow the Minister to provide the €3 billion from the Exchequer towards the recapitalisation of Allied Irish Bank and Bank of Ireland.

Section 6(a) amends section 18(2) of the principal Act by removing the requirement for the Minister to pay the annual contribution in equal quarterly instalments. The National Pensions Reserve Fund Act 2000 provides for a contribution from the Exchequer to the fund each year of an amount equal to 1% of GNP that was to be paid in equal quarterly instalments. The provision now allows for him to make it in one or more instalments during the year to allow the Minister to make the €3 billion Exchequer payment towards the recapitalisation of the two main banks. Section 6(b) amends section 18(2) of the principal Act to enable the Minister to pay the annual contribution in one lump sum or in two or more instalments which may not be equal.

The Bill does not deal directly with recapitalisation, which was announced separately. However, as part of the recapitalisation package announced on 11 February, Allied Irish Bank and Bank of Ireland reconfirmed their December commitment to increase lending capacity to small and medium enterprises by 10% and to provide an additional 30% capacity for lending to first-time home buyers in 2009. The banks have committed to public campaigns to actively promote their lending to these sectors. If the mortgage lending is not taken up, the extra capacity will be available to SMEs and compliance with this commitment is being monitored by the Financial Regulator.

All financial institutions are required to comply with the code of conduct on business lending published on 13 February last. This code will facilitate access to credit, promote fairness and transparency and ensure that banks will assist borrowers in meeting their obligations or otherwise deal with an arrears situation in an orderly and appropriate manner. The code includes a requirement for banks to offer their business customers annual review meetings, to inform customers of the basis for decisions made and to have written procedures for the proper handling of complaints. Where a customer gets into difficulties, the banks will give the customer reasonable time and seek to agree an approach to resolve problems and to provide appropriate advice.

Under the recapitalisation programme, there will be an independent review of bank lending to provide an accurate picture of the current position on the credit flow to SMEs in Ireland and this will report within a short timeframe. Financial institutions are already obliged to follow instructions of the Central Bank and Financial Services Authority of Ireland in codes of conduct issued under section 117 of the Central Bank Act 1989. Those remarks should adequately meet the issues raised by Deputy O'Donnell.

**Deputy Pat Rabbitte:** We can get carried away with the nitty-gritty of the Bill and forget the overall purpose. Politically as well as economically, the purpose is to assist the banks in functioning normally again and, in that regard in particular, unfreezing the credit lines that have been frozen over recent months.

[Deputy Pat Rabbitte.]

The Minister of State reiterated the point about the earlier commitments made and the fact the regulator, if I understood the Minister of State, will monitor this. I heard yesterday from an employer of some 300 people who has a turnover of €100 million. He has a valley period in the winter and a boom period in the summer and, therefore, needs assistance in tiding him over, but he was unable to get €1,000 in additional credit at this time. While I listened to the Minister of State and I know what is the commitment, and I know I have nothing to go on but anecdotal evidence, that evidence is worrying. The banks will say “thank you very much” for the recapitalisation and then proceed to address the loans to deposits ratio in their banks, which had gotten seriously out of kilter. That would not advance us very much.

Reference has been made to the famous remark that “I’d rather die than accept recapitalisation”. I am glad the chief executive in question has opted to continue living — we are all very pleased about that — but I do not think the cheque will be sent back. What the taxpayers of Ireland want to know is whether there is a way of tangibly measuring whether they are delivering on the commitments given.

I have some difficulty with the term “capacity” in any event, and I am somewhat confused that it is the task of the regulator to monitor this. I can think of many things the regulator ought to be doing, should have been doing and was not doing. However, the Minister of State said the regulator would be monitoring whether the commitments entered into as the *quid pro quo*, if one likes, of this investment are delivered. The Minister of State will agree it is very important that the commitments, such as they are, are delivered on and seen to be delivered on. I have seen the advertisements which are already out there. I would like to know what the reality is behind those advertisements. I am concerned at how it seems to be in conflict with the e-mails, messages and phone calls one gets about the actual experience among SMEs at this time.

**Deputy Martin Mansergh:** I would not in the least wish to deny the problem outlined by Deputy Rabbitte. Considerable concern has been shared by myself and Deputy Rabbitte in recent times about the flow of credit to viable business. There certainly is, as he said, anecdotal evidence of cash flow financing difficulties.

**Deputy Kieran O'Donnell:** It is real evidence.

**Deputy Martin Mansergh:** While falling demand for credit has undoubtedly played a role, the perception of limited credit availability, and anecdotes of actual instances, can be damaging at this time of fragile business and consumer confidence. This is the reason the Government decided that there should be an independent review of bank lending to provide an accurate picture of the current position to SMEs in Ireland. This will report within a short timeframe.

The recapitalised banks, Allied Irish Banks and Bank of Ireland, have agreed to fund this independent review, which is being managed jointly by the banks, the Government and business representatives. Independent consultants will be appointed to conduct the review in the next few days.

Question put and agreed to.

Sections 7 and 8 agreed to.

## SECTION 9.

**Deputy Martin Mansergh:** I move amendment No. 2:

In page 9, to delete lines 42 to 49 and in page 10, to delete lines 1 and 2 and substitute the following:

“(d) in section 739D by substituting for subsection (6)(l)—

“(l) is—

(i) the National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 (as amended by *section 2 of the Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Act 2009*)), or

(ii) the State acting through the National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 (as amended by *section 2 of the Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Act 2009*)),

and has made a declaration to that effect to the investment undertaking, or”;

This is a technical amendment to section 9 of the Bill. Section 9 extends the tax exemption that applies to the National Pensions Reserve Fund Commission to any special purpose investment vehicle established by the commission. It is logical that if the commission has tax exemption when investing in its own right, it should have that same exemption when investing through an investment vehicle.

This section deals with the commission’s exemption from exit tax on gains arising as a unit holder in an investment undertaking. As published, the subsection refers to the commission and a commission investment vehicle. The amendment will add a reference to the State acting through the commission and the commission investment vehicle to align the wording of subsection (d) with the preceding subsection (c), which deals with the commission’s exemption from DIRT.

Amendment agreed to.

Section 9, as amended, agreed to.

Section 10 agreed to.

## SECTION 11.

**An Leas-Cheann Comhairle:** We move to amendment No. 3. Amendments Nos. 4 to 6, inclusive, are consequential on amendment No. 3 and the amendments may be discussed together. I call the Minister.

**Deputy Brian Lenihan:** What amendment is it?

**Deputy Pat Rabbitte:** It is the windfall that is not a windfall. It is *Ulysses*.

**Deputy Brian Lenihan:** I move amendment No. 3:

In page 10, between lines 24 and 25, to insert the following:

“(2) A designated body may from time to time transfer, to the Minister or such other person or body as the Minister may direct, outstanding mortgage loan payments rep-

[Deputy Brian Lenihan.]

resenting the principal and interest amounts of securitised local authority mortgage payments due to the designated body.”.

It is *Ulysses*, indeed. I thank Deputy Rabbitte. This is a technical amendment to allow the NTMA to wind up an investment vehicle. As published, section 11 provided for future cash flows in which the companies’ entitlement would be made over to the Exchequer and the companies wound up. The amendment I propose will mean that such cash flows can be made over to the Exchequer before the winding up is initiated. This is intended to simplify the winding up process.

Amendment agreed to.

**An Leas-Cheann Comhairle:** Amendments Nos. 4, 5 and 6 were discussed with amendment No. 3.

**Deputy Brian Lenihan:** I move amendment No. 4:

In page 10, line 25, to delete “(2)” and substitute “(3)”.

Amendment agreed to.

**Deputy Brian Lenihan:** I move amendment No. 5:

In page 10, line 29, to delete “(3)” and substitute “(4)”.

Amendment agreed to.

**Deputy Brian Lenihan:** I move amendment No. 6:

In page 10, line 29, to delete “(2)” and substitute “(3)”.

Amendment agreed to.

Section 11, as amended, agreed to.

## SECTION 12.

Question proposed: “That section 12 stand part of the Bill”.

**Deputy Kieran O’Donnell:** This section deals with regulation for specific financial instruments. I suspect one area of it relates to contracts for difference. I refer to section 12(4): “Every regulation under subsection (2) shall be laid before each House of the Oireachtas”. Is the Minister willing to change “laid before” to “approved by”? This entire area, concerning the regulation of financial instruments, has caused a considerable degree of concern for the general public. When one considers the role that contracts for difference have played in contributing difficulties in our banking sector——

**Deputy Brian Lenihan:** Is there an amendment before the House?

**An Leas-Cheann Comhairle:** There is no amendment before us. We are dealing with the section——

**Deputy Kieran O’Donnell:** I am speaking on the section.

**An Leas-Cheann Comhairle:** There will be an opportunity to table amendments on Report Stage and if a Deputy intends to submit an amendment——

**Deputy Kieran O'Donnell:** Can I submit an amendment on the floor?

**An Leas-Cheann Comhairle:** That should be indicated on Committee Stage. Deputy O'Donnell can submit an amendment on Report Stage.

**Deputy Kieran O'Donnell:** Yes. I raise the matter now and the Minister might take this into consideration. I shall submit an amendment on Report Stage.

**Deputy Pat Rabbitte:** I welcomed this section of the Bill on Second Stage. It brings a long overdue measure of transparency to these types of financial instruments. I presume the Minister has in mind, particularly, contracts for difference which comprise such a surprisingly high volume of transactions on the Stock Exchange. Reading interesting profiles of some of our leading developers over recent days, one finds some of them had significant resort to the use of contracts for difference over recent years.

I address this section in order to query the Minister. There was a modicum of controversy in the House recently about the Taoiseach who, as Minister for Finance, decided against the imposition of a tax on this instrument. What is the up-to-date view on that issue and on the use of CFDs in any case? Presumably they do not preoccupy the Department this week and will not next week but nonetheless I am interested to know what is the view. Does the Minister acknowledge, in retrospect, that if a modest imposition had been imposed at that time it might well have played a role in putting out the fire? It was not imposed. Other than requiring transparency in future and that the market and the regulator should be advised, this section does not do much more than that. It is purely a requirement to be transparent but does not comment one way or another beyond that concerning the desirability of this type of instrument and the extent to which it was resorted to in the recent past.

**Deputy Richard Bruton:** It is welcome that there would be more transparency about trade and contracts for difference. I imagine there is quite an amount of rethinking about the regulation of various types of derivative. Does the Minister propose this as a catch-all section by which he can make regulations of a very wide variety in line with what he and his colleagues decide is the future regulatory approach or is it a forensically limited section?

**Deputy Brian Lenihan:** Deputy O'Donnell raised the question of the machinery for approval of the regulations. There is provision in this section that every regulation made under subsection (2) shall be laid before each House of the Oireachtas as soon as may be after it is made. There is the option before the House to annul the regulations. That is a power given to the Oireachtas and therefore it is not correct to say there is no parliamentary oversight or scrutiny. I do not believe the matter is so exceptionable as to require prior approval by the Houses. I believe everybody would agree with the intent of what is proposed here. If there is a technical defect in what is done it can be dealt with by way of a motion to annul the regulation.

Concerning Deputy Rabbitte's question about the tax treatment of contracts for difference, the then Minister for Finance, Deputy Cowen, received very strong advice from a number of interested parties that this would be undesirable and would have less than beneficial economic results for the country, had he provided for their taxation. That has all been in the public domain already.

**Deputy Pat Rabbitte:** I do not raise it in that context.

**Deputy Brian Lenihan:** I appreciate that but I am not in a position to advise Deputy Rabbitte of my position on this issue today. I will communicate with the Deputy but am not in a position to give a finalised fiscal assessment on the issue to him today.

**Deputy Pat Rabbitte:** It is fair to say that the advice taken by the Taoiseach at the time did not come from disinterested parties.

**Deputy Brian Lenihan:** That is always one of the great difficulties with all economic advice — it tends not to come from disinterested parties. A number of financial instruments are available which can be used to acquire these positions in the shares of publicly listed companies without acquiring direct control of them. Clearly these instruments are used increasingly by investors to avoid disclosure of their economic interests in particular companies. There has been particular controversy about contracts for difference. However, the section is drafted to be wide enough to capture other instruments which had that intention. I am not sure it is designed to go beyond that.

The Financial Regulator and the Irish Stock Exchange are very keen that a disclosure regime for CFD trades should be put in place. The establishment of such a regime would require primary legislation because there are no EU provisions in this area. Powers to require disclosure do not exist yet in the domestic legislation. The regulator and the Stock Exchange are of the view that the Minister should be given the power to introduce market disclosure requirements relating to any financial instruments where it is necessary to ensure fair, orderly or transparent trading conditions.

Although the genesis of this proposal relates to CFDs, in my opinion it is not prudent to confine it explicitly to a CFD as the nature of financial instruments changes constantly and other financial instruments can quickly become the focus of trading activity. Consequently, a broad provision in terms of financial instruments in general is required and detailed provisions will be set out in the regulations. The enclosed draft head would enable the Minister to make regulations requiring those who have transacted in financial instruments to disclose certain information relating to those transactions to the regulator or the market. It is an enabling provision which can be extended to all financial instruments to cover future market developments.

At this stage there is no immediate expectation of regulations being required for instruments other than contracts for difference. There is a degree of urgency because the United Kingdom is expected to announce a disclosure regime shortly, with a view to introducing the new regime later in the year. Given that some Irish stocks are listed also in the London stock exchange it is important that we should be able to react swiftly to any UK moves. The Financial Regulator receives information on some of these instruments if they are regulated by an Irish firm. However, the great bulk of contracts for difference business takes place abroad, especially in London. The regulator has a reciprocal arrangement with the United Kingdom financial services authority to receive some information on those trades. However, this is limited and it means that the London market and the contracts for difference in Irish shares cannot be supervised effectively at this time. The strengthening of the regime of control both here and in the United Kingdom is of importance and we will continue to raise these matters with the United Kingdom authorities.

Question put and agreed to.

#### SECTION 13.

**An Leas-Cheann Comhairle:** I remind Deputies that it will be possible to submit Report

Stage amendments on the floor of the House but if Private Members' business intervenes prior to the commencement of Report Stage, I ask Members to submit any amendments in writing.

**Deputy Brian Lenihan:** I move amendment No. 7:

In page 11, after line 29, to insert the following subsection:

“(2) This Act (other than paragraphs (d) and (e) of *section 3*) shall come into operation on such day or days as the Minister may, by order or orders, appoint either generally or with reference to any particular purpose or provision, and different days may be so appointed for different purposes or different provisions.”.

This amendment relates to inserting a commencement provision in the legislation. The reason for the introduction of a commencement provision is a courtesy to the EU Commission, as the measure has not received final approval.

Amendment agreed to.

Section 13, as amended, agreed to.

Title agreed to.

Bill reported with amendment.

**An Leas-Cheann Comhairle:** In order to avoid a delay and conduct business in a structured way as there is no time lapse between Committee and Report Stages, I propose calling the sections although this is not normal procedure for Report Stage.

**Deputy Richard Bruton:** I ask the Minister to reconsider the issue of whether the Oireachtas would hear if the Minister was advancing further sums. I wish to explore this a little further if possible. I do not know when this measure is due to be considered. There is a similar amendment to ours in the name of Deputy Arthur Morgan which states: “The Minister shall not direct the Commission to use funds from the National Pensions Reserve Fund in excess of €7 billion for the purpose of investing in any financial institution without the consent of both Houses of the Oireachtas.”

**Minister for Finance (Deputy Brian Lenihan):** We spoke about this on Committee Stage.

**Deputy Richard Bruton:** Yes, we did. As I understand the Minister's argument is that if he had to come back to the House for approval, he would be signalling to the National Pensions Reserve Fund that it had to sell shares. Signalling this to the National Pensions Reserve Fund would send a terrible message to the markets and the fund would not be able to realise the value of its shares because the Minister had the temerity to tell the Dáil that he was proposing to put more money into the banks. I do not think this is credible. I do not think the events of the past months since September suggest it is credible nor do I think the markets would respond. I know the National Pensions Reserve Fund has its shares scattered over thousands of shareholdings within which it is only a tiny shareholder in any single event. No one is hanging on the moment when the National Pensions Reserve Fund decides it will sell its outer Mongolian share in diamond mining because it just does not work like that. The Minister would be perfectly entitled, in my view, to come to the shareholders of Ireland Inc. just as the banks will be holding extraordinary general meetings for their shareholdings and warning that the Minister will be diluting their shareholdings by putting in more money into the company. They will be looking for shareholders to approve that. I see this in a similar way.

**An Leas-Cheann Comhairle:** We are on Report Stage. The amendment to which the Deputy refers has been negatived on Committee Stage so it is not appropriate to resubmit it on Report Stage. I wanted to give some leeway to the Deputy to make a point but we cannot have a debate on it again. I think the reference is made.

**Deputy Richard Bruton:** I take it the Minister will respond.

**Deputy Brian Lenihan:** Is the amendment being moved?

**An Leas-Cheann Comhairle:** No. The amendment had already been discussed and negatived on Committee Stage so it cannot be resubmitted on Report Stage.

There are no amendments on Report Stage so we will move on to Fifth Stage.

Bill received for final consideration.

Question proposed: "That the Bill do now pass."

**Deputy Richard Bruton:** I am worried about the matter I just raised as a non-Report Stage amendment.

**An Leas-Cheann Comhairle:** We are now on Fifth Stage and the Deputy may make a general observation.

**Deputy Richard Bruton:** I reiterate the general observation that I am not entirely convinced of the confidentiality and urgency that would prevent the Minister coming back to the House were he disposed to put more capital into the banks than he has to date indicated.

**Minister for Finance (Deputy Brian Lenihan):** At this late stage, the best course for me would be to undertake to the House that subject to any requirements of confidentiality, I will inform the House in advance of any such investment but I cannot absolutely guarantee it in the circumstances. I take the point made by Deputy Bruton that a particular share sale might not have any particular share sensitivity but the size of the pension fund is such that the intimation that the entire fund, for example, might be disposed of, would be a significant matter in world markets.

7 o'clock

Question put.

The Dáil divided: Tá, 74; Níl, 62.

Tá

Ahern, Dermot.  
Ahern, Michael.  
Ahern, Noel.  
Andrews, Barry.  
Andrews, Chris.  
Ardagh, Seán.  
Aylward, Bobby.  
Blaney, Niall.  
Brady, Áine.  
Brady, Cyprian.  
Brady, Johnny.  
Browne, John.  
Byrne, Thomas.  
Calleary, Dara.  
Carey, Pat.  
Collins, Niall.  
Conlon, Margaret.

Connick, Seán.  
Cregan, John.  
Cuffe, Ciarán.  
Cullen, Martin.  
Dempsey, Noel.  
Devins, Jimmy.  
Dooley, Timmy.  
Fitzpatrick, Michael.  
Fleming, Seán.  
Flynn, Beverley.  
Gallagher, Pat The Cope.  
Gogarty, Paul.  
Gormley, John.  
Hanafin, Mary.  
Harney, Mary.  
Haughey, Seán.  
Healy-Rae, Jackie.

Tá—*continued*

Hector, Máire.  
 Kelleher, Billy.  
 Kelly, Peter.  
 Kenneally, Brendan.  
 Kennedy, Michael.  
 Killeen, Tony.  
 Kirk, Seamus.  
 Kitt, Michael P..  
 Kitt, Tom.  
 Lenihan, Brian.  
 Lenihan, Conor.  
 Lowry, Michael.  
 McEllistram, Thomas.  
 McGrath, Mattie.  
 McGrath, Michael.  
 Mansergh, Martin.  
 Martin, Micheál.  
 Moynihan, Michael.  
 Mulcahy, Michael.  
 Nolan, M.J..

Ó Cuív, Éamon.  
 Ó Fearghail, Seán.  
 O'Brien, Darragh.  
 O'Connor, Charlie.  
 O'Flynn, Noel.  
 O'Hanlon, Rory.  
 O'Keeffe, Edward.  
 O'Rourke, Mary.  
 O'Sullivan, Christy.  
 Power, Peter.  
 Power, Seán.  
 Roche, Dick.  
 Ryan, Eamon.  
 Sargent, Trevor.  
 Scanlon, Eamon.  
 Smith, Brendan.  
 Treacy, Noel.  
 Wallace, Mary.  
 White, Mary Alexandra.  
 Woods, Michael.

## Níl

Bannon, James.  
 Barrett, Seán.  
 Broughan, Thomas P..  
 Bruton, Richard.  
 Burke, Ulick.  
 Burton, Joan.  
 Coonan, Noel J..  
 Coveney, Simon.  
 Crawford, Seymour.  
 Creed, Michael.  
 Creighton, Lucinda.  
 D'Arcy, Michael.  
 Deasy, John.  
 Doyle, Andrew.  
 Enright, Olwyn.  
 Feighan, Frank.  
 Ferris, Martin.  
 Flanagan, Terence.  
 Hayes, Brian.  
 Hayes, Tom.  
 Higgins, Michael D..  
 Hogan, Phil.  
 Howlin, Brendan.  
 Lynch, Ciarán.  
 Lynch, Kathleen.  
 McCormack, Pádraic.  
 McEntee, Shane.  
 McGinley, Dinny.  
 McGrath, Finian.  
 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.  
 Quinn, Ruairí.  
 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 David Stanton and Emmet Stagg.

Question declared carried.

**Private Members' Business (Resumed).**

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**Public Finances: Motion.**

The following motion was moved by Deputy Enda Kenny on Tuesday, 3 March 2009:

That Dáil Éireann recognises that:

- the current Government strategy for restoring the public finances, the banking system and wider economy has failed to secure public support or international confidence, and that both the Irish public and international financial markets funding the banking system and our Government are losing patience;
- unless we urgently take new measures to stop Government borrowing from spiralling out of control, other measures to support our struggling small businesses, exporters and job seekers will have little effect;
- the Government no longer has the luxury of the time needed for the long consultation processes by advisory groups before taking further decisions on public spending, reform and taxation in 2010;

calls on Government to introduce a new budget for 2009 as a matter of urgency that:

- sets out specific measures to substantially cut the €40 billion Government borrowing requirement for 2009 and 2010 that is being forecast by most commentators;
- is ambitious, wide ranging and comprehensive in its scope;
- is fair in its execution by showing what role is being played by all groups in society, particularly those who are in the best position to contribute more;
- offers radical reforms to our budgetary system to squeeze out waste and poor value for money;
- looks not just at spending cuts but at additional tax and other revenue raising measures that can drag our public finances back under control.”

Debate resumed on amendment No. 1:

To delete all words after “Dáil Éireann” and substitute the following:

- “— commends the Government for its continued vigilance and management of the economy and public finances which has enabled Ireland to meet the current difficult economic challenges from a position of relative strength;
- notes that Budget 2009 announced measures designed to raise almost €2 billion in additional taxation in 2009;
- notes that the Addendum to the Irish Stability Programme Update published on 9 January last outlined a 5 year framework for the restoration of sustainability in the public finances over the medium term;
- endorses the action taken by the Government in line with the Addendum through the introduction of further measures to secure up to €2 billion in expenditure savings in 2009 consistent with the framework for a Pact for Stabilisation, Social Solidarity and Economic Renewal which was agreed with the social partners;

- acknowledges, in order to stabilise and restore the current budget to surplus by 2013, the importance of ensuring the implementation of the measures already announced and of those required over the years out to 2013, with particular emphasis on the period out to end-2011;
- notes the disappointing end-February exchequer returns and the need to ensure that the General Government deficit in 2009 does not worsen from the previously forecast  $9\frac{1}{2}\%$  of GDP;
- notes the Government decision today to announce further necessary measures by the end of this month to ensure the stabilisation and sustainability of the public finances;
- endorses the Government's ongoing action in support of the country's banking system including the recapitalisation of the two main banks which will facilitate increased access to funding for SMEs and for first-time home buyers as well as offering protections for existing homeowners in arrears;
- notes the need for the introduction of important reforms to financial regulation in Ireland which will secure confidence in the banking system through the introduction of new standards of banking regulation and corporate governance, will restore Ireland's international reputation and will reposition the country's regulatory system;

and

- endorses the Government actions to reorientate and refocus the economy towards innovative and export-led growth through the promotion of policies and actions set out in 'Building on Ireland's Smart Economy: A Framework for Sustainable Economic Renewal'."

—(Minister for Finance, Deputy Brian Lenihan).

**An Ceann Comhairle:** Deputy Sherlock has ten minutes remaining in his slot.

**Deputy Seán Sherlock:** The financial crisis is due to both external and internal factors, external in that the beliefs we held regarding the behaviour of banks and financial markets as actors in a real economic setting have been challenged like never before. It must be said that somewhere in the recesses of our minds there was a nebulous idea that the global financial economic structure was based on a false premise but we never realised just how much the Irish banking sector was tied to that false premise. We are now left with a new rhetoric from the centre left and centre right about the role of the State. The question for all of us is how to construct a new narrative for the position we are in and a solution for the next generation.

This country was over-reliant on tax receipts from stamp duty. That issue will be analysed until kingdom come and there is nothing that I can bring to that analysis that is new. The question now is how we get ourselves out of this morass and restore our economic well-being, and what we can do to ensure a sustainable economic and social model into the future.

The restoration of the economy must be based on strong Government intervention and co-decision making with our European Union partners. The Stability and Growth Pact has vanished and the question remains as to what will replace it. This country is nowhere near a fiscal stimulus plan and all talk of change, President Obama style, is futile. What we need now is a new definition of the role of markets and the role of the State regarding market behaviour.

[Deputy Seán Sherlock.]

I am encouraged by the fact that the European Commission published proposals last week that would set up a pan-European regulatory body with strong powers to intervene in national regulation. Unfortunately, that is a necessary consequence of Ireland's soft attitude in regulating the behaviour of financial institutions. We await the political outcome of such proposals and I hope the Government will support that initiative. It is necessary if it is to send a message to global markets that Ireland is getting its house in order. If the Government is to restore public finances it must also restore confidence. The restoration of confidence will ensure that investors will once again begin to look at Ireland.

Given that we are an open economy, it is vital that our membership of the European Union is seen in a positive light. I am encouraged by the fact that the EU monetary affairs Commissioner has stated publicly that any country in crisis will receive financial assistance in advance of the International Monetary Fund knocking on our door. We must be encouraged by those signals. In terms of the motion before us, we must acknowledge that any Government strategy has to incorporate our European Union partners. Without them, we are doomed.

In putting forward these ideas I am conscious that a new language must emerge, which is one of social solidarity. This Government has sought to pitch sectional interests against each other. We need a new language that does not put the private sector against the public sector or the urbanite against the rural dweller. Any interventions made by Government must be based on equity and on the basis that each bears the pain in accordance with their ability to pay.

We all have ideas. Our membership of this House is based on the notion that we put forward ideas to get elected here. I suggest we examine the notion of social capital. Amidst this economic storm there are practical solutions that would put thousands to work if the Government thought more laterally about its policy interventions.

Many communities are in need of serious investment in terms of public works that could be carried out at an extra marginal cost but that would yield a massive return in terms of adding to the quality of this country's citizens' lives. We need a proactive Government intervention at the most basic and community level to ensure our communities can survive.

In that light and in light of the fact that in the past six months my colleagues within the Labour Party have put forward some concrete proposals, we wish to work in a positive sense to try to do what we can to get this country up and running again. Today I spoke with my colleague, Deputy Róisín Shortall, who put forward proposals on the inclusion of certain persons within the tax net. In the past two weeks or so, we have heard many social commentators speak about the fact that 38% of the population is currently outside the tax net. If we are talking about a mini-budget in the coming months and if we are talking about changing the tax code or increasing personal taxation, we must take cognisance of the fact that there are large numbers within that 38% bracket who are pensioners and low paid. If the Government proposes to bring more people into the tax net, it must be on the basis of equity and not on the basis of making sure that those people on marginal or lower incomes are not taxed unfairly.

**Deputy Darragh O'Brien:** I would like to share time with Deputies Nolan, Cuffe, Byrne, McGrath and Calleary

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

**Deputy Darragh O'Brien:** I am genuinely glad Deputy Sherlock asked the House to be constructive and I welcome that. However, I would further welcome if his party took the

opportunity to do that in the coming weeks and I hope we can take constructive decisions in this House for the good of the country.

I am pleased to be given the opportunity to speak in support of the Government's counter-motion. I commend the Minister for Finance and his Department for the tireless work they undertook in recent months in these very difficult economic times. The Government has been consistent and decisive in taking measures to protect this country's economy. Since the effects of the global economic crisis were beginning to be felt last year, it has taken decisive action. We needed to cut Government spending and last July measures to save 3% were announced, acted upon quickly and achieved in 2008.

As the global crisis worsened and when banks across Europe were falling like skittles and queues of depositors formed outside banks across Britain and the United States, this Government acted and brought in the bank guarantee scheme which guaranteed deposits in six financial institutions in Ireland. The scheme did not come free and all institutions concerned will have to pay for it over the two-year term which should net the taxpayer up to €0.5 billion. The scheme protected normal savers and, just as importantly, the 250,000 people working in the financial services industry. We were the first in Europe to act and many other countries followed.

In fairness to Fine Gael, it supported the Government initiative. What did the Labour Party do? As always it voted "No". The international crisis continues to change day by day. When other challenges were faced by Government regarding corporate governance in Anglo Irish Bank, we moved decisively but in a measured way. The State took the difficult decision to nationalise Anglo Irish Bank and that decision was taken only after detailed due diligence was carried out by two independent financial bodies.

As I said last week in another debate in this House, I want to put to bed the utter nonsense that is being peddled by certain Members of the Opposition that the Government is simply bailing out the banks. I remind them that without a stable financial system the ripple effect on the rest of the economy would result in a wave of job losses and a worsening economic situation. Without a viable and robust banking sector all other areas of the economy are under threat. The Government has not been engaged in a bail-out of the banks or bankers but in the protection of jobs and the very basis for this country to trade nationally and internally.

Fine Gael and the Labour Party wanted to shut down Anglo Irish Bank. I asked them what would have happened in the international markets if an Irish bank defaulted on its international bond commitments. The fact there now appears to be international interest in purchasing the bank further shows the correct decision was made. When it became necessary to recapitalise AIB and Bank of Ireland it was done in the interests of the country as a whole and provided a guaranteed 8% return on investment for the taxpayer. The scheme will also facilitate increased access to funds for small and medium businesses and first-time buyers.

The figures announced yesterday clearly show that the Government needs to take action once again in the interest of the State. Measures already introduced by Government, such as additional taxes and savings, have raised €5 billion towards bridging the budget deficit. It is clear, based on Exchequer returns, that further measures are needed to ensure we remain within the 9.5% of GDP as agreed with the European Commission as part of our plan for stabilisation of the public finances. It is only right and proper this is done in the interests of the country.

I know the decisions are tough and are not all welcomed by the public, but in time people will see necessary decisions have been taken to ensure our future prosperity. The Government

[Deputy Darragh O'Brien.]

will continue to work on areas where we can stimulate growth, protect the more than 1.8 million people at work and ensure our policies on tax and savings are fair and balanced. It will not shirk its responsibility to its citizens. People will recognise that these decisions, while difficult, have been taken for the good of the country as a whole and for future generations. This country will come through this crisis, of that I am certain. As the Taoiseach said last week, the common good must be everyone's priority.

**Deputy M. J. Nolan:** I welcome the opportunity to speak on this motion. As my colleagues who are speaking on this side of the House have said, it is only now the scale of the problem we are facing is beginning to hit home to those on all sides the House. Yesterday there were very sobering announcements of the falling revenue stream and, something which could have been missed, an increase in expenditure which is unfortunate at a time when our income is reducing. We must engage with all sides to find a solution to this problem. Comparisons have been made with the 1980s when we experienced similar problems. The difference is that back then we did not have the international economic downturn, which is now evident to everybody.

The Government must find efficiencies in all its spending and Departments. I am sure there are areas which can be examined and savings made. The mini budget later this month or early next month will affect the 1.8 million people still working. It is important to note that almost 2 million people are working and even though our unemployment rates are high we still have a large workforce. People who are in employment and are asked to pay even more in personal taxation and indirect taxes will look for better value for the taxes they are paying and Government spending.

It is important that best practice in doing business is put into place by the Government. I know all its decisions and actions will be taken for the right reasons. We only need to hear the news this evening of major job losses in Waterford and the blue chip accounting firm, KPMG, which announced 200 redundancies. These individuals are well qualified in their specific areas and fields. It brings home to us all the difficulties being encountered in the real world of the private sector.

The five year framework for the restoration of the public finances must be achieved. We do not have many options in that regard and we must restore the current budget position to a balanced budget by 2013. A lot of this is about confidence. This Government and country must ensure there is international confidence in the way we do our business here. We must engage with and have the confidence of our international partners and bankers, on whom we will become more and more reliant for the next two, three or four years to continue to run this economy.

It is also important to remember those well-qualified individuals who, through no fault of their own, have lost their jobs. Those responsible, in whatever way, for landing us in the mess must also take responsibility for that. Allied to the disappointing tax revenues we saw yesterday is the increased pressure on the expenditure side of Government spending, particularly in recent months when there has been a large increase in the numbers on the live register. It has a double impact because when people are working they are contributing to the national Exchequer but when they are not working they must be paid by it.

The Minister and Government are working hard to try to bring this to a successful conclusion. The important message to go out is that we need support from all sides, including the parties opposite. I wish the Minister and Government well.

**Deputy Ciarán Cuffe:** If Kathleen Ní Houlihan took a trip to the Money Advice and Budgeting Service she would need to be prepared for some tough advice. She would be asked to control her outgoings and told to increase her income. When the MABS officials asked her about the source of her income over the past few years, they would shake their heads and take copious notes because Ireland Inc. has become too dependent on income from boom time taxation. We need to sober up and carefully examine the fiscal and taxation measures that will not only get us through good times but also through the lean years. As Kathleen returns from her trip to MABS, I can well imagine the neighbours watching out for her on the way home to see what actions she will take to get her finances in order. In the same way, EU member states will carefully examine the measures we take to ensure Ireland's finances are put back on the right track.

The way forward is simple. Ireland needs to control its income and expenditure in the same way as a household. It must ensure that a strong signal is sent to economic and political institutions elsewhere that we can get our house in order. That will involve pain, cutbacks and higher taxes but the public is looking for fairness in these measures in order that the less well-off are not penalised unduly and those who have benefitted, in some cases very dramatically, from the tiger years pay their fair share and take their part of the pain following the tough decisions that lie ahead.

The way forward has been laid down in detail. The smart economy document published by the Taoiseach before Christmas shows clearly what needs to be done for future job creation. We also need to be prudent and carefully evaluate spending decisions but we also need to show imagination and creativity. We need to look at where those new jobs will emerge. They will be different from those created previously. The various green initiatives under way within government will deliver many jobs. Organic farming and farming that results in produce being delivered directly from farm to fork will generate greater profit than selling raw produce abroad and these industries need to be developed. Ocean energy, photovoltaics and various other energy sources will create jobs and save people money. Improvements in public transport and long-term projects such as the western rail link, the metro in Dublin and additional Luas lines will help people get to where they want to go without using a car. The digital economy will bring forward thousands of jobs into the 21st century. However, we need to be prepared for these opportunities and we need to implement the smart economy document.

The Fine Gael motion brings a focus to bear on Ireland's financial issues and the Government response will be prudent and careful, as it will address the radical reform required to set Kathleen Ní Houlihan on the right path as she gets her finances in order.

**Deputy Thomas Byrne:** Tá áthas orm labhairt ar son rún an Rialtais anocht. Bheinn sásta i ndáiríre labhairt ar son rún an fhreasúra seachas an chéad alt mar deir sé chuile rud agus atá an Rialtas ag rá le fada an lá.

Fine Gael's motion is similar to the Government's amendment, with the exception of the first paragraph, in which it asks us to cut substantially the €40 billion borrowing requirement. The problem is the Opposition parties never outline where borrowing should be cut. Whenever the Government makes hard decisions, they oppose them, even though Fine Gael is asking us to make cutbacks and raise taxes in the motion. No Opposition has ever done this before and, therefore, we should welcome that. No opposition in the history of the world has ever asked a government to raise additional tax and introduce other revenue raising measures. We should take this opportunity, which offers great hope to the country that we may can start together on the serious suggestions the Opposition parties have put forward. They are being given the

[Deputy Thomas Byrne.]

opportunity to almost come into government and undergo a proper analysis and costing of their proposals. That is welcome because we need to give the people hope.

However, a serious criticism of the Fine Gael motion relates to its assertion that the Government's measures do not have international confidence. If the words of Mr. Trichet, the president of the European Central Bank, cannot be described as "international confidence", I do not know what they can be called. Mr. Trichet said he was very happy with what the Government was doing and that the Government was going down the right path. That is international confidence and we need to relay that.

The Opposition parties made proposals and offered to support additional, substantial taxes. When a budget is implemented following serious consultation with them, it is important they support it and recognise the Government is receiving support internationally because that is critical. Every time they criticise something we do because they are not prepared to support it politically, even though they recognise it is necessary, the cost of our national debt increases. I am glad the Opposition is taking this seriously. However, the Government parties have taken this issue seriously for a long time. They have not been swayed by opinion polls, although I agree with those who stated we must bring the people along with us on this because it has to be done.

The Government has taken tough decisions, which are absolutely necessary, because we cannot continue to borrow. No mention was made of the Government successfully selling a three-year €4 billion bond last week. We will have to pay this back, and not just our children and grandchildren, and we will have to borrow more. The interest rate on the bond is high, partially because the perception here is there is no international confidence in what we are doing when the reality is the people who matter internationally are satisfied with what we are doing, including Mr. Trichet.

The Government has made a clear commitment that the general Government deficit will not be worse than 9.5% of GDP this year. It is a shocking figure but if it was lowered any further, the cutbacks in expenditure and services would be horrendous. The Government's job is to do what it can with the money available to it. It cannot continue to provide endless services and pay endless wages if the resources are not available. The Government is doing a fabulous job of managing our resources and not overstressing us for the future.

The motion states, "unless we urgently take new measures to stop Government borrowing from spiralling out of control, other measures to support our struggling small businesses, exporters and job seekers will have little effect". While we took the public finances under control over the past six months, the Opposition parties said we were not concentrating on job creation. However, Fine Gael has acknowledged in the motion that we need to get the public finances under control before the country has any economic prospects, which the Government has said all along.

I commend the Government on the work it has done and on taking hard decisions that are not popular with us and the people. However, they have to be taken because we do not have the money and we cannot borrow any more.

**Deputy James Bannon:** The Government squandered it.

**Deputy Thomas Byrne:** Every interest group will be involved in lobbying. Earlier the Combat Poverty Agency appeared before the Joint Committee on Social and Family Affairs for the third time. Every agency whose budget has been cut by the Government will be supported by

the Opposition when it appears before a committee. It is about time that stopped and the Opposition got real. That seems to be happening and that is positive for the country.

**Deputy Michael McGrath:** I very much welcome the opportunity to support the amendment. Yesterday the Government took an important decision to provide certainty that the deficit in the public finances in 2009 will not be allowed to exceed 9.5% of GDP, as set out in the stability programme submitted to the European Commission in January. Clearly, staying within the 9.5% deficit will require enormously difficult decisions to be taken but it is not sustainable to have Exchequer deficits of between €18 billion and €20 billion, which will increase if corrective action is not taken. The national debt expanding at its current rate and the collapse in taxation receipts are unsustainable. In 2007, tax revenue was €47 billion. In 2008, it fell to €41 billion. It is estimated that tax revenues in 2009 will amount to €34 billion or €35 billion, possibly less depending on which commentator one believes.

This financial and economic crisis represents the single greatest challenge to the well-being of our Republic since its foundation, so grave and serious is the situation. However, the crisis presents an opportunity for us to show that the political system can work and has the capacity to bring the country through the turmoil that has affected almost every family we represent. The bottom line is that we have no choice but to face up to our problems. There is no bottomless pit of international debt of which this country can avail. We are competing with almost every other country in the world for a limited pool of available debt on international markets, which will judge us harshly if we fail to take control of the public finances. The markets are ruthless and we must stop believing that the world owes us something. We must resolve this situation ourselves, a process that must start in the House. If we do not resolve it, others will do it for us on terms that are far more unpalatable than those introduced by the Government in the first week of April.

The Government is prepared to make tough decisions with no regard for the consequences in terms of electoral popularity. We have been elected to govern in bad times as well as good times, and govern we will. However, not only the Government has a responsibility at this time. As Deputy Thomas Byrne stated, the Opposition has been elected by the people and must stand up to show what it is made of.

This morning during Leaders' Questions, when the Taoiseach announced that the supplementary budget would be introduced in the House during the first week of April, howls of derision came from some Members across the floor. It was suggested that introducing the budget on Wednesday, 1 April would be some type of April fool's joke. People are losing their jobs in their thousands. The least that they expect of us as their leaders is the capacity to deal with the crisis with a degree of political maturity. The Opposition can take the easy option and be all things to all people, which it has done since this crisis unfolded. The income levy was opposed, as were the public sector pension levy and the recapitalisation of the banks. The Labour Party even opposed the bank guarantee scheme that saved the banking system from collapse. The fact is that every Government initiative to get to grips with the economic and financial crisis has been opposed.

Like everyone, I recognise the fact that there are people on all sides of the House who have expertise and experience that can help us at this time. I welcome the approach taken by the Minister for Finance in bringing in the Opposition spokespersons. This crisis is beyond party politics. If we do not demonstrate that we have the courage, ability and intelligence to deal with it, confidence in the entire political system will be demolished.

[Deputy Michael McGrath.]

We will need to show leadership in the way in which the Houses do business. The number of Oireachtas committees, the system of Members' expenses and the number of Ministers of State must be examined. We cannot with any credibility tell people outside the Houses that they must accept pain while we fail to reform the political process designed to serve them.

**Deputy Dara Calleary:** I welcome the chance to speak on this motion and the changed context signalled in the past 48 hours, namely, the involvement of Opposition spokespersons in discussions this morning with the Department of Finance at the Minister's invitation. I encourage him to extend that invitation beyond the House to those involved in social partnership — it may be the way to return them to the table — and to the commentators who seem to have all of the answers, but who dismiss the work done by all sides of the House in our efforts to respond to the crisis.

I echo Deputy Michael McGrath's remarks on the challenges presenting to the Republic. Every Deputy must be conscious of those who sat in the House before us during much tougher economic and social times. We owe it to those people who gave us the right to be present today to fight for the country in the days and weeks ahead.

The Government's decision on the mini-budget yesterday, irrespective of the day on which it is to be delivered, I hope, will bring certainty to the economy and people's lives, those who wish to plan their incomings and outgoings for the rest of the year. If there are to be increased taxes or more levies, we must know to allow us to plan. It will also bring certainty to business in terms of its expenditure and taxation plans, as confidence and certainty have been lacking in the business market. In designing the revised budget in the coming four weeks, I encourage the Minister to consider a number of proposals, to use the Department to cost them and to decide that an initial cost might lead to the stimulation of economic activity, which is being sought.

Taking the example of VAT, some people have not taken any hint recently. While some still have money to spend, they are unwilling to spend it due to a lack of confidence. Some imaginative work on VAT and other issues could be the key to unlocking that expenditure, which would protect jobs in our retail and hospitality sectors.

I ask the Minister to consider the various stimulus packages being offered by the motor industry, which should be acted on before 1 April to try to stimulate some activity therein. I also ask him to examine the various community and State initiatives that we could unlock by involving the elements of the private sector that still have access to credit or may access it via the banks' recapitalisation in the coming weeks. This type of initiative would promote growth and economic activity.

There is no doubt that the decisions to be taken on 1 April will be tough. No one likes to increase taxes or to cut expenditure. However, both are necessary if we are to sustain our economy and return to circumstances in which we can improve investment in services. Ahead of the budget, every Deputy should take the opportunity to recast the country by presenting proposals and thoughts to the Minister and the Opposition spokespersons.

I echo Deputy Darragh O'Brien's remarks on Government strategy, which has been pilloried by many. The Anglo Irish Bank case is a good example. Many suggested that the bank should have been liquidated and that we should have moved on, but international investors' interest in it in recent days shows that the strategy was right. The bank guarantee strategy was perfectly

right, particularly given the current pressure on the banks. The recapitalisation strategy is the proper way to go, given the guarantees on mortgages and small business lending achieved by it.

Last week's comments by the president of the European Central Bank, Mr. Jean-Claude Trichet, were significant, but might have been lost in the gathering economic doom. It is important that they be communicated to the world's markets. There is a perception that we are weaker than he portrayed us to be. These challenging times have shown the value of our membership of the euro zone and the EU. Later this year when we have the opportunity to debate our EU membership, we should not be behind the door in shouting about the fact that, without our full-blooded and vigorous participation at the heart of Europe, our situation would have been much more dangerous.

The next couple of weeks will give everyone a chance to put his or her cards on the table and to let his or her vision of where the country will be in the next 18 months to two years be known. This should be done in a non-partisan manner, but there will inevitably be partisanship. Using the facilities offered by the Department and the expertise available to every side of the House, we should be in a position to devise a budget in April. While it will be tough, it will finally put us on the road to some sort of hope and recovery. As a House, we should take the chance with both hands.

**Deputy Billy Timmins:** May I share time with Deputies O'Mahony, Neville, Perry and Bannon?

**An Ceann Comhairle:** Is that agreed? Agreed.

**Deputy Billy Timmins:** It is important to point out that the Government is moving to take difficult decisions.

Debate adjourned.

#### **Allocation of Time: Motion.**

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

That, notwithstanding anything in Standing Order 117(3), the time taken by the division at 7 p.m. today shall not be deducted from the time for Private Members' business, which shall conclude at 8.35 p.m.

Question put and agreed to.

#### **Private Members' Business (Resumed).**

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#### **Public Finances: Motion.**

The following motion was moved by Deputy Enda Kenny on Tuesday, 3 March 2009:

That Dáil Éireann recognises that:

- the current Government strategy for restoring the public finances, the banking system and wider economy has failed to secure public support or international confidence, and that both the Irish public and international financial markets funding the banking system and our Government are losing patience;

- unless we urgently take new measures to stop Government borrowing from spiralling out of control, other measures to support our struggling small businesses, exporters and job seekers will have little effect;
- the Government no longer has the luxury of the time needed for the long consultation processes by advisory groups before taking further decisions on public spending, reform and taxation in 2010;

calls on Government to introduce a new budget for 2009 as a matter of urgency that:

- sets out specific measures to substantially cut the €40 billion Government borrowing requirement for 2009 and 2010 that is being forecast by most commentators;
- is ambitious, wide ranging and comprehensive in its scope;
- is fair in its execution by showing what role is being played by all groups in society, particularly those who are in the best position to contribute more;
- offers radical reforms to our budgetary system to squeeze out waste and poor value for money;
- looks not just at spending cuts but at additional tax and other revenue raising measures that can drag our public finances back under control.”

Debate resumed on amendment No. 1:

To delete all words after “Dáil Éireann” and substitute the following:

- “— commends the Government for its continued vigilance and management of the economy and public finances which has enabled Ireland to meet the current difficult economic challenges from a position of relative strength;
- notes that Budget 2009 announced measures designed to raise almost €2 billion in additional taxation in 2009;
- notes that the Addendum to the Irish Stability Programme Update published on 9 January last outlined a 5 year framework for the restoration of sustainability in the public finances over the medium term;
- endorses the action taken by the Government in line with the Addendum through the introduction of further measures to secure up to €2 billion in expenditure savings in 2009 consistent with the framework for a Pact for Stabilisation, Social Solidarity and Economic Renewal which was agreed with the social partners;
- acknowledges, in order to stabilise and restore the current budget to surplus by 2013, the importance of ensuring the implementation of the measures already announced and of those required over the years out to 2013, with particular emphasis on the period out to end-2011;
- notes the disappointing end-February exchequer returns and the need to ensure that the General Government deficit in 2009 does not worsen from the previously forecast 9½% of GDP;
- notes the Government decision today to announce further necessary measures by the end of this month to ensure the stabilisation and sustainability of the public finances;
- endorses the Government’s ongoing action in support of the country’s banking system including the recapitalisation of the two main banks which will facilitate

increased access to funding for SMEs and for first-time home buyers as well as offering protections for existing homeowners in arrears;

- notes the need for the introduction of important reforms to financial regulation in Ireland which will secure confidence in the banking system through the introduction of new standards of banking regulation and corporate governance, will restore Ireland's international reputation and will reposition the country's regulatory system;

and

- endorses the Government actions to reorientate and refocus the economy towards innovative and export-led growth through the promotion of policies and actions set out in 'Building on Ireland's Smart Economy: A Framework for Sustainable Economic Renewal'."

—(Minister for Finance, Deputy Brian Lenihan).

**Deputy Billy Timmins:** How much time have I lost?

**An Ceann Comhairle:** The Deputy should carry on.

**Deputy Billy Timmins:** I will start again with my time starting now.

It is important to realise that the Government is lining up to take the hard decisions simply because it has no choice. While it did have choices in the past, it always took the road not less travelled, to paraphrase Robert Frost, and took the easy option. Over the past decade, Fine Gael outlined the many choices that were available and pointed out in a pragmatic and reasonable manner how the Government could have avoided the current situation at which we have arrived. However, the position is as it is and people want Members to move on.

It is projected that Government spending for this year will reach €55 billion, while tax revenue will amount to approximately €35 billion. As borrowing must be under 9.5% of GDP, the Government must find €5 billion through a combination of increased tax revenue and public spending cuts. The best method of increasing tax revenue is to create jobs but regrettably, Ireland losing them. This would be a difficult task for any Minister and I believe the invitation to the Opposition from the Minister for Finance, Deputy Brian Lenihan, is more about saving Fianna Fáil than Ireland. However, there are more important things than Fianna Fáil and Ireland is one of them, and Fine Gael, as always, will put the country first. I fear to think what would have happened had the boot been on the other foot and wonder whether the VAT on hurleys mindset has been banished to a bygone era. Only time will tell.

I have some personal proposals that I would like the Minister to take on board. He should not listen to populist commentators who appear to believe that a change in tax policy is purely about placing a mathematical template on our current spending, earning or investment pattern. Changes in tax policy change human behaviour and I was glad to hear the Taoiseach refer to this point in the House earlier today. The securing of €2.5 billion by the stroke of a pen with regard to pension relief policy is an inaccurate and simplistic view that only assists in causing confusion among the public. Irish people do not like paying taxes but will willingly do so if it is fair and used for the common good in an equitable manner. I believe they are not satisfied that this is happening at present and until such time that Members can demonstrate clearly that it is, there will be widespread dissatisfaction.

I refer the Minister of State to Adam Smith's *Wealth of Nations* and his four maxims with regard to taxes in general. First, an individual's contribution should, as nearly as possible, be

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in proportion to his or her respective abilities. Second, the tax ought to be certain and not arbitrary and the time, manner and quantity should be clear. The absence of these criteria in local authority charges certainly causes great difficulty. Third, every tax ought to be levied at the time or in the manner in which it is most likely to be convenient for the contributor to pay it. Finally, every tax ought to be so contrived as both to take out and keep out of the pockets of the people as little as possible over and above what it brings into the public treasury of the State. In other words, one must be conscious of the cost of the collection, its impact on the creation of jobs and wealth and that it does not lead to innovation. I believe these maxims hold true today.

The push for profit, which turned into greed, has caused some of our current difficulties and many contributions in this House have spoken of the necessity to move away from the liberal capitalist model. However, I believe that ultimately, it will be the same push for profit that will get us out of the current crisis. Until such time as wealth and jobs move in a positive direction, we will face unpleasant choices. However, such choices must not dampen creative skills and ambition and we must not confuse these with greed. In the interim, we must get our regulatory house in order. However, if history tells us anything, it is that we never learn from it, as evidenced by the South Sea bubble, as well as the Dutch tulip and Irish money bubbles.

I wish to make some personal proposals, which I now will outline. I will not forward them to the Secretary General of the Department of Finance because it is important that this Department should take on board debates in this House and that Members do not simply speak in a vacuum. First, a change in the law to permit funds from self-administered pension schemes to be invested in their owners' companies could in many cases release much-needed cash for investment. At present, this is not possible as although such funds can be invested in almost anything, they cannot be invested in the owner's company. Any income taken from an approved retirement fund is taxed as income. Many businesses have availed of this scheme in the good times but now are in need of cash flow and cannot get it. This change should be introduced by the Department of Finance as it would assist in releasing money.

With respect to the public services and State agencies, I believe a pilot scheme of a reduced working week of, for example, four days should be offered for voluntary uptake in a couple of specific areas. This could prove beneficial to both the employees and the public finances. It would have to be carefully controlled to establish its impact and I believe this would be a much fairer method with which to cut back the public pay bill than the levy system. People should be given an option as it might suit many people to not work on Fridays.

**An Ceann Comhairle:** The Deputy's time has elapsed.

**Deputy Billy Timmins:** I will conclude with my final points. As we export most of our goods, we should improve our marketing capacity and this should be done through embassies. Moreover, in-house personnel should be sourced for this task. In the past, I have mentioned the possibility of reducing VAT on those houses that lie idle at present. This should be done for a period of perhaps two years to act as a stimulus to the property market. Finally, I believe that Members will have no moral authority to implement any hard measure until such time as they look into their own hearts and make the necessary changes in these Houses and in local government.

**Deputy John O'Mahony:** I am glad to make a contribution to this debate and I commend my Fine Gael colleagues for tabling this motion.

In recent weeks, the ordinary people have been crying out for the Government and the Taoiseach and Minister for Finance in particular to get to grips with the situation and take control of our financial problems. They are willing to take some pain if they see it shared out in a fair and equitable way. I am glad the Government responded, albeit belatedly, to the need for a supplementary budget in this House yesterday. Although this was suggested by my party leader, Deputy Kenny, last week, at the time it was perceived to be completely unnecessary by the Tánaiste. One can only say that a week is a long time in politics.

The figures for unemployment given in the House this morning by the Taoiseach were frightening, namely, 354,000, with the possibility that this figure will exceed half a million before the end of the year, if present trends continue. Since 1 January, if my figures are correct, we have been losing approximately 1,100 jobs a day. Consequently, while it is vital to get spending under control, to widen the tax base and to increase revenue, the forthcoming budget also must include measures that will stimulate business and job creation, as well as job protection, because small enterprises with nine or ten employees make up the bulk of the job losses announced by the Government this morning. These figures are even understated because the owners of small businesses that have closed down are entitled to nothing. They received no assistance when they were up and running and providing employment and now they will not even get unemployment benefit because they were self-employed.

Everyone realises that difficult decisions must be taken and Fine Gael has made many wide-ranging suggestions that should be taken on board. However, a couple of other issues also must be addressed. If people have lost their jobs or are obliged to pay higher taxes or levies, the last thing they need to see from the top is wastage of public money or extreme extravagance. However, all Members are aware that plenty of examples of such wastage have occurred, even up to last weekend. For instance, new offices for the former Taoiseach were refurbished less than nine months ago at a cost of almost €250,000. As for the dearest sweetshop in town located in front of Leinster House, half a million euro was spent on the glass alone and its total cost was more than €1.3 million. The Tánaiste spent €50,000 on having a toilet refurbished in her offices. It cost €164,000 to fly two Ministers to America to meet the head of Dell Corporation. Almost half a million euro was spent in 2007 and 2008 solely on press launches in the various Departments.

The public needs to see evidence that lessons have been learned from the mistakes of the past. However, this had not happened up until Monday last, when the travel undertaken by the Minister for Arts, Sport and Tourism, Deputy Cullen, cost €8,000 for one day. Nevertheless, the next couple of weeks provide a good opportunity to illustrate belt tightening at the top, when the St. Patrick's Day celebrations will take place around the world. The cost of travel for St. Patrick's Day last year amounted to €560,000, which did not take into account the cost of the Government jet. In that context it is worth noting that €112 million has been spent on school prefabs since 2006. Reallocating some of this money to the schools building programme would surely offer better value for money. We are told that the annual rent for a prefabricated building is some €12,000. More than €500,000 was spent on the provision of prefabricated accommodation in Mayo alone last year.

The Taoiseach stated in this House recently that he has no plans to reduce the number of Ministers of State, even though, he claimed, there was a queue of these people some months ago offering to hand back their portfolios. I have learned over the years that to say sorry when one has made a mistake is a sign of strength. One always earns respect for so doing. We saw the effect when the new President of the United States, Mr. Barack Obama, apologised recently for a mistake he had made. Unfortunately, Members on the other side of the House have

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refused to apologise for the mess the Government has made of running this country in recent years.

**Deputy Dan Neville:** Research into suicide since the 1890s shows there is an increase in suicide rates and mental illness during times of economic recession. I call on the Minister for Health and Children and the Health Service Executive to respond to the challenges that arise in this regard in the current economic crisis. There should be an immediate allocation of an additional €10 million to the National Suicide Prevention Office to allow it to respond to the suicide prevention challenges of society's changed circumstances.

There is a precedent for this. In November 2008, the Minister for Social and Family Affairs allocated almost €11 million in additional funding to provide for a range of marriage, child and bereavement counselling services and supports to help families to cope through the difficult times they face as a result of the recession. The Minister for Health and Children must now respond in a similar fashion to the challenges arising for mental health and suicide prevention services.

Economic strain and personal financial crises have been well documented as precipitating events in individual deaths by suicide. Stressful life events, financial and otherwise, have a significant impact on those vulnerable to suicide where typical coping mechanisms are compromised by the effects of mental disorder, substance use, acute psychiatric symptoms and the other risk factors associated with suicide. We have already seen several suicides that can be attributed to the difficulties and pressures arising from economic changes.

Increasing unemployment leads to an increase in the suicide rate. Unemployment has a profound effect on a person, especially the young and on those in middle age. Irish society awards status and prestige according to a person's position and contribution to work. Correspondingly, unemployment is associated with loss of face and of prestige. The unemployed are six times more likely to suffer from a psychiatric disorder than those in employment. Studies show that those who die of suicide are significantly more likely to have experienced unemployment, job instability or occupational problems. The Kelleher-Daly study conducted in Cork during the economic recession of the 1980s showed that of the male deaths by suicide analysed, two thirds involved men who were out of work at the time of their deaths.

The high rate and threat of home foreclosures is of particular concern. For most Irish people, our homes are our primary investment and the locus of our identities and social support systems. When combined with loss of employment, home loss or the threat of home loss has been found to be one of the most common economic strains associated with suicides. The Minister for Health and Children must immediately respond to the psychological, emotional and psychiatric difficulties affecting people as a result of the changed economic times. In doing so, she must recognise the need to enable the National Suicide Prevention Office to respond adequately to the inevitably growing demand for its services.

Dr. John Connolly, secretary of the Irish Association of Suicidology, stated recently in a newspaper interview that despite the shrinking public finances, it is vital that the Government invests more in suicide prevention and mental health services in order to reduce the number of deaths. He stated:

We must be aware of the fact that research reaching back to that of Emile Durkheim in the 1890s shows that in times of recession, suicide rates inevitably increase.

As Dr. Connolly told a meeting of the Oireachtas Sub-Committee on the High Level of Suicide in Ireland:

Unfortunately, this will happen in Ireland in the coming months and years unless we ensure that funding for the implementation of the national suicide prevention strategy and other services is guaranteed.

I ask the Minister for Health and Children, Deputy Harney, to examine what her counterpart in the Department of Social and Family Affairs, Deputy Hanafin, has done in response to the changed economic circumstances. The Health Service Executive and the Department of Health and Children must respond in a like fashion. We are not asking for the €25 million per annum that has been recommended for mental illness treatment services. Rather, we call for a specific allocation of €10 million to the National Suicide Prevention Office in order to support groups working throughout the State to help those who are experiencing suicidal thoughts. The Government must ensure that people in crisis are encouraged to seek help and are pointed towards the appropriate help.

**Deputy James Bannon:** Imitation is the best form of flattery. As such, thanks are due to the Taoiseach for affording Fine Gael the endorsement, at last, of taking on board our suggestion of an urgent budget. Not only will the production of an emergency budget let people know where they stand in regard to our financial situation, it will also focus the Government's thinking on what precisely the problem is and what can be done to rectify it. People are crying out for effective leadership. They want to have their confidence in this nation's future restored. I hope the introduction of an emergency budget will go some way to eliminating the mist in which the Government seems to be operating to the detriment of the country.

As I said earlier today during the debate on the Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Bill 2009, the Taoiseach and his Government turned a blind eye to the recession, failing even to recognise its existence until it was too late for short-term remedial action. Faced now with a long-term recovery period, the Government must finally outline its plans for economic recovery, fiscal stability and job creation. There must be an end to the large-scale wastage of resources evident in large bureaucracies such as the Health Service Executive, CIE and FÁS, which has remained unchecked under the Government.

More than any country in the world, Ireland has gone into a rapid downward spiral of economic deterioration. Unfortunately, we — again, more than any other country — had the means to cope with such deterioration. However, the Government squandered the wealth of the Celtic tiger and we are left struggling to retain our financial stability. Enthusiasm for a budget in the hands of the current Minister for Finance should be tempered with extreme caution. The savage and ill-conceived budget 2009 was a lesson to students of economics in how not to deal with a downturn. It is to be hoped that the mistakes of the past will lead to a well-conceived package of reform that will reduce the €45 billion borrowing requirement for 2009 and 2010. That is necessary if we are to meet the great challenges facing our economy.

Fine Gael has outlined a series of measures that could be taken to stabilise our economy, including a reduction in the number of Ministers of State and the elimination of half the Oireachtas committees. In France, for example, only eight parliamentary committees are in operation. Many of the wasteful allowances currently in operation must also be removed. There must be a revolution in the way politicians deal with taxpayers' money. The root of Ireland's unique difficulties is the crony capitalism of Fianna Fáil. That party is up to its neck in deceiving the people of this country. It is all about spin. Ministers do not read reports and officials do

[Deputy James Bannon.]

not report to Ministers. The Government is an international disgrace. It has been in bed with the banks and property speculators. Now the burden is on ordinary people who must bail out the banks and the other well-heeled wealthy who were wine and dine until they dropped in the Galway tent.

I have no confidence in a Government that attacked pensioners, people with disabilities and students in the first instance. The economic principles that delivered the prosperity of the Celtic tiger under Fine Gael in the 1990s included keeping costs down through competition, high productivity, export-led growth, tight budgeting and strong regulation of the financial sector and housing market. This was abandoned by Fianna Fáil-led Governments since 1997 and they have much to answer for today. The wealth generating power of the private sector and the public service mission of the State were bent and broken by Fianna Fáil to serve the interests of a golden circle of banks, property developers, big shady businesses, senior public servants, regulators and some trade union bosses. There are many lessons to be learned and I hope the Government has learned its lesson. If not, the people will give the Government its answer. The people of this country will wipe out Fianna Fáil on 5 June in the local and European elections. After the next general election this House will be without three quarters of the Fianna Fáil membership it has today.

**An Ceann Comhairle:** On that note of doom or gloom I call Deputy Perry.

**Deputy John Perry:** Deputy Bannon set out a major agenda.

**Deputy Pádraic McCormack:** It is a prediction.

**Deputy John Perry:** I thank Deputies Bruton and O'Donnell for tabling this motion on the state of the public finances. This gives us the opportunity to point out that the Government's finance decisions make for foolish economics and make the unemployment situation even worse.

I refer to the specific issue of the Government's proposed cut in the number of undergraduate nursing education places. Speaking in the Dáil on 26 February during an Adjournment debate, I stated that the proposed cut in the number of undergraduate nursing education places was short-sighted. In the course of the reply, the Minister of State, Deputy Haughey, stated that the reduction of 310 places in nursing training will result in savings of €1.65 million in 2009 and €3.3 million in 2010. Using the figures of the Minister of State, the proposed saving per trainee is approximately €5,200 in 2009 and €10,600 in 2010.

In justifying the proposed cutbacks, the Minister of State referred to an OECD report that indicates that Ireland has a large number of practising nurses. Ireland has twice the OECD average and the Minister of State referred to approving a strategic review of nursing degree programmes. The review is designed to provide systematic analysis and if this debate took place last year we could debate the merits of the strategy within the framework outlined. However, we must deal with the reality of this issue in 2009 when the country is in an economic crisis. The Taoiseach stated that we are in "the most severe global economic and financial conditions for a century". That indicates the starkness of the situation. Last week the unemployment statistics showed that the number of people out of work increased by 70,000, to 170,600, in the final quarter of 2008. This week, the CSO indicates that the number of people on the live register stands at 353,000 at the end of February.

This summer there will be 54,000 leaving certificate students who will seek training opportunities at third level and job vacancies. In the good times, approximately one third of these leaving certificate students would have entered the labour force, but that is unlikely on this occasion. In the economic crisis we are facing, we must concentrate on the essentials. Education, to secure a better future, must be one of the priorities in preparation for the recovery phase. As we continue into a period of rapidly rising unemployment, we must maximise investment in job-related education and training. Education must be our priority, as must training for those leaving second level education this year and next year. We cannot have future work prospects diminished by foolish economics and budgetary misallocation.

Cutting the number of nursing training places is a short-sighted and misguided proposal. According to the Minister, the cost of 310 nursing places is €10,600 and the welfare benefit is €10,400. The real gain is insignificant and I ask the Government to reverse the proposed reduction in the number of nursing education places. Given the scale of the job losses sweeping the country we should expand the number of nursing education places, not reduce them.

**Minister of State at the Department of Finance (Deputy Martin Mansergh):** The Government and the country have been in crisis management since last July, and particularly since last autumn. Most of the rest of the world is in a similar position. Crisis management requires a series of actions or responses until the situation is stabilised and brought under control. While there is normally merit in deploying minimum force rather than engaging in overkill, sometimes the imperatives of the situation take over. Following the further steep fall in revenue in the first two months of the year, not just expenditure reductions but a full response is needed to maintain the previously announced budgetary course. There is a widespread public appreciation at this stage of the acute difficulties facing the country and an appetite to address the problems now, and if possible, remove at least some of the uncertainty facing all of us.

There is not time now to enter into an analysis of the causes of the crisis as it affects Ireland. Until about this time last year we enjoyed by far the best period in our history over some 20 years. There were also mistakes made. In particular, we failed to modify our exuberance and underestimated the downside risks. No Government will ever succeed in abolishing the economic cycle. If critics were willing to give credit for the achievements, it would be easier to acknowledge responsibility for the mistakes. One of the saving steps we took was to put surplus funds into the National Pensions Reserve Fund, which enables us to deal with the banking crisis without having to compound the already horrendous scale of our fiscal deficit.

Government and opposition have distinct and equally honourable roles in a parliamentary democracy. When critical decisions have to be made, it is all the more important to have opposition expressed in the House rather than transfer it out onto the streets. The Tallaght strategy, which played an important role, was a product of particular parliamentary circumstances. This Government has a working majority, unlike then. I see no merit in calls for a national government, or what is in effect a suspension of democracy.

As to a mandate, every elected Government has a mandate to deal with unexpected crises and emergencies, short or prolonged, that arise during its time in office. With regard to the Taoiseach's position, it was clearly indicated to the electorate that he would be the likely successor to Deputy Ahern during the course of this Dáil and, therefore, he manifestly has a mandate. If anyone doubts the ability of the Government under his leadership to take all necessary action, just watch this space.

With regard to expenditure reductions, the Office of Public Works will shortly establish a national operations unit for public procurement, designed to achieve savings, or more from

[Deputy Martin Mansergh.]

less, in Government expenditure. All public servants, including officeholders, have a duty to identify and implement savings wherever they can.

A supplementary budget will enable us to address issues that have arisen since last October without waiting until the autumn. It will enable the Government to demonstrate the fairness and balance the public demands on a broader canvass. The input of the social partners, as well as of all parties in this House, will be welcome. People will accept a great deal if they see it is fair. The tax system has to become a lot more broadly based, particularly as many of the sources of revenue, capital, corporate and stamp duty, which flowed so abundantly, have to a great extent dried up.

The generous scale of exemptions at all levels are bound to be more limited. The cost and benefit of tax breaks will have to be examined with new rigour. Those who benefited best of all in the Celtic tiger years and went far ahead of everyone else face, to recycle a phrase, payback time. Added to success and achievement, some of those who have greatly contributed to Ireland's standing in the world and to its prosperity could add to their nationality, citizenship and practical patriotism, the additional honour and dignity of being an Irish taxpayer.

**Deputy Pádraic McCormack:** I wish to share time with Deputy Kieran O'Donnell.

**An Ceann Comhairle:** Is that agreed? Agreed.

**Deputy Pádraic McCormack:** We all recognise that our nation's finances are in a shocking state but until now the Government has been in denial. Even now I am not sure it realises or accepts how far it has allowed the country to drift. The spin from the Fianna Fáil press office is that this is a global recession; the message has gone out to all cumanns and it was noticeable at the Ard-Fheis as well. Even this morning in the Dáil, when strongly challenged by the Fine Gael leader, the Taoiseach three times tried to put on the record that this was all caused by global factors. He even refused to say the Government was sorry for the state it has brought the country to and the word "sorry" does not appear to be in his vocabulary. As our leader stated, the people deserve an apology for the ruthless mismanagement of the economy over the past 12 years and especially the past four years when the Taoiseach was Minister for Finance. One could count all the money that was wasted at that time.

I welcome the comments of the Minister of State, Deputy Mansergh, which are the nearest that anybody on the Government side has come to accepting some responsibility for the position we are in. He indicated the Government and country has been in crisis management since last July and particularly since last autumn. Everybody would agree on that but the Government has managed the crisis badly. There is no time now to enter into an analysis of the causes of the crisis as it affects Ireland but we must analyse the causes of crisis before we can solve them. The Minister of State also acknowledged that mistakes were made, and such an acknowledgement is welcome.

The Government and Opposition have distinct and equally honourable roles in a parliamentary democracy. The media seems to think everybody else should solve the Government's problem and although we in Opposition will be constructive, much of the responsibility lies with Government. The Minister of State sees no merit in calls for a national Government and what, in effect, would be a suspension of democracy. I completely agree with that as well. People will accept a great deal if measures are fair but people may feel they have been unfairly singled out.

The Government's strategy appears to be based on short-term political gain. It seems to want to struggle on until the local elections are over and it seems quite willing to do anything except take the necessary corrective action. It set up an *bord snip* and the Commission on Taxation, pretending there was no problem or that somebody else could solve the problem. This was instead of having the responsibility resting with the Government although it will have to solve the problem in the long run. The Government left the country adrift and did not take decisive action. Even last week the Tánaiste stated there were no problems with our finances. People are looking for leadership but not getting it. The Government has not come clean in telling people the real solution.

The estimates from last July were that the Exchequer would be €500 million short in revenues. Later in the year the estimate was €1 billion and in January the estimate was €2 billion, although the Government did nothing about it. We discovered today that €4 billion must be raised to balance the books. At the eleventh hour and when the horse has bolted, the Government has invited the Opposition to look at the books, although our positive suggestions were scorned over the past eight or nine months. The Opposition will play its part in a constructive manner but the Government must accept its responsibility. I am glad the Minister of State has outlined this in what is one of the best contributions from the Government side since the debate began.

It will be significant if the Government and Taoiseach do not accept responsibility for their serious mistakes. They must recognise and admit the problem before it can be solved. The Minister of State referred to fairness but those in the public sector do not consider it fair that people on €25,000 or €35,000 must pay the so-called pension levy despite already paying a 1% income levy. Those on €80,000, €100,000, €150,000 or more are not proportionately penalised to the extent of those who are low paid. People are ready to make the necessary sacrifices if leadership is forthcoming from the Government. We have seen a bit of this leadership from the Minister of State.

**Deputy Kieran O'Donnell:** I am delighted to contribute to this motion put forward by our deputy leader and finance spokesman, Deputy Richard Bruton. It is extremely important that we deal with what is probably the greatest economic crisis this country has ever faced. We find ourselves in a position today looking at approximately €22 billion of a borrowing requirement for 2009 and based on today's Government figures, we must find through tax rises and expenditure savings approximately €5 billion. That is broken down to between €1 billion and €1.5 billion in terms of expenditure. Some €700 million of this relates to social welfare payments, a direct consequence of unemployment. Some €300 million relates to increases in medical card payments which are also related to difficulties in employment.

The Government is lacking a proper job retention and creation programme. For every unemployed person, the cost to the State is €20,000 per year. That is apart from the social consequences for people losing their jobs. The Government has talked about finding these extra taxes and savings in expenditure but that should be matched by a proper job creation programme to keep people in jobs and by a proper economic plan.

We have heard that the Government has an economic plan but it is nowhere to be seen. This started in last October's budget, when the Government stated there would be an increase in taxes of the order of 1% over the previous year. That was not realistic. At that time it should have introduced a budget that was measured and which dealt with the ongoing difficulties that would arise. Instead we have had piecemeal activity in the form of the income and pension levies. Various Government members have referred to the Taoiseach bringing forward this

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supplementary budget but when he was in the House yesterday he made no mention of the word “budget”. When he was in the House today it had to be dragged out of him that he would bring a budget forward in early April.

The problem we are facing is in the making of decisions. The Minister of State, Deputy Mansergh, said the Taoiseach will make decisions but it is not always just about making decisions, it is about making the right decision. When the social partnership talks broke down, the following morning the Taoiseach introduced a pension levy which was clearly divisive and had not been thought through. That measure has created, for the first time, a major divide between public and private sector which I very much regret.

These problems must be addressed as people want to see fair measures being introduced. We need proper reform. The Government has spoken about co-operation and Fine Gael has brought forward proposals on recovery through reform in Deputy Bruton's documents, both in July and October last year. These proposals were constructive but the Government did not accept them. Furthermore, members of Government has spoken about co-operation in dealing with the current difficulties in terms of the €5 billion shortfall, but they have not provided us with details of the spending programmes in individual Departments. They are effectively saying they want us to co-operate but they want to keep one hand tied behind our backs. They cannot expect us to be able to fully contribute without giving us the full facts.

The way the budgetary system operates requires major reform. Global increases are given to various Departments at budget time but no detail is provided in that respect. Every item of expenditure in every budget should have to be justified. It should not be a matter of giving standard increases across areas. We are dealing with taxpayers' money, which must be valued.

The Investment of the National Pensions Reserve Fund and Miscellaneous Provisions Bill to recapitalise the banks was dealt with earlier. We put forward proposals to ensure taxpayers' money is properly scrutinised. The Government has brought in legislation that allows the Minister for Finance and the Government to put further taxpayer's money into the banks in addition to the €7 billion that is now being put into them without having to come back to the Dáil to discuss such a proposal. That is not democracy. We put forward proposals to ensure proper scrutiny of taxpayers' money, given that the Government is putting €7 billion of such money into the two main banks. It is seeking to raise €5 billion, €1 billion to €1.5 billion by way of cuts in expenditure and €3 billion to €3.5 billion by way of tax increases.

More than 1,000 people per day are losing their jobs. Since last November more than 100,000 people have lost their jobs. These are all individuals, some single people and some with families. The Government is engaging in a sequence of events to raise €1 billion by way of cuts in expenditure and to raise revenue by increasing taxes, but it has put no economic plan to deal with job creation and to keep people in jobs. If people were kept in their jobs, the €1 billion in cuts would not be required. Those people make a contribution to the State in terms of taxes. Tax revenue is down in every area. In particular, corporation tax revenue has fallen, which is a clear indication of job losses.

I welcome the fact the gas and electricity prices will decrease by 12% and 10%, respectively, from 1 May. However, that overlooks the fact that gas prices increased by 20% last September, which means there will still be a 8% net increase in gas prices. Electricity prices increased by 17.5% last August and with the 10% proposed decrease there will still be a 7.5% net increase in electricity prices. Yet, the price of oil has dropped by 70% or more since July. We have to

become competitive. A few key components are required, but the Government is not putting these in place.

I commend the motion to the House. I hope the Government will provide more detailed figures for individual Departments and specific proposals on items of expenditure in order that we can make a meaningful contribution.

Amendment put.

The Dáil divided: Tá, 75; Níl, 68.

Tá

Ahern, Dermot.  
 Ahern, Michael.  
 Ahern, Noel.  
 Andrews, Barry.  
 Andrews, Chris.  
 Ardagh, Seán.  
 Aylward, Bobby.  
 Blaney, Niall.  
 Brady, Áine.  
 Brady, Cyprian.  
 Brady, Johnny.  
 Browne, John.  
 Byrne, Thomas.  
 Calleary, Dara.  
 Carey, Pat.  
 Collins, Niall.  
 Conlon, Margaret.  
 Connick, Seán.  
 Cregan, John.  
 Cuffe, Ciarán.  
 Cullen, Martin.  
 Dempsey, Noel.  
 Devins, Jimmy.  
 Dooley, Timmy.  
 Fitzpatrick, Michael.  
 Fleming, Seán.  
 Flynn, Beverley.  
 Gallagher, Pat The Cope.  
 Gogarty, Paul.  
 Gormley, John.  
 Hanafin, Mary.  
 Harney, Mary.  
 Haughey, Seán.  
 Healy-Rae, Jackie.  
 Hoctor, Máire.  
 Kelleher, Billy.  
 Kelly, Peter.  
 Kenneally, Brendan.

Kennedy, Michael.  
 Killeen, Tony.  
 Kirk, Seamus.  
 Kitt, Michael P.  
 Lenihan, Brian.  
 Lenihan, Conor.  
 Lowry, Michael.  
 McEllistram, Thomas.  
 McGrath, Mattie.  
 McGrath, Michael.  
 Mansergh, Martin.  
 Martin, Micheál.  
 Moloney, John.  
 Moynihan, Michael.  
 Mulcahy, Michael.  
 Nolan, M. J.  
 Ó Cuív, Éamon.  
 Ó Fearghail, Seán.  
 O'Brien, Darragh.  
 O'Connor, Charlie.  
 O'Flynn, Noel.  
 O'Hanlon, Rory.  
 O'Keeffe, Batt.  
 O'Keeffe, Edward.  
 O'Rourke, Mary.  
 O'Sullivan, Christy.  
 Power, Peter.  
 Power, Seán.  
 Roche, Dick.  
 Ryan, Eamon.  
 Sargent, Trevor.  
 Scanlon, Eamon.  
 Smith, Brendan.  
 Treacy, Noel.  
 Wallace, Mary.  
 White, Mary Alexandra.  
 Woods, Michael.

Níl

Bannon, James.  
 Barrett, Seán.  
 Broughan, Thomas P.  
 Bruton, Richard.  
 Burke, Ulick.  
 Burton, Joan.  
 Byrne, Catherine.  
 Carey, Joe.  
 Clune, Deirdre.  
 Coonan, Noel J.  
 Coveney, Simon.

Crawford, Seymour.  
 Creed, Michael.  
 Creighton, Lucinda.  
 D'Arcy, Michael.  
 Deasy, John.  
 Doyle, Andrew.  
 English, Damien.  
 Enright, Olwyn.  
 Feighan, Frank.  
 Ferris, Martin.  
 Flanagan, Charles.

Níl—*continued*

Flanagan, Terence.  
 Hayes, Brian.  
 Hayes, Tom.  
 Higgins, Michael D.  
 Hogan, Phil.  
 Howlin, Brendan.  
 Kehoe, Paul.  
 Kenny, Enda.  
 Lynch, Ciarán.  
 Lynch, Kathleen.  
 McCormack, Pádraic.  
 McEntee, Shane.  
 McGinley, Dinny.  
 McGrath, Finian.  
 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.  
 Quinn, Ruairí.  
 Rabbitte, Pat.  
 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.

Amendment declared carried.

Motion, as amended, put and declared carried.

### Adjournment Debate.

### Departmental Strategy Statements.

**Deputy Ciarán Lynch:** I wish to share my speaking time with Deputy Kathleen Lynch.

**Acting Chairman (Deputy Brian O'Shea):** Is that agreed? Agreed.

**Deputy Ciarán Lynch:** I am grateful for the opportunity to speak on this most important issue. Each year carers through their voluntary work in the home save the State in excess of €2.5 billion. The refusal of the Government to publish a national carers' strategy represents a major U-turn and will be a bitter pill for thousands of families to swallow. The publication of the carers strategy was an integral element of the Towards 2016 agreement signed by the Government and the social partners. However, the decision to bin the promise was made by the Government alone.

As an active member of the Cork Family Carers Forum in Cork city, I am furious at the refusal to implement the strategy. There are 19,000 families in Cork city and county who will be listening to the Minister's response with great interest. They have been listening since last January when the Minister first flew a kite in *The Sunday Business Post* suggesting carers were to come under attack. This was not about monetary commitments which carers were seeking. It was about looking for acknowledgement of the work they do 365 days a year, seven days a

week, 24 hours a day. The strategy was to recognise the importance of that work and to put some sort of benchmark in our social programme that would recognise the value of that work.

The carers and their representatives went to exorbitant and significant levels to provide submissions on this report, only to be told that those submissions are now in the bin in the Minister's office. In the boom times, carers waited a long time to eventually get someone recognition and monetary gain for the work they do, yet at the first sign of a turnaround in the economy it seems they will be the first to suffer. Assurances from the Government that they will work with representative groups to ensure the delivery of services in the most effective manner is tokenism at best. It is a shame on the Government and on the Minister that she comes to the House today having abandoned what is the most significant aspect of community care in this country, one which is supported in the main by a voluntary group, to tell us that this programme is no longer being considered.

**Deputy Kathleen Lynch:** When the history of this period of Government is written, I am not certain the headline will be the downturn in the economy but how the Government set out to attack the most vulnerable in society. It started with the over 70s and then moved on to people on disability allowance, with the stipulation that they could not receive it until they were 18. Both of these measures were reversed but the Government then moved on to children with an intellectual disability, a measure which has yet to be reversed, although I am confident it will be reversed because of the outrage that exists.

The latest in the series of vulnerable groups which are to be attacked by the Government is a group of people who do the State an enormous service. This service is done by caring for their relatives, whether they are children, husbands, fathers, mothers or sisters — they are family members who, without such care and attention, would be in institutions and not getting the same kind of attention they get at home. This most definitely saves the State an enormous amount of money. These people have put up a fight year after year for an increase in the amount they are paid for this work, but that was only part of the battle. The rest of the battle was about facilities, training, recognition and ensuring that they would occasionally get some time off. It was about ensuring they would get the support and assistance of community nurses, GPs, physiotherapists and all the therapies that should assist people who have a difficulty in living their day-to-day life. Now, the Government has decided the strategy that was to put all of that in place, a strategy into which all of these people bought, both the organisations and the individuals, is to be binned.

There are many groups of people this Government could have attacked. It could have set about taxing people who had squirrelled away great wealth, but it did not. It decided to start with the most vulnerable, people whom it felt could not fight back. It is disgraceful. The Minister should put this strategy in place immediately.

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** Caring for another person, especially on a full-time basis, can have a huge impact on the carer and his or her family. While it can be a very rewarding experience, it often involves sacrifices, particularly in employment opportunities, and it can also affect the carer's own health. While the work of carers can be unseen, the important and valuable role played by them in society has been extensively recognised by Government in recent years.

The Government is acutely aware of the sacrifices made by carers and we have sought to make many improvements in services and supports for those carers. In regard to income supports, in budget 2009 the rate of carer's allowance for those aged 66 or over was increased by

[Deputy Mary Hanafin.]

€7 to €239 per week and for those aged under 66 by €6.50 to €220.50 per week. These increases took effect this January. Recipients of carer's allowance are also eligible for household benefits, free travel and the respite care grant. Since 1997, 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, half-rate carer's allowance and the respite care grant have been introduced and extended.

The means test for carer's allowance has been significantly eased over the years and is now one of the most generous means tests in the social welfare system, most notably with regard to the spouse's earnings. Since April 2008, the income disregard has been €332.50 per week for a single person and €665 per week for a couple. This means that a couple with two children can earn in the region of €37,200 and qualify for the maximum rate of carer's allowance, as well as the associated free travel and household benefits. A couple with an income in the region of €60,400 can still qualify for a minimum payment, as well as the associated free travel and the household benefits package. These levels surpass the Towards 2016 commitment to ensure those on average industrial earnings continue to qualify for a full carer's allowance.

From June 2005, the annual respite care grant was extended to all carers who are providing full-time care to a person who needs such care, regardless of income. The rate of the respite care grant has also been increased to €1,700 per year in respect of each care recipient since June 2008. In June 2006, the number of hours for which a person can 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 ten to 15 hours per week. It is estimated that the combined expenditure on carer's allowance, carer's benefit, the respite care grant and half-rate carers will be €650 million in 2009.

It is extremely important to note that carers need more than just income support and, in particular, they need community health services to assist them in their caring role. The Government's objective of continued development of community-based services for older persons is reflected in the funding given in recent times. The total additional funding allocated for such services by the Department of Health and Children was in excess of €210 million over the three-year period 2006-08, which included, for example, €120 million given for the new home care package initiative and €55 million in new funding to expand the home help scheme nationally.

This year, the HSE will continue to promote community and home-based services which directly benefit both clients and carers throughout the country. It expects to provide, for example, in the region of 12 million home help hours, benefiting 54,000 people; 4,700 home care packages, benefiting 11,500 people; and 21,500 day and respite care places.

Another important service for carers is the ability to take a break from caring. In this regard, significant residential respite care continues to be provided in public community nursing units, including community hospitals and long-stay residential units across the country. Over 700 designated respite care beds are provided nationally in these units. It is estimated that approximately 19,000 people benefit over the course of a full year, based on an average length of stay of two weeks per person. Another area where the HSE is involved is in working closely with carer organisations in supporting older people in their own communities through service level agreements, with a view to delivering services both nationally and locally within its budget and overall health policy priorities. For example, in 2008, almost €2 million in additional allocation was provided between the Alzheimer's Society and the Carers Association.

9 o'clock

I appreciate that it is disappointing for carers and the people for whom they care that we are not in a position to publish a strategy at this time. I met some of their representatives earlier this week to inform them of this difficult decision taken by Government and they made me aware of the frustration they feel, a frustration we all share. However, faced with the current economic situation — the House will be very much aware of the Exchequer returns issued yesterday — it is not possible to set targets or timelines which can be achieved. Publishing a strategy would be to make false promises to carers, promises we do not have the money to implement. I believe that carers deserve better than that. It is important to be honest in the commitments we make. Publishing a strategy which we could not hope to implement in the short or medium term would simply be dishonest and a betrayal of trust. The Government made a commitment to social partners and the carer representative groups at the outset that a national carers' strategy would not be merely a paper exercise.

I wish to acknowledge all those who took the time to make submissions as part of the public consultation process and to assure them their submissions were considered in detail by the working group and will inform our thinking in the future. The Departments of Social and Family Affairs and Health and Children, including the Health Service Executive, are committed to providing support and services for carers and to working with the carer representative groups to deliver services in a more effective way to assist them in the valuable work they do.

### **Housing Grants.**

**Deputy Frank Feighan:** I am delighted the Ceann Comhairle has chosen this serious issue for consideration on the Adjournment. I was informed yesterday by staff in Roscommon County Council that up to 600 applications have been received for grants. There is a minimum two years waiting list for essential works such as toilet and shower facilities, window replacements and central heating upgrading. When discussing an application relating to an elderly man in his 70s living alone, recently discharged from hospital, who has no toilet, shower or running water in his home, I was informed it would take two years before his application is even examined. Roscommon County Council is dealing with applications received in November 2007. Funding is so poor that these are dealt with in chronological order. However, only high-priority cases will be examined. Elderly people living in County Roscommon and in south Leitrim who need shower facilities because of their disability have no hope of any financial assistance. The councils have two-year waiting lists and, in addition, the HSE has withdrawn all funding for special housing aid for the elderly which was used for emergency cases. Is the Minister of State aware that there are 200 homes in County Leitrim without running water? That is the highest number in the country.

I suggest that the Minister of the Environment, Heritage and Local Government, Deputy Gormley, should make funding available, especially for emergency cases. This would create employment and would also provide small builders and tradesmen with a weekly income instead of obliging them to collect social welfare. It would help the ailing building industry and it might resolve some of these alarming cases. As politicians, we are inundated with requests for housing aid for the elderly and for repairs to houses. I ask the Minister of State to ensure that sufficient finance is made available and that henceforth these elderly people in the twilight of life will not have to wait two years.

**Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Michael P. Kitt):** I am taking this Adjournment matter on behalf of my colleague, the Minister of State, Deputy Michael Finneran. I thank Deputy Feighan for giving me the oppor-

[Deputy Michael P. Kitt.]

tunity to speak about the operation of the housing adaptation grant schemes for older people and people with a disability.

The Government is very much aware of the critical role of the adaptation grant schemes in the context of an overall continuum of care for older people and people with a disability. As the Deputy knows, in order to facilitate the continued independent occupation of their own homes by older people and people with a disability, a revised framework of adaptation grant schemes was implemented in November 2007. The revised grant framework streamlines the administrative and operational procedures governing the schemes, provides a more targeted and integrated response to the housing needs of older people and people with a disability, and ensures the most efficient and cost-effective outcomes from the funding available, including the targeting of available resources to those in most need. The new suite of grants schemes is funded by 80% recoupment available from my Department and a 20% contribution from the local authority.

Funding and activity under the schemes has been accelerating year on year, with expenditure increasing from some €13 million to over €71 million in the period 1997 to 2007. During that time approximately 74,000 grants have been paid. This represents 74,000 older people and people with a disability who have been assisted in remaining in their own homes and communities for as long as possible. In May 2008, a combined capital allocation of €71.4 million was announced for the operation of the schemes for the year. In addition, to take account of the significantly increased levels of activity under the grants schemes experienced by local authorities in 2008, supplementary Exchequer allocations totalling €15 million were made in September, October and December. This funding supported badly needed adaptation works for over 12,000 disadvantaged households. Roscommon County Council received a combined capital allocation of €1,678,170.

For the purposes of the operation of these schemes in 2009, my Department has been in regular contact with all local authorities on a range of relevant issues, including the levels of activity experienced under the schemes in 2008, the levels of claims on hand, the degree to which prioritisation of applications has taken place, and the anticipated levels of activity in 2009. In light of anticipated demand, the Minister of State, Deputy Finneran, is conscious of the need for local authorities to be able to deploy available resources as early as possible to maximise their impact for households availing of the schemes. Local authorities will, therefore, be notified of their capital allocations for these schemes immediately following the publication of the Revised Estimates for Public Services 2009. As in previous years, it will be a matter then for each local authority to decide on the specific level of funding to be directed towards each of the schemes, from within the combined allocation notified to them by my Department, and to manage the operation of the schemes in their areas from within this allocation.

### **Fisheries Protection.**

**Deputy Joe McHugh:** I welcome the Minister of State to the House. I know he is familiar with this issue. He has been to County Donegal, to Killybegs and to Greencastle, where he met with fisherment from the whitefish sector. In the time since he was there, this has become more of a problem, affecting boat owners with boats of 12 metres and less, and fishermen who do a little bit of whitefishing or catching dogfish. They stay away from cod, which is the key point in this matter. We are all interested in sustainability and in the preservation of stocks. When Europe hears of whitefish, it hears cod. We are all interested in the preservation of cod.

We all want this and the fishermen agree to it. However, there are other whitefish that can be fished in the Irish seas.

We must get the point across to the Minister of State and show him that the present system and interpretation of EU guidelines is not satisfactory in terms of conservation, sustainability and best practice. I will leave it for my colleague to talk about the ins and outs of best practice by the fishermen with regard to the quota system. Rather than days at sea per boat we must look at quantity of fish. Fishermen know when to fish, where to fish and how best to fish. They are the ambassadors of the sea and the people who know best practice. In dealing with the whitefish sector and the overall fishing sector we have left the fishermen out of the loop, even though there are representative bodies.

We must start heeding the guidance of the whitefish fishermen and acknowledge that they are more interested in the quantity quota per fish species rather than days at sea. Unfortunately, we do not have time, but concerning the interpretation of Council Regulation EC/237/2002, the Department of Agriculture, Fisheries and Food must explain itself and its methodology. The allocations are completely unsatisfactory in respect of both scope and scale. I hope we can see some movement on this matter in the response of the Minister of State.

**Deputy Dinny McGinley:** I welcome the presence of the Minister of State for this important item. The whitefish sector in the north west is severely hampered by the imposition of the Kw days at sea requiremen which came into legal effect on 1 February 2009. In addition to the Kw days at sea regulation, the north-west whitefish sector was hit also by a new set of technical conservation measures agreed at the December 2008 Fisheries Council. The combined effect of these measures means that local vessels which have traditionally fished in the area will no longer have a sufficient number of days to do so. For a large part of the same area, the increases in mesh sizes mean that their mix of fisheries is no longer possible. This is the death knell for the whitefish sector in the north west with the loss of hundreds of jobs unless its effect is immediately reversed.

We are told by the EU Commission that the Days at Sea regulations relate to a need to protect the cod fishery. If this is the case, why should these rules apply to vessels that do not catch cod or have a very small by-catch? Like my colleague, Deputy McHugh, I am from Donegal and I am fully aware of the importance of the fishing industry to the county. I find it very difficult to understand why these restrictions have been imposed on Irish vessels with negligible cod catches. The whitefish industry in the north west is very important to fishing ports such as Killybegs and Deputy McHugh's Greencastle and is providing much-needed employment at sea and ashore in these ports.

In this time of economic crisis and the need to protect jobs, it is absolutely essential that the Minister of State, Deputy Killeen, ensures the whitefish sector in the north west is not wiped out. I am calling on the Minister of State to apply immediately for exemptions and derogations for the kw days at sea and the mesh size increases for Irish vessels fishing in the north west. It is totally unacceptable that French, UK and Spanish vessels have more kw days at sea in our area and are able to continue to fish when our vessels are tied up due to insufficient days. The Minister of State must surely agree that this is not right and must be immediately addressed. I am calling on him to work with the fishing industry, the Marine Institute and BIM to ensure a viable whitefish industry in the north west.

**Minister of State at the Department of Agriculture, Fisheries and Food (Deputy Tony Killeen):** Gabhaim buíochas don Teachta as ucht deis a thabhairt dom freagra a thabhairt ar

[Deputy Tony Killeen.]

an ábhair tábhachtach seo. The Irish fishing industry is wholly dependent on the state of the fish stocks in the Irish zone and in many ways the health of the industry is directly linked to the health of the stocks, which are the bedrock on which the industry is founded. The decline in fish stocks has not happened overnight; there have been warning signs for some time. Clearly, this is a European issue and actions to address declining fish stocks and ensure sustainable fishing practices must be taken at the EU Council table.

My ultimate aim is to have our fish stocks at high levels and in a healthy state so that they can sustain our industry and coastal communities. The International Council for the Exploration of the Sea, ICES, the competent international authority on fish stocks, has advised that fish stocks in EU waters including those around our coast are in decline, with a near complete collapse of cod stocks in the areas VIa, west of Scotland, and VIIa, Irish Sea. This assessment is supported by the Marine Institute at national level.

The EU Fisheries Councils in November and December 2008 adopted a new cod recovery plan, as set out in Council Regulation (EC) No. 1342/2008 and Annex IIa of the 2009 TAC and Quota Regulation (EC) No 43/2009. These regulations are applicable to the fishing fleets of all member states fishing with specified fishing gears in the relevant sea areas. Under these regulations, Ireland and other relevant member states are required to introduce and implement a licensing regime to manage its allocation of fishing effort — days at sea limits in areas VIa and VIIa for vessels using specified gear types.

The 2009 TAC and Quota Regulation (EC) No 43/2009 also sets down the level of quotas each member state is entitled to for 2009. These TACs and quotas were adopted by the EU Fisheries Council taking account of the scientific advice available. In Ireland we distribute these whitefish quotas among our vessels taking account of vessel size. This is done at the monthly whitefish quota advisory committee meetings. This committee comprises members of the FIF, the Irish Fishermen's Organisation, the SFPA, in addition to officials from my Department. Every attempt is made to maintain a consensus on what management arrangements are put in place for the following month by species, by area and by vessel size.

With respect to the issue of the new Days at Sea scheme, my Department, following consultations but not agreement, with representatives of the Irish fishing industry, introduced a pilot system of authorisations and allocations of fishing effort for the period 1 February 2009 to 30 April 2009. The pilot scheme as originally introduced was based on the following: authorisation to fish and allocation of effort days to be determined by track record of vessels; vessels “best year” for the period 2005 to 2008 to establish its track record; track record divided into bands of effort and, depending on the band the vessel fits into, allowing the associated number of effort days for that band for the period; effort days allocation to be divided for the year based on the past fishing pattern of all Irish vessels in the area, for example, if the spring season is important the effort allocation now given will reflect that pattern; effort not used to come back into the national pot for future allocation. The establishment of track record was based on log book data and has not taken account of any sale or transfer of vessels or capacity. Any owners in this situation are asked to write to the Department with details which will be examined and effort will be issued if the vessel meets the criteria established above. Effort will be allocated as a specified number of days at sea which is defined in the regulation as, “a day present within an area shall be any continuous period of 24 hours or part thereof during which a vessel is present within the area and absent from port”. The actual effort will be calculated as the kilowatt of the vessel by the number of days.

I have also already agreed to some amendments as recommended by the Federation of Irish Fishermen to the original pilot scheme as introduced on 1 February. These amendments cover the treatment of vessels with minimal track record in the areas covered by the scheme and also for the allocation of days at sea to vessels that changed length category from under 10 metres to over 10 metres and less than 12 metres, which can show they have an active track record of fishing in the areas covered by the scheme during the reference periods 2004 to 2008.

I appreciate that the introduction of these new conservation measures is a considerable challenge and I have established a steering group, which I announced at the Greencastle meeting, involving the Federation of Irish Fishermen, the Irish Fishermen's Organisation, the Department and its agencies, to provide support to the industry in relation to the practical implementation of these new measures. The effort allocations already made were done on a pilot basis only and I am happy to make amendments where proposed by the steering group within the EU legal framework that has been established. I hope that the arrangements proposed when the current pilot expires at the end of April will reflect more closely the views of fishermen and the nature of the fishing fleet and available fishing opportunities. In addition, I have asked the steering group to consider the options for providing additional days to fishing vessels on the basis of their undertaking specific additional conservation measures in both areas as provided for in the EU regulations. The steering group has met a number of times already and is examining possible options that would allow vessels additional days at sea where cod avoidance measures as mentioned by the Deputies, are introduced or where highly selective gear that avoids the catching of cod is introduced. The group has also recommended that vessels which have a very low catch of cod, less than 1% by catch, be exempted completely from the effort regime. I will pursue with the EU Commission all such proposals and the suggestions made by the Deputies and I have already made a submission to the Commission, for the exclusion of the vessels with a catch of cod of less than 1%.

During the December Council, the Commission also proposed a complete closure on all whitefish fishing in the waters off Donegal. The measures would have severely impacted on our whitefish fishermen in the north west. Following intensive negotiations, a package of measures were agreed that both delivered strong conservation measures for the cod, whiting and haddock stocks in decline while facilitating the continuation of important fishing activities for the Irish fleet. I secured in particular some concessions for smaller vessels which allowed them to employ a mesh size of 110 mm rather than the 120 mm which must be used by all other vessels targeting whitefish. I fully appreciate that the change-over to larger mesh fishing gear will impact significantly on the fish catch of these vessels.

### **Schools Building Programme.**

**Deputy Charlie O'Connor:** I appreciate the courtesy of the Ceann Comhairle's office in allowing me to raise this important matter which relates to education in the Tallaght area and specifically to the Holy Rosary national school in Ballycragh, a place Deputy McGinley will have heard of.

Somebody said to me today that it is a very difficult time to raise issues about building programmes but I wish to put on the record of the House that the Holy Rosary national school was highlighted on the "Today with Pat Kenny" programme last Monday because it has waited a long time for its building programme. The school has been raising this issue for more than 25 years and it really is time that progress was made. The school community is very much behind the campaign for the allocation of permanent school buildings on the site in Ballycragh. People point out to me they are aware of the current economic climate and that the prefabs

[Deputy Charlie O'Connor.]

are costing the Government, I am told, €120,000 per annum. The school and the community in general continue to urge the Government to consider once again the advantage to everybody concerned of progressing the building project.

Holy Rosary national school in Ballycragh is an amazing place in the sense that it has a very vibrant community and a very large international community. My colleagues and I have seen the worth of the work and how good they are at dealing with education in a very challenging situation.

The school board tells me it is a band 2 school and stage 3 documentation has been with the technical staff of the Department of Education and Science for more than 12 months. The board also tells me that it is very well placed to move forward and would be happy to co-operate fully with the Department in any matters relating to the building programme request. I am glad that the Minister of State, Deputy Tony Killeen, is here and I look forward to his support in pointing out my concerns in this regard to the Minister for Education and Science.

Holy Rosary national school, Ballycragh, has 11 classrooms in a semi-permanent building and 13 prefabricated classrooms. Some 505 pupils are enrolled and there are 37 teaching staff. There are eight special needs assistants, a caretaker and a secretary. There are three adult toilets, no physical education hall, library or ancillary classrooms. A staffroom appropriate for 15 adults is accommodating three times that number. Current applications for enrolment exceed the number of places on offer. This is a developing area of south Dublin and planning permission has been granted for 3,000 houses in the immediate area.

In making a strong case for the school, I believe, without disrespect to anybody, that if it was situated in the so-called commuter belt, the clamour would have been greater and the technical staff of the Department would have been more responsive. If this was in Meath, Kildare or other commuter regions, action would have been taken. I believe that the community there is entitled to make a strong case for the school. Even in the present situation, I hope the Department will look anew at this building programme and seek innovative ways of providing permanent accommodation. That is what the community in Ballycragh deserves.

I know from my many contacts with the school board that its members have been led to believe, on a number of occasions, that the project would be expedited. Clearly, they now find themselves approaching a new school year without knowing the position.

The radio programme on Monday highlighted in a positive manner the good things that are going on in Ballycragh and the clear need for progress on the building programme. I hope that the Minister of State will convey my strong feelings on this issue and I look forward to his response. I thank the Acting Chairman for his courtesy.

**Deputy Tony Killeen:** Gabhaim buíochas leis an Teachta Ó Concubhair agus táim ag freagraíocht thar ceann an tAire Parthalán Ó Caoímh.

I am happy to reply on behalf of my colleague, Deputy Batt O'Keeffe, the Minister for Education and Science. I thank the Deputy for raising this matter as it provides me with the opportunity to outline to the House the Department's strategy for capital investment in education projects and to outline the current position with regard to the building project for Holy Rosary national school, Ballycragh, in Dublin 24.

Modernising facilities in the existing building stock, as well as the need to respond to emerging needs in areas of rapid population growth, is a significant challenge and is one of the priorities of the Minister for Education and Science. The Government has dramatically

increased investment in the school building programme to €656 million this year. This is an unprecedented level of capital investment which reflects the commitment of the Government to continue its programme of sustained investment in primary and post-primary schools. It will underpin a particular emphasis on the delivery of additional school places in rapidly developing areas while continuing to develop on the Government's commitment to delivering improvements in the quality of existing primary and post-primary accommodation throughout the country. It will also enable the purchase of sites to facilitate the smooth delivery of the school building programme, again with the focus being on site requirements in rapidly developing areas.

All applications for capital funding are assessed in the planning and building unit of the Department. The assessment process determines the extent and type of need presenting based on the demographics of an area, proposed housing developments, condition of buildings, site capacity etc., leading ultimately to an appropriate accommodation solution. As part of this process, a project is assigned a band rating under published prioritisation criteria for large-scale building projects. These criteria were devised following consultation with the education partners.

Projects are selected for inclusion in the school building and modernisation programme on the basis of priority of need. This is reflected in the band rating assigned to a project. In other words, a proposed building project moves through the system commensurate with the band rating assigned to it. There are four band ratings overall, of which band 1 is the highest and band 4 the lowest. Band 1 projects, for example, include the provision of buildings where none currently exists, but there is a high demand for pupil places, while a band 4 project provides for desirable, but not necessarily urgent or essential, facilities, such as a library or a new sports hall. The building project for Holy Rosary national school has been assigned a band rating of 2.1 which means that the project is well positioned to progress when the necessary funding becomes available.

In relation to the Holy Rosary national school, the brief for the project is to provide for the construction of a new 24-classroom school of approximately 3,562 sq. m with three new ball courts and two junior play areas. The project is currently at an early stage of architectural planning.

The progression of all large-scale building projects, including this project, from initial design stage through to construction is dependent on the prioritisation of competing demands on the funding available under the Department's capital budget. This project will be considered in the context of the Department's multi-annual school building and modernisation programme. The allocation for school buildings in 2009 is €656 million. This represents a significant investment in the school building and modernisation programme. This level of funding for the building programme, at a time of great pressure on public finances, is a sign of the real commitment of the Government to investing in school infrastructure and will permit the continuation of progress in the overall improvement of school accommodation.

I thank the Deputy again for giving me the opportunity to outline to the House how the Department intends to address the needs of Holy Rosary national school. However, in light of current economic circumstances and with competing demands on the capital budget of the Department, it is not possible to give an indicative timeframe for the further progression of this project at this time.

I wish to refer to the use of funding allocated to Holy Rosary national school for temporary accommodation. This was discussed in the radio programme referred to by the Deputy. It was

[Deputy Tony Killeen.]

the current Minister who, last year, announced that schools which have been approved funding for temporary accommodation can avail of the option of using their grants either to purchase prefabs or to construct permanent classrooms for the same amount. Holy Rosary national school was approved for funding of €240,000 in 2008 for urgently required temporary accommodation. The Minister welcomes the approach taken by Holy Rosary in availing of this initiative to provide permanent classrooms within the funding allocated.

The Dáil adjourned at 9.25 p.m. until 10.30 a.m. on Thursday, 5 March 2009.

## 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 10, inclusive, answered orally.*

*Questions Nos. 11 to 34, inclusive, resubmitted.*

*Questions Nos. 35 to 43, inclusive, answered orally.*

### **Departmental Funding.**

44. **Deputy Ciarán Lynch** asked the Minister for Community, Rural and Gaeltacht Affairs if all groups operating under the Leader funding programme are functioning and available for grant applications; if due to the economic downturn there will be a reduction in the funding agreed to; and if he will make a statement on the matter. [8952/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** I can confirm, in respect of the LEADER elements of the Rural Development Programme, that contracts have been signed with Local Action Groups and these Groups are now operational in 35 of 36 areas. Having signed contracts in late January, 35 Groups are now implementing the LEADER measures, which have a focus on quality of life in rural areas and diversification of the rural economy.

In the case of one other Local Action Group, I will be signing a contract shortly, following the completion of certain legal work in respect of the contract.

The overall value of the LEADER elements of the Rural Development Programme is €425m, which is almost three times the value of the 2000-2006 Leader Programmes. There are no plans at this time to reduce the funding available across the Programme or at individual grant level and I look forward to the successful implementation of the Programme, which I believe will bring very significant benefits to our rural areas.

### **National Drugs Strategy.**

45. **Deputy Michael Ring** asked the Minister for Community, Rural and Gaeltacht Affairs his views on the fact that the roll out of the new national drugs strategy will be postponed indefinitely in view of the current economic climate; and if he will make a statement on the matter. [8860/09]

62. **Deputy Catherine Byrne** asked the Minister for Community, Rural and Gaeltacht Affairs the role of local and regional drugs task forces; if this role will change under the new national drug strategy; if the number of drugs task forces will change; and if he will make a statement on the matter. [8851/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** I propose to take Questions Nos. 45 and 62 together.

At the outset, I want to assure the Deputies that the roll-out of the new National Drugs Strategy (NDS) will not be postponed.

Work is ongoing on the formulation of the Strategy for the period 2009-2016. As the Deputies are aware, a Steering Group, comprising representatives of the statutory, community and voluntary sectors, is currently developing proposals in this regard and I expect to receive their recommendations by the end of March. Once I have considered them, I will be seeking Government approval for the new Strategy in April, with publication to follow as quickly as possible thereafter.

Much has changed since the current Strategy was developed and it is important that we develop a new Strategy to best address problem drug use in our country as it currently manifests itself. Like any area of public spending, we will have to implement our policies to tackle the drugs problem within the financial parameters we face in any given year. In the current economic climate, the challenge of utilising our resources effectively is even more relevant. Furthermore, it is important to note that the new Strategy will cover a period of eight years and the economic circumstances can fluctuate considerably over such a period.

The role of the 14 Local and 10 Regional Drugs Task Forces is to assess the nature and extent of the illicit drug problems in their areas of operation, to make proposals to deal with these problems, to facilitate greater local/regional focus on drugs issues and a more co-ordinated response to them and to oversee and monitor drug-related projects approved on foot of their action plans and proposals.

While the Steering Group, as part of its work, is currently considering proposals in regard to the structures to support the new Drugs Strategy, I do not envisage any substantial change to the role of the Drugs Task Forces. I have already indicated publicly that I do not expect any change in the number of Task Forces.

### **Departmental Expenditure.**

46. **Deputy Pat Rabbitte** asked the Minister for Community, Rural and Gaeltacht Affairs the way in respect of the announcement of 3 February 2009, it is intended to effect the 8% reduction in professional fees in relation to services provided to or funded by his Department; the amount expected to be saved in his Department's budget as a result of this process; and if he will make a statement on the matter. [8965/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** On foot of a recent Government Decision, the Department of Finance wrote to my Department on 23 February last with regard to effecting an 8% reduction in professional fees in relation to services provided to or funded by my Department or by relevant bodies within its ambit.

Officials in my Department have since initiated a process of engagement with all relevant service providers with a view to appropriately reducing the fees for ongoing contracts in respect of services to be provided on or after 1 March 2009. A similar process is under way in the relevant bodies within my Department's ambit.

Until such time as these processes are concluded, it is not possible to give specific details of the savings that will be achieved. I understand, however, that it is intended that estimated savings arising from the 8% reduction in professional fees will be reflected by way of reduced allocations across Departmental Votes in the Revised Estimate Volume when it is published.

#### **British-Irish Council.**

47. **Deputy Róisín Shortall** asked the Minister for Community, Rural and Gaeltacht Affairs if he will make a statement on his participation in the meeting of the British-Irish Council in Cardiff on 20 February 2009. [8968/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** I attended the meeting along with the Taoiseach and spoke on social inclusion issues and on the Irish language.

#### **Departmental Programmes.**

48. **Deputy Deirdre Clune** asked the Minister for Community, Rural and Gaeltacht Affairs if he will review the boundary areas under the CLÁR programme; and if he will make a statement on the matter. [8911/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** As the Deputy is aware, the CLÁR Programme is a targeted investment programme for rural areas, which was launched in October 2001. The areas covered by the Programme were reviewed in 2002 and, again, in 2006 and as a result, CLÁR now covers parts of 22 counties and all of Co. Leitrim and benefits a population of nearly 727,000. I have no plans at present for any further review of the areas covered by CLÁR.

#### **Drugs Seizures.**

49. **Deputy Joanna Tuffy** asked the Minister for Community, Rural and Gaeltacht Affairs his views on whether the record seizure of drugs in 2008 amounting to more than €210 million reflects the continuing high level of demand for drugs; the additional steps he will take to reduce demand; and if he will make a statement on the matter. [8971/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** An Garda Síochána and the Customs Service of the Revenue Commissioners have achieved significant success in recent years in relation to the number of drugs seizures, and the amount and value of the drugs involved, and I congratulate both organisations in this regard.

The increase in seizures reflects the greater emphasis placed on the drugs problem during the period of the current National Drugs Strategy (NDS). Numbers in the Garda National Drugs Unit, the primary unit within An Garda Síochána charged with responsibility for law enforcement in relation to drug supply, have increased and additional Divisional Drugs Units have also been established. The work of these Units is supported by the Organised Crime Unit, now established on a full-time basis, and by the Criminal Assets Bureau, among others. At the same time, Gardaí generally deal with drug-related issues as they arise on an on-going basis.

Drug seizures by the Customs Service have also significantly increased. Their Coastal Watch Programme has been in place since 2001, a new Customs patrol vessel has been commissioned, mobile X-ray scanning technology has been acquired and the number of drug detector dog teams has also been increased.

[Deputy John Curran.]

As the Deputy will appreciate, the drugs market is global and increased co-operation at an international level is also a current feature. This was well illustrated by the large cocaine seizure off Cork late last year, which was facilitated by the Irish participation in the Maritime Analysis Operations Centre — Narcotics based in Lisbon. This Centre involves seven EU countries coming together to counter the threat of drugs trafficking and in fulfilling its role, Ireland has deployed both Garda and Customs personnel in Lisbon.

Allied to supply reduction measures, demand reduction are also a key component of our NDS. Our focus in terms of demand reduction is primarily on the areas of treatment, rehabilitation and prevention.

The Research Outcome Study in Ireland (ROSIE), carried out by the National Advisory Committee on Drugs, showed that treatment for opiate use has resulted in a significant reduction in the usage of all drugs reported by those who enter and remain engaged in treatment. Overall numbers in treatment now stand at approximately 12,700, with 8,600 of those in receipt of methadone. Successful engagement with treatment not only has significant benefits for the individuals involved, but also for their families, their wider communities and for society in general.

Meanwhile, a National Drugs Rehabilitation Implementation Committee was established towards the end of 2008 and I hope that progress will now be expedited on the implementation of the recommendations of the Working Group on Drugs Rehabilitation.

As regards prevention, the NDS has focussed on four main areas:

- Early School Leaving;
- Drugs education in a school setting — particularly initiatives such as Walk Tall and SPHE;
- Drugs education outside the school setting involving the development of diversionary responses aimed at young people at risk as well as the general youth population; and
- National and local awareness campaigns.

I would expect to see initiatives under these headings being further developed in the coming years.

A new Drugs Strategy is now being formulated for the period 2009-2016 and this will continue to target both supply reduction and demand reduction measures. In this context, a significant emphasis on prevention will be retained, combined with treatment and rehabilitation measures to aid those already involved with drugs. At the same time there will continue to be a need to focus on supply reduction also to counteract the effect of the global drugs market on Ireland.

#### **Acht na dTeangacha Oifigiúla.**

50. D'fhiafraigh **Deputy Brian O'Shea** den Aire Gnóthaí Pobail, Tuaithe agus Gaeltachta cén fáth nach bhfuil dul chun cinn i bhfad níos fearr déanta i leith líon na scéimeanna teanga atá daingnithe aige agus foilsithe faoi Acht na dTeangacha Oifigiúla 2003; agus an ndéanfaidh sé ráiteas ina thaobh. [8920/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** I dtús báire ba mhaith liom a chur i gcuimhne don Teachta go bhfuil gach foráil d'Acht na dTeangacha Oifigiúla i bhfeidhm ó mí Iúil 2006. Maidir le scéimeanna teanga tá 89 scéim a chlúdaíonn 161

comhlacht poiblí ar fad daingnithe agam agus foilsithe ó tháinig an t-Acht i bhfeidhm i 2003. Anuas ar sin, tá 33 céad scéim teanga eile, a chlúdaíonn 59 comhlacht poiblí, á n-ullmhú. Chomh maith leis sin, tá fógra eisithe agam chuig 31 comhlacht faoi alt 15 den Acht ag ceangal orthu athbhreithniú a dhéanamh ar a gcéad scéim teanga agus dara scéim teanga a hullmhú agus a sheoladh chugam le daingniú. Fágann sé seo go bhfuil 64 dréacht scéim á n-ullmhú nó á mheasúnú ag mo Roinn i láthair na huaire. Tá na scéimeanna uilig atá aontaithe go dáta chomh maith le liosta de na scéimeanna atá á n-ullmhú ar fáil ar shuíomh idirlín an Choimisi-néir Teanga, [www.coimisineir.ie](http://www.coimisineir.ie).

Mar is eol don Teachta tá tréimhse sé mhí ag Comhlacht poiblí le dréacht scéim teanga a ullmhú agus a chur faoi mo bhráid le daingniú. Tuigfidh an Teachta gur doiciméid chuimsitheach reachtúla iad scéimeanna teanga agus go minic go dtarlaíonn go leor plé agus idirbheartaíocht idir oifigigh mo Roinn-se agus na comhlachtaí poiblí ón am a chuirtear dréacht scéimeanna ar fáil go dtí go n-aontaítear iad. Ní miste dom a lua freisin gur chuir mé próiseas comhairliúcháin ar bun, ag tús na bliana 2008, maidir leis na tosaíochtaí ar cheart a bheith ann don dara babhta scéimeanna teanga. Ag éirí as an bpróiseas sin, tá roinnt tosaíochtaí aitheanta ag mo Roinn don dara babhta scéimeanna a bheidh le tógáil san áireamh ag gach comhlacht poiblí agus a ndr éacht scéimeanna á n-ullmhú acu.

Ní miste dom a lua chomh maith go raibh tosaíochtaí eile agam ó thaobh cur i bhfeidhm an Achta le blianta beaga anuas. Mar shampla ar an 1 Deireadh Fómhair 2008, tar éis próiseas cuimsitheach comhairliúcháin, a cuireadh tús leis i 2006, agus tar éis gur phlé mé an t-ábhar leis an gComhchoiste Oireachtais um Ghnóthaí Ealaíona, Spóirt, Tuarasóireachta, Pobail, Tuaithe agus Gaeltachta ceithre uair, rinne mé Na Rialacháin um Acht na dTeangacha Oifigiúla 2003 (Alt 9) 2008. Táim cinnte go bhfuil tábhacht ar leith ag baint leis na Rialacháin seo a chinnteoidh go mbeidh an Ghaeilge i bhfad níos feiceálaí sa saol poiblí feasta. Sa bhreis ar sin, i 2006 rinne mé Na Rialacháin um Acht na dTeangacha Oifigiúla 2003 (Comhlachtaí Poiblí) 2006 a tháinig i bhfeidhm ar an 1 Bealtaine 2006. Ba í an fheidhm a bhí ag na Rialacháin sin ná an Chéad Sceideal den Acht a choinneáil cothrom le dáta trí na tagairtí do chomhlachtaí poiblí nach ann dóibh a thuilleadh a bhaint amach agus trí chomhlachtaí nua a thabhairt faoi bhráid an Achta. Tá i gceist agam tuilleadh Rialacháin a dhéanamh chun an chéad Sceideal den Acht a choinneáil cothrom le dáta i mbliana agus chuige sin i rith 2008 thug mo Roinn faoi obair ullmhúcháin ar dhréacht de na Rialacháin sin.

Gach rud san áireamh mar sin, tá mé thar a bheith sásta leis an ndul chun cinn atá déanta go dáta maidir le cur i bhfeidhm an Achta Teanga i gcoitinne agus maidir le haontú scéimeanna teanga go sonrach.

### Departmental Schemes.

51. **Deputy Simon Coveney** asked the Minister for Community, Rural and Gaeltacht Affairs the number of applicants who applied for Scéim Labhairt na Gaeilge on a county basis for the past three years; the number of applicants who were successful; and if he will make a statement on the matter. [8862/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The details requested by the Deputy regarding the number of applications for grants under Scéim Labhairt na Gaeilge on a county basis for the past 3 years and the outcome of the application process are set out in the Table. TABLE: Number of applicants for Scéim Labhairt na Gaeilge on a county basis for period 2005-08 and outcome of application process.

[Deputy Éamon Ó Cuív.]

County	School year	Applications received	Received full grant	Received reduced grant	Refused	Not yet examined
Donegal	2005/06	1,132	716	325	91	0
	2006/07	1,157	726	365	65	1
	2007/08	1,187	721	357	87	22
Mayo	2005/06	284	71	126	87	0
	2006/07	280	60	132	84	4
	2007/08	295	47	101	123	24
Galway	2005/06	1,445	1,211	173	56	5
	2006/07	1,372	1,129	179	59	5
	2007/08	1,294	1,032	161	65	36
Kerry	2005/06	393	213	150	30	0
	2006/07	410	202	163	45	0
	2007/08	366	184	145	34	3
Cork	2005/06	181	63	98	20	0
	2006/07	186	74	94	18	0
	2007/08	176	73	78	24	1
Waterford	2005/06	71	25	45	1	0
	2006/07	72	39	28	5	0
	2007/08	65	34	28	3	0
Meath	2005/06	59	26	31	2	0
	2006/07	68	42	26	0	0
	2007/08	72	37	17	16	2

*Question No. 52 answered with Question No. 42.*

### **Dormant Accounts Fund.**

53. **Deputy Pádraic McCormack** asked the Minister for Community, Rural and Gaeltacht Affairs the expected expenditure by his Department in 2009 from the proceeds of the dormant accounts fund; the figures for each of the past two years; and if he will make a statement on the matter. [8896/09]

66. **Deputy Bernard J. Durkan** asked the Minister for Community, Rural and Gaeltacht Affairs the extent to which it is intended to fund his Department in 2009 from the proceeds of the dormant accounts fund; the degree to which this varies with each of the past five years; and if he will make a statement on the matter. [8853/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** I propose to take Questions Nos. 53 and 66 together.

The post-Budget provision in my Department's Vote for 2009 is €13m in respect of commitments to projects approved under measures administered by my Department and financed from the Dormant Accounts Fund (DAF). The proposed allocation for 2009 represents an increase of approx. one-third on the 2008 overall expenditure level. All expenditure incurred will be reimbursed to my Department by the National Treasury Management Agency in the normal way.

My Department paid €0.25m in 2006, €5.45m in 2007 and €9.56m in 2008 to projects selected for funding from the DAF. In addition, the Government approved the allocation of €16m to

part-fund the Rural Social Scheme in each of the years 2006 — 2008 from the Fund. As this Scheme is being fully Exchequer funded in 2009, no allocation is being made this year from the DAF in this regard.

Prior to 2006, the Dormant Accounts Fund Disbursement Board approved all allocations from the DAF.

### **Departmental Funding.**

54. **Deputy Jan O’Sullivan** asked the Minister for Community, Rural and Gaeltacht Affairs if Waterways Ireland has made representations to his Department for the provision of funding for improvements to any of the canals within its remit to provide better facilities for users of the canals from a tourist as well as local perspective with special emphasis on moorings or marinas, angling or walking facilities; the funding requested; and if he will make a statement on the matter. [8958/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The provision of funding for Waterways Ireland is considered in the context of the business plan and corporate plan priorities approved periodically by the North/South Ministerial Council, having regard to the financial resources available to the two sponsor Departments concerned — my own Department and the Department of Culture, Arts and Leisure in Northern Ireland.

Waterways Ireland’s plans for improvement of the navigations under its control in this jurisdiction, including the provision of service blocks, moorings and marinas, are set out in the organisation’s work programme under the NDP 2007–2013. Progress in this regard will, of course, be dependent on the financial resources that can be made available over the period of the NDP, taking account of the current economic challenges.

### **Dormant Accounts Fund.**

55. **Deputy Liz McManus** asked the Minister for Community, Rural and Gaeltacht Affairs the amount of funding provided under the dormant accounts fund since its inception; the geographical spread of the applications for funding; the number of successful applicants; the number refused funding; if there is a waiting list for funding; if so, the position of providing such funding to these groups; and if he will make a statement on the matter. [8956/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The Dormant Accounts Fund Acts provides for an annual transfer by credit institutions and insurance undertakings of monies in accounts determined to be dormant into the Dormant Accounts Fund (DAF). Since its establishment in May 2003 to the end of December 2008, the net transfers to the DAF have totalled some €306.3m.

The value of the Fund at end December 2008, net of liabilities, was some €21.7m. This excludes the amount of some €46m currently maintained in a Reserve Account to meet reclaims and to cover expenses. The reserve is currently set at 15% of the total moneys received by the Fund and not yet reclaimed. Further allocations to specific measures must await information on the value of funds liable to transfer from financial institutions later this year.

The geographical spread of the applications received for funding under each round is set out in the Table.

Of the 8,649 application received to date, 8,154 applications have been assessed with 5,962 or 73% deemed successful. The number of applications not recommended or deemed ineligible for funding to date has amounted to 2,192 or 27% of assessed applications.

[Deputy Éamon Ó Cuív.]

All applicants are notified of the outcome of their applications, following decisions by the Government. The Deputy will appreciate that the number of approvals under each measure are made having regard to the resources available and the quality of applications received. Given the nature of the application, assessment and approval processes, the issue of waiting lists does not arise.

County Breakdown of Applications Received under each Round of Funding

County	Round 1 — 2004/05	Round 2 — 2006	Round 3 — 2007	Round 4 — 2008	Total
Carlow	16	47	44	3	110
Cavan	7	49	75	8	139
Clare	24	98	58	4	184
Cork	181	244	353	44	822
Donegal	57	219	200	23	499
Dublin	560	902	750	192	2,404
Galway	111	222	190	36	559
Kerry	68	161	131	10	370
Kildare	21	84	54	7	166
Kilkenny	31	84	52	7	174
Laois	13	37	48	2	100
Leitrim	27	40	40	5	112
Limerick	57	160	122	39	378
Longford	32	27	28	10	97
Louth	36	65	72	11	184
Mayo	45	153	157	9	364
Meath	5	91	83	11	190
Monaghan	8	76	48	4	136
Offaly	7	42	57	2	108
Roscommon	38	70	45	10	163
Sligo	53	86	58	7	204
Tipperary	54	109	108	14	285
Waterford	60	131	93	9	293
Westmeath	23	63	63	7	156
Wexford	33	102	92	15	242
Wicklow	34	75	94	6	209
UK	1	—	—	—	1
Total all Counties	1,602	3,437	3,115	495	8,649

**Drugs Use.**

56. **Deputy Kathleen Lynch** asked the Minister for Community, Rural and Gaeltacht Affairs if he or his Department had consultations with the Department of Health and Children, any health organisations such as the World Health Organisation, or any of his fellow EU Ministers or at EU level in regard to research of the effects of a created drug (details supplied) on those who use cocaine and alcohol; and if he will make a statement on the matter. [8954/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** The joint National Advisory Committee on Drugs (NACD) and National Drug

Strategy Team (NDST) report, “An Overview of on Cocaine Use in Ireland”, published in 2007, identified cocaethylene as a dangerous naturally occurring by-product of using cocaine and alcohol together. When people mix these substances, the human liver combines them in the system to form cocaethylene and this is more toxic than using either drug alone. As one might expect, data from the National Drug Treatment Reporting System indicates that cocaine and alcohol are being used together. While the combination of the two drugs intensifies euphoric effects, cocaethylene can cause more serious physical harm, particularly to the cardiovascular system, as well as having the potential to increase the risk of sudden death.

Heightening awareness of the risks associated with the use of alcohol and cocaine was a fundamental element of the national cocaine awareness campaign undertaken by the HSE in 2008. Allied to this, Drugs Task Forces undertook local campaigns focusing on cocaine to dovetail with the national campaign. Funding of €0.5m was provided to the Task Forces for this purpose in 2008.

### **Departmental Funding.**

57. **Deputy Liz McManus** asked the Minister for Community, Rural and Gaeltacht Affairs the number of projects that have been assisted under the community service project scheme; the funding drawn down since its inception; if the budget is to be reduced; the effect this will have on the projects that are in receipt of funding or are to receive funding; and if he will make a statement on the matter. [8957/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** My Department commenced operating the Community Services Programme (CSP) on 1st January 2006. The Programme supports a range of community business and social enterprises to deliver a diverse range of local services and employment opportunities. The Programme has a particular focus on employing people who are currently without work or have limited employment opportunities, and delivering services through community and voluntary organisations where gaps exist.

During 2008, 359 individual projects received funds totalling €44.32m to support the delivery of services and employment. This compares with:

- 314 projects in receipt of funding in 2007 totalling €41.02m; and
- 273 projects in receipt of funding of €37.45m in 2006.

Total funding to projects over the three years, therefore, amounted to €122.8m. The proposed level of funding available to projects for 2009 is €48.47m and my Department estimates that the Programme will be supporting between 445 and 450 projects by the end of this year.

At the end of 2008, the Programme supported 1,940 manager and staffing positions. This is expected to grow to at least 2,200 positions by the end of 2009.

### **Water and Sewerage Schemes.**

58. **Deputy Willie Penrose** asked the Minister for Community, Rural and Gaeltacht Affairs the number of top up grants made available to group water schemes in each year for the past three years; the funding allocated; the geographical areas covered by the funding; if there is a waiting list for such funding; if so, the number of applications on the list; and if he will make a statement on the matter. [8961/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** As the Deputy will be aware, the CLÁR Programme has enhanced the level of funding provided for

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group water schemes. The total funding approved under the CLÁR Group Water Scheme measure for 2006, 2007 and 2008 is in the region of €15.8m with 122 water schemes receiving funding as detailed in Table A.

As the Deputy will be aware the CLÁR Water and Sewerage schemes were closed to new applications on the 8th August 2008. All eligible applications on hand in the Department at that date have been processed and funding approved where appropriate. There is no waiting list.

In Gaeltacht areas, additional funding of €310,134 has been provided for 12 Gaeltacht Group Water Schemes which were also approved funding under CLÁR and are included in Table A. €183,762 has been provided for 4 Gaeltacht Group Water schemes which are not in a CLÁR area or who have not applied for funding under the CLÁR Group Water Schemes. A breakdown of all Gaeltacht Group Water Schemes is detailed in Table B.

There are 2 new applications for funding under the Gaeltacht Scheme and these are currently being evaluated.

Table A

	2006 Schemes	2006 Funding	2007 Schemes	2007 Funding	2008 Schemes	2008 Funding
		€		€		€
Carlow						
Cavan	2	448,127.00	0		0	
Clare	4	272,931.00	6	827,509.44	4	347,049.86
Cork	2	24,231.00	3	90,512.00	3	230,605.44
Donegal	6	433,731.00	13	944,256.99	3	631,511.14
Galway	5	997,448.00	6	338,338.47	3	1,165,634.56
Kerry			12	612,882.40	4	738,820.42
Kilkenny						
Laois					1	49,604.77
Leitrim			5	404,091.90	3	363,012.10
Limerick			1	94,413.69	1	73,429.61
Longford	4	216,341.00	3	64,269.71		
Louth						
Mayo	4	1,554,466.00	7	2,313,642.84	3	1,590,906.83
Meath						
Monaghan					1	342,319.44
Offaly			1	150,029.92	1	36,311.28
Roscommon	1	4,635.00	1	10,313.09		
Sligo					1	119,555.98
Tipp Nth					1	14,785.31
Tipp Sth						
Waterford						
Westmeath	2	102,074.00	4	177,391.27	1	76,012.97
Wicklow						
Total	30	4,053,984.00	62	6,027,651.72	30	5,779,559.71

Table B

	2006 Schemes	2006 Funding	2007 Schemes	2007 Funding	2008 Schemes	2008 Funding
		€		€		€
Donegal	*4	48,006	***4	31,623.00		
Galway	**2	163,306.30			4	229,625.00
Mayo	1	15,240.00				
Cork					1	6,096.00
Total	7	226,552.30	4	31,623.00	5	235,721

\*Includes one application not in receipt of CLÁR funding.

\*\*Includes one application not in receipt of CLÁR funding

\*\*\*Includes two applications not in receipt of CLÁR funding.

### Job Creation.

59. **Deputy Róisín Shortall** asked the Minister for Community, Rural and Gaeltacht Affairs the action he will take arising from the report presented to him by the Western Development Commission which forecast that the region's creative sector could generate employment for some 13,000 people; and if he will make a statement on the matter. [8969/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** Working with regional businesses and partners, the Western Development Commission has commissioned and completed baseline research to examine the current situation of the creative sector in the Western Region and to identify the issues the sector faces which impact on its future development.

I understand that the WDC intends to engage with stakeholders to identify specific initiatives that can be implemented in 2009 and following years based on the recommendations in the report.

### Departmental Funding.

60. **Deputy Ruairí Quinn** asked the Minister for Community, Rural and Gaeltacht Affairs the position regarding funding under the various headings for funding or grants available from his Department; if there has been changes, reductions or withdrawal of funding from any of the schemes as operated by his Department since June 2007; and if he will make a statement on the matter. [8962/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** In 2007, the amount spent by my Department was €505.401m, as shown in the published Appropriation Account. This can be broken down as follows (in accordance with the current structure of my Department's Vote):

- €158.605m for Developing Communities,
- €51.518m for Tackling Drugs Misuse,
- €107.013m for Rural Development,
- €92.598m for Gaeltacht and Islands Development,
- €7.769m for Promotion and Maintenance of the Irish Language,
- €69.776m for North-South Co-Operation and
- €18.122m for Administration.

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The 2008 accounts have not yet been audited. However, the provisional outturn for 2008, including the information sought by the Deputy, will be contained in the Revised Estimates Volume, which is currently being finalised by the Minister for Finance and will be published shortly.

It is obviously necessary to take account of the current economic reality and of the pressure on the public finances and against that background, priority has been given to frontline services. Inevitably, some schemes will be affected.

### **Rural Transport.**

61. **Deputy Ruairí Quinn** asked the Minister for Community, Rural and Gaeltacht Affairs the position regarding the rural transport scheme; the number of persons who have used the system to date; the number who used the system who are in receipt of free travel passes; his plans to extend this scheme; and if he will make a statement on the matter. [8963/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The Department of Transport and Marine operates the Rural Transport Programme, which goes some way towards fulfilling rural transport needs through the provision of day-time services.

As the Deputy will be aware, I announced the launch of the Rural Transport Night Scheme on a pilot basis in April 2007 to provide night-time transport services in certain remote rural areas. I am informed that a total of 63,218 passengers used the pilot service for the period May 2007 to September 2008, of which 35,335 were free travel pass holders.

I am providing funding for the continuation of the Rural Transport Night scheme for the first quarter of 2009 pending my consideration of a review recently carried out by officials in my Department.

*Question No. 62 answered with Question No. 45.*

### **Security of the Elderly.**

63. **Deputy Joe Carey** asked the Minister for Community, Rural and Gaeltacht Affairs the level of funding which is available for community alert groups under the scheme of community support for older people in 2009; the funding allocated on a county basis from 2008 to date in 2009; and if he will make a statement on the matter. [8883/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The Community Alert Programme operates under the aegis of the Department of Justice, Equality and Law Reform and is a community-based initiative in rural communities dedicated to improving the quality of life of people in rural communities. Community Alert groups work closely with my Department to ensure that older people are supported to provide for the security needs of their homes.

Funds are provided through my Department under the Scheme of Community Support for Older People to assist qualifying older people to offset the cost of installing monitored personal alarm systems, door and window locks, door chains, security lighting, smoke alarms and in the case of qualifying older people living on our offshore islands, interior emergency lighting. The Scheme is open to people aged 65 and over who have a genuine need for assistance and is administered by community and voluntary organisations throughout the country, with support provided by my Department.

Maximum individual grants provided under the Scheme are as follows:

- €300 in respect of the once-off installation cost of socially monitored alarms;

- €200 in respect of physical security equipment;
- €200 in respect of security lighting;
- €50 in respect of smoke alarms; and
- €150 in respect of interior emergency lighting for qualifying older people living on our offshore islands.

Applications under the Scheme are accepted throughout the year and can be made through any local community and voluntary group. The Deputy should note that eligibility is not confined to Community Alert groups and the Department accepts applications from all Community and Voluntary organisations. Information on such groups is available from my Department and a list of Groups approved under the Scheme in recent years is available on my Department's website — [www.pobail.ie](http://www.pobail.ie).

The Table sets out the level of funding paid under the Scheme to Community Groups in each county for 2008 and for the first two months of 2009.

County	2008 (01/01/2008-31/12/2008)	2009 (01/01/2009-27/02/2009)
	€	€
Carlow	46,408	—
Cavan	68,001	2,621
Clare	116,918	34,028
Cork	509,166	38,778
Donegal	107,979	14,058
Dublin	1,179,621	112,537
Galway	308,335	5,231
Kerry	180,707	12,351
Kildare	102,039	21,417
Kilkenny	39,117	288
Laois	114,646	2,416
Leitrim	49,064	—
Limerick	177,140	300
Longford	26,687	4,590
Louth	139,216	21,875
Mayo	177,333	4,390
Meath	121,331	3,754
Monaghan	40,326	2,500
Offaly	84,689	12,481
Roscommon	36,874	11,677
Sligo	37,341	1,662
Tipperary	136,852	700
Westmeath	137,161	1,770
Wexford	159,165	15,139
Wexford	74,524	1,900
Wicklow	141,380	6,960
Total	4,312,014	335,430

**Irish Language.**

64. **Deputy Michael D. Higgins** asked the Minister for Community, Rural and Gaeltacht Affairs when the plan from the Government committee for the conservation of the Irish language will be published; and if he will make a statement on the matter. [8972/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** Work is under way at present on the development of a 20-year Strategy for Irish. The work builds on the Government's Policy Statement on Irish published in December 2006.

During the course of last year, my Department, with assistance from Fiontar DCU, who were engaged as independent consultants to assist with development of the Strategy, undertook a wide-ranging public consultation process on the key issues to be addressed by the Strategy. The consultation process included a series of public meetings and an on-line survey. My Department subsequently published a discussion document based on suggestions and feedback from the public during the consultation process. The discussion document, which addressed the various elements considered as relevant for the Strategy, was presented at a further series of public meetings to give the public an additional opportunity to express views and make recommendations in relation to the proposed Strategy.

In addition to the public consultation process, Fiontar DCU consulted with the key stakeholders — both in the public and voluntary sectors — in relation to their specific recommendations for the Strategy and convened a group of international experts with expertise on language policy issues to advise on the process.

A document has been submitted to me and is being examined. As the Deputy will be aware, a Cabinet Committee has been established to examine issues in relation to the Gaeltacht and the Irish language. I anticipate that the draft Strategy will be presented to the Committee before being submitted to Government. The intention is that an integrated strategy for the Irish language will be agreed and published in due course, when the current process of deliberation is completed.

**National Drugs Strategy.**

65. **Deputy Pat Rabbitte** asked the Minister for Community, Rural and Gaeltacht Affairs the number of calls received by the Dial to Stop Drugs campaign; if there is a geographical spread attached to the calls; if the calls to date have proved to be a successful means of obtaining information; the proposals or actions taken to date to address the concerns outlined in the information received; and if he will make a statement on the matter. [8964/09]

81. **Deputy David Stanton** asked the Minister for Community, Rural and Gaeltacht Affairs further to Parliamentary Question No. 321 of 17 February 2009, the efforts he is making to ensure that further funding to the €300,000 dormant accounts funding received for 2009 be made available from his Department or other sources for the continuation of the Dial to Stop Drug Dealing campaign after 2009 in view of the success of the programme which has only received €150,000 funding to date; and if he will make a statement on the matter. [8849/09]

82. **Deputy David Stanton** asked the Minister for Community, Rural and Gaeltacht Affairs further to Parliamentary Question No. 321 of 17 February 2009 if a decision has been finalised on the specific local and regional drugs task force proposals for the next phases of the Dial to Stop Drug Dealing campaign for 2009; when these phases are due to begin; and if he will make a statement on the matter. [8848/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** I propose to take Questions Nos. 65, 81 and 82 together.

As the Deputies may be aware, I launched the Dial-to-Stop Drug Dealing Campaign in September 2008. The first phase was run across five Local and Regional Drugs Task Forces areas with funding being provided by my Department (€100,000) and the Department of Justice, Equality and Law Reform (€50,000). The confidential number used in the campaign is open for all to use, regardless of which area they come from and this was highlighted during the national launch.

Overall, I believe that the campaign to date has proved to be successful. According to the latest information, I understand that there have been well over 1,400 calls to the phone-line that have generated in excess of 360 information reports to the Gardaí.

The information reports have been referred to a wide geographical spread of Garda stations for follow up. The calls are spread right across the country, including areas that have not directly run a campaign. In all the areas where the campaign is being rolled out, I understand that the local Gardaí are following strong lines of enquiry resulting from the information arising from the free phone number.

The Gardaí have also confirmed that there has been a number of seizures and arrests on foot of information received including:

- the seizure of substantial quantity of cannabis in one area;
- the seizure of substantial quantity of cannabis and a firearm in another area; and
- the seizure of substantial quantity of heroin in one area.

The next phases of the campaign will be funded with €300,000 from the Dormant Accounts Fund and will facilitate a further 10 campaigns. Phase 2 of the campaign will run in the following areas:

- Southern RDTF;
- Cork LDTF;
- South East RDTF;
- Mid-West RDTF;
- North Dublin City and County RDTF.

The final phase will cover the East Coast and Midlands RDTFs and Bray, Dun Laoghaire and Finglas/Cabra LDTFs.

With regard to any future funding, as the Dormant Accounts funding is once-off in nature, the €300,000 referred to above is the total that will be allocated. As the allocation for funding for drugs initiatives in my Department in 2009 is fully committed, I regret that there is no scope, at present, for further campaigns.

*Question No. 66 answered with Question No. 53.*

**67. Deputy Joe Costello** asked the Minister for Community, Rural and Gaeltacht Affairs the actions taken to date to highlight the dangers of the use of cocaine as a result of the national advisory committee on drugs report indicating the use of the illicit substance; and if he will make a statement on the matter. [8951/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** In February 2008, my predecessor, Minister of State, Pat Carey TD, launched the National Awareness Campaign on Drugs, “The Party’s Over”. This campaign was developed by the HSE, in consultation with many of the key Departments and Agencies involved in tackling problem drug use, including my own Department.

The initial aim of the campaign was to communicate the dangers of cocaine use, with a particular focus on so called “recreational cocaine users” in the 15-34 age group. The choice of cocaine, and the targeting of younger people, arises directly from the evidence of the 2006/07 Drugs Prevalence Survey, which itself confirmed the findings of the joint NACD/NDST report mentioned by the Deputy.

The campaign utilised appropriate media, such as social network websites, billboard and bus advertising as well as radio advertising to target this age group and this approach will be continued.

The Health Promotion Unit of the HSE also published two leaflets “Know The Facts About Drugs” and “Cocaine The Facts” to accompany the campaign. In addition, a drugs information website [www.drugs.ie](http://www.drugs.ie) was developed and launched in conjunction with the campaign.

To dovetail with the national campaign, funding of €500,000 was allocated from my Department for cocaine awareness campaigns at a local and regional level to be delivered through the Local and Regional Drugs Task Forces. The Task Forces, through their interaction with communities and groups on the ground, are considered best placed to deliver meaningful, appropriate and focussed campaigns.

A workshop was also held with the Drugs Task Forces to share learning and information and to assist them in planning their individual campaigns.

In addition, many of the Drugs Task Forces already have in place a number of valuable initiatives, including events such as “Awareness Weeks”. Such initiatives have proven to be effective as many of them focus on the issues particular to their own localities.

### **Departmental Programmes.**

68. **Deputy Joe Costello** asked the Minister for Community, Rural and Gaeltacht Affairs the number of applications received for the provision of funding under the CLÁR programme in respect of the past two years; the number received to date in 2009; the amount of funding drawn down in each year; if there is a waiting list; the number of such applications; and if he will make a statement on the matter. [8950/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The CLÁR Programme provides funding and co-funding to Government Departments, State Agencies, Local Authorities and Leader Groups to accelerate investment in selected priority developments in areas that have suffered significant depopulation. These investments support physical, economic and social infrastructure across a variety of measures.

Table A outlines the number of applications received for 2007, 2008 and the number received to date in 2009.

It is important to note that for a number of measures marked with an \* in the table applications are not made directly to the programme. Funding is approved on the basis of co funding/top up arrangements with other Government Departments. In these cases the numbers in the table reflect the numbers of grants approved rather than applications made.

Table B outlines the funding drawn down during 2007, 2008 and 2009 to date.

There is no waiting list for the provision of funding under the CLÁR programme. There are a small number of applications in relation to the CLÁR School Play Facilities and one under the Voluntary Ambulance measures which are being processed at the moment. Decisions will be made in these cases as soon as possible.

Applicants to the programme who submitted applications after the closing date for any of the suspended measures are being informed on an ongoing basis that as the measure under which they are applying for funding is closed and that their applications cannot be processed.

Table A: CLÁR Applications received during 2007 and 2008

MEASURE	Applications received 2007	Applications received 2008	Applications received 2009 to date
Coillte	9	6	
LIS roads	19	1	
Class II & III roads	24	23	
Bridges	5	7	
CLAR Flashing Amber Safety lights	9	0	
Public Water and Sewerage	8	16	
Group Water	13	18	
Group Sewerage	4	4	
Water Conservation Measure	2	0	
Village Enhancement	11	2	
Bi-lingual Signage	22	50	4
Sports Top Up*	271	0	
Gaeltacht Top-up*	8	24	
Health Measure*	0	1	
Voluntary Ambulance	2	3	1
Three Phase Electricity	152	143	
Community Initiatives	6	1	
Schools Play Facilities	198	55	1
Coastal/Harbours*	27	26	
Total	790	380	6

*Note:* Applications from Local Authorities and other Government Departments for programmes such as the Class 2 & 3 roads and Health are counted as one application but include multiple projects. For example the Health application includes 31 projects some of which have several elements.

Table B: CLÁR Expenditure 2007-2009 to date

MEASURE	Expenditure 2007	Expenditure 2008	Expenditure 2009 (to date)
	€	€	€
Flashing Safety Lights	1,510,466.35	280,630.34	
Coillte Roads	491,065.77	456,618.64	
LIS Roads	2,318,104.46	3,000,947.82	
Class 2 & 3 Roads	2,826,863.02	2,869,865.61	
Bridges	116,615.51	94,824.35	
Public Water & Sewerage Schemes	2,782,487.58	3,620,102.22	178,602.22
Group Water Schemes	1,426,853.95	5,332,499.20	391,057.85
Group Sewerage Schemes		131,937.22	175,146.50

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MEASURE	Expenditure 2007	Expenditure 2008	Expenditure 2009 (to date)
	€	€	€
Tax incentive Shannon	594,374.00		
Water Conservation measure		245,533.18	
Village Enhancement	807,258.49	465,610.78	
LA Housing	233,548.16	365,150.38	
Community Initiative	876,875.51	619,394.33	
Gaeltacht	423,783.96	542,260.30	26,552.53
Bi-lingual Signage Scheme	20,796.37	38,003.45	14,171.46
Sports Capital Grants Top Up	1,754,642.00	1,672,300.00	144,000.00
Minor Health Projects	117,196.62		
Voluntary Ambulance	241,589.94	535,526.06	
School Outdoor Play Facility	1,020,156.18	533,840.02	57,195.15
Fibre Optic	5,342.15	9,294.83	
Wireless internet	16,063.83		
Single to Three phase Electricity	1,750,214.03	1,604,161.97	30,000.00
Courthouses Enhancement	50,000.00		
Coastal and Harbour Development	82,500.00	1,471,872.65	826,135.91
Western Rail Corridor	1,862,563.00	283,851.00	
NIRSA CLÁR mapping		4,247.10	4,264.65
<b>TOTAL</b>	<b>21,329,360.88</b>	<b>24,178,471.45</b>	<b>1,847,126.27</b>

### Integration Issues.

69. **Deputy Denis Naughten** asked the Minister for Community, Rural and Gaeltacht Affairs the role of his Department in migrant integration issues; and if he will make a statement on the matter. [8760/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The Minister for Justice, Equality and Law Reform has responsibility for integration matters. The Minister of State for Integration has the role of providing policy advice on integration to me in respect of relevant programmes of my Department.

### Commemorative Events.

70. **Deputy Deirdre Clune** asked the Minister for Community, Rural and Gaeltacht Affairs if he has, as part of the Famine commemoration or otherwise, plans to introduce a programme of supports to restore and maintain famine graveyards, improve access to Famine graveyards or develop Famine graveyards as commemorative sites open to the public; and if he will make a statement on the matter. [8712/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The Deputy will be aware that, as Chair of the National Famine Commemoration Committee, I am responsible for ensuring that appropriate arrangements are in place to commemorate the Great Famine with an annual Memorial Day.

The Committee has agreed four main points for this year's commemoration:

- The national event will take place in Skibbereen, Co. Cork, on May 17th;

- A parallel international event will be held in Canada on May 10th;
- Communities around the country should be encouraged to hold their own local events to commemorate the Great Famine; and
- All public and sporting events should observe a minute's silence on the National Famine Memorial Day.

In relation to the Deputy's specific query regarding the restoration, maintenance and development of Famine graveyards, the direct funding of such activity is not a matter for my Department. I should add, however, that under the Rural Social Scheme, which is funded by my Department, it has been possible for minor maintenance works to be carried out by communities in their local graveyards.

### **Industrial Development.**

71. **Deputy Michael D. Higgins** asked the Minister for Community, Rural and Gaeltacht Affairs if his Department has been involved in discussions regarding Údarás na Gaeltachta being subsumed into or having a closer operational relationship with either the Industrial Development Authority or Enterprise Ireland; and if he will make a statement on the matter. [8975/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** As I informed the House in relation to today's Priority Question No 35, consideration is being given to possible amendments to the Údarás na Gaeltachta Acts arising on foot of recommendations in the Report of the Linguistic Study of the Use of Irish in the Gaeltacht and the deliberations of the Cabinet Committee on Irish and the Gaeltacht.

I should point out to the Deputy that I am informed by Údarás na Gaeltachta that there is regular co-operation between it and Enterprise Ireland and the IDA with a view to attracting inward investment and developing job-creating enterprise in Gaeltacht areas.

### **Departmental Expenditure.**

72. **Deputy Seán Sherlock** asked the Minister for Community, Rural and Gaeltacht Affairs the way it is intended to effect the 10% savings reductions in the costs of his ministerial office, as announced on 3 February 2009; and if he will make a statement on the matter. [8967/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** Since my appointment as Minister, I have been conscious of the need at all times to reduce costs and ensure value for money and a number of initiatives have already been implemented in my office to that end.

With regard to the specific issue of a further reduction of 10% in the costs associated with Ministerial offices, I can confirm that my Department is reviewing all costs arising from the operation and administration of my office, including staff costs, travel and subsistence, stationery, telecommunications, entertainment and any incidental expenses arising. On foot of this review, I am confident that the required 10% savings will be identified and implemented. I should add that if any opportunities for further savings are identified, these will also be implemented.

### **Drugs Task Forces.**

73. **Deputy Aengus Ó Snodaigh** asked the Minister for Community, Rural and Gaeltacht Affairs if he will make further cuts to the local and regional drugs task forces in the second

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half of 2009; and if he has audited the impact that further cuts will have for service provision. [8837/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** Drugs Task Force projects have been approved funding for the first six months of 2009 and this expenditure will be reviewed before allocating the remaining six months funding. Until that exercise is complete, I cannot say if further savings will be required in the context of available funding this year.

In the context of the current economic climate, all Drugs Task Forces have been asked to identify savings across their areas of responsibility. I appreciate that this will involve some difficult choices having to be made, but given the community-based role of the Task Forces, it is a matter for them to identify measures to enable them to work within their allocated budgets.

I would like to assure the Deputy that my primary concern has been — and continues to be — the protection of front-line services delivering vital programmes and initiatives in areas worst affected by problem drug use. I am confident that the funding being provided to Task Forces in 2009 — which will be of the order of €34.6m — will continue to facilitate the delivery of a wide range of community-based initiatives to address problem drug use.

#### **Departmental Funding.**

74. **Deputy Jan O’Sullivan** asked the Minister for Community, Rural and Gaeltacht Affairs the funding allocated to recreational and sporting clubs in each of the past three years to promote youth activities as an alternative to anti-social behaviour and drug misuse; the areas to which the funding was allocated; the results to date of the projects; and if he will make a statement on the matter. [8959/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** As the Deputy will be aware, the Minister for Arts, Sports and Tourism has responsibility in relation to the provision of financial assistance for sporting facilities. The Minister for Children and Youth Affairs has responsibility for a range of schemes which provide assistance, including financial assistance, to the youth work sector. Addressing anti-social behaviour is primarily a matter for my colleague, the Minister for Justice, Equality & Law Reform. I should also inform the Deputy that responsibility for the Young People’s Facilities and Services Fund (YPFSF) transferred from my Department to the Office of the Minister for Children and Youth Affairs on 1st January 2009.

My Department provides a range of supports and programmes to benefit communities and to enable them to enhance the quality of life of every member of their local area. The RAPID Programme aims to ensure that priority attention is given to tackling the spatial concentration of poverty and social exclusion within 46 designated RAPID areas nationally. It is a matter for individual lead Departments to report on their investments in RAPID areas.

The Deputy will be aware that, in 2004, I introduced the RAPID Leverage Fund to provide financial support for small-scale projects in RAPID areas, which are endorsed by the RAPID Area Implementation Teams. Under this scheme, my Department provides an additional grant of up to 30% of the funds allocated under the Sports Capital Programme operated by my Colleague, the Minister for Arts, Sports and Tourism for projects in or serving RAPID areas. Funding of €13m has been allocated since 2004 under the Sports Capital Programme.

Following the enactment of the Dormant Accounts (Amendment) Act 2005, funding is ring-fenced annually to support priority projects in RAPID areas. Since 2007, 15% of the annual

€7.5million available under the RAPID Additionality Measure is allocated to sports and youth related activities.

There is no specific funding for recreational and sporting clubs to promote youth activities. However, capital funding was provided under the 2008 Regional Youth Initiative for the development of dedicated youth facilities in Regional Drugs Task Force (RDTF) areas not covered under the Young People's Facilities and Services Fund YPFSF. Sixteen projects were approved. These were suitable community based, youth focussed proposals that linked into the overall drug prevention strategy for the particular area. The sixteen projects will play a meaningful and ongoing role in diverting young people away from the dangers of drug use.

Under the Premises Initiative Fund, which addresses the accommodation needs of community based drugs projects in Drugs Task Force areas, capital funding may also be provided for youth focused projects.

In conclusion, while programmes and schemes operated by my Department do not provide specific budgets for youth activities, organisations working for young people may benefit from a number of wider programmes. Details in relation to the programmes referred to above for 2006 to 2008 (inclusive) is provided in the Appendix.

#### APPENDIX

2006

Support or programme	Number of recreational & sporting clubs	Funding allocated to promote youth activities as an alternative to anti-social behaviour and drug misuse	Areas to which the funding was allocated
RAPID	107	€3.792m	RAPID areas in Carlow, Cavan, Cork, Dublin, Galway, Kerry, Kildare, Kilkenny, Limerick, Longford, Louth, Meath, Sligo, Tipperary, Waterford, Westmeath, Wexford

#### National Drugs Strategy.

75. **Deputy Catherine Byrne** asked the Minister for Community, Rural and Gaeltacht Affairs the services in place to deal with children from the ages of ten to 18 years who are susceptible to drug misuse; the way the new national drugs strategy will focus on young people under 18 years who are at risk of addiction or who are already addicted to one or more drugs; and if he will make a statement on the matter. [8850/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** As the Deputy will be aware, the HSE has statutory responsibility for the provision of treatment services for under-18s who report with problem substance use. I understand from them that under-18s are prioritised for treatment as they present.

Three actions in the current National Drugs Strategy relate to provision of treatment services for young people. These involve the development and implementation of guidelines for treatment of under-18s, access to counselling services and the incorporation of family therapy in the treatment provided.

Guidelines for treatment of under-18s were developed by the HSE in 2006 and these are now being utilised in the development of services across the HSE regions. While services in some areas are readily available, the ease of access to treatment services across all HSE regions

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is not uniform. However, significant improvements are being made in the effort to expand services across the country and to have counselling and family therapy readily accessible. Meanwhile, services for under-18s developed by Local Drugs Task Force projects have complemented HSE services, with counselling and family therapy services available in some locations.

While acknowledging that methadone treatment is not appropriate for all under-18s who become involved with heroin use, the HSE advises that there are no waiting lists for access to a methadone programme for this cohort.

More generally, there is a recognition that problem substance use by young people is not usually attributable to any single factor — rather a number of wider societal risk factors have been shown by research to be evident among many reporting with problem substance use. Therefore, addressing the needs of the under-18 age group, and particularly those at risk among that cohort, is a priority not just for the National Drugs Strategy, but also across the relevant statutory agencies. Policies are being developed and implemented by a number of Departments and agencies to address these risk factors through the provision of youth supports and services. These services have been consolidated within the Office of the Minister for Children and Youth Affairs.

Meanwhile, as the Deputy is aware, work is ongoing on the formulation of the new Drugs Strategy and I expect to receive the recommendations of the Steering Group in the coming weeks. I would envisage that the need for continued and renewed emphasis on the provision of services for under-18s who report with problem substance use will feature in their proposals.

#### **Drugs Use.**

76. **Deputy Martin Ferris** asked the Minister for Community, Rural and Gaeltacht Affairs the steps he has taken to monitor and highlight the increase in use of crystal meths, crack cocaine and the re-emergence of a more potent heroin, Chinese Snow; and the steps he has taken to inform support services and medical practitioners as to the symptoms and complications associated with abuse of said drugs on their own or with other drugs. [8838/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** The Early Warning Emerging Trends Committee of the National Advisory Committee on Drugs meets regularly to monitor emerging trends in problem drug use and they signal issues and concerns as they arise. The Alcohol and Drug Research Unit of the Health Research Board (HRB), who are represented on that Committee, also provides up-dates on any developments on international drugs markets that may be of relevance in Ireland. I am also aware that the HSE have an early warning system in place to alert treatment services to any significant changes, emerging concerns or significant incidents.

Arising from concerns raised in regard to crack cocaine in Dublin's North Inner city, the HRB undertook research in the matter and I launched their report 'Crack Cocaine in the Dublin Region — an evidence base for a crack cocaine strategy' last October. This was followed up with a seminar last month ('Building a response to Crack Cocaine') that was attended by policy makers and service providers across the sectors. The report showed that the number of people using crack cocaine in Ireland remains low, with current users representing 1% of treated problem drug users. However, we want to avoid a situation where the numbers increase to more serious levels and we are working towards having a sustainable response in place should this happen. The findings of the report also indicated that the growth of crack cocaine use was mainly among problem drug users so any response will have to take account of the poly-substance nature of the misuse involved.

Given that many drug users are involved in poly-drug use, the approach now is to have treatment services in place to deal with the individual, regardless of the drug, or combination of drugs, they use.

In November 2007 the Gardaí hosted an international conference on crystal meth that focussed on establishing a threat assessment in view of the increase in availability of methamphetamine within the European Union. The conference also highlighted international responses, including treatment, to the threat from crystal meth. Crystal meth, which has not manifested itself to a significant degree in Ireland, is most likely to be used by problem drug users and, as with crack cocaine, the treatment response required will need to address the poly-substance nature of the drug users' habits.

As with other stimulant drugs, counselling is the main form of effective treatment and the HSE has been working over the past two years on the development and implementation of a National Addiction Training Programme that will provide appropriate training for people to deal with all substances.

While I am aware of china white and china red as terms for forms of heroin, and of snowballing and snow as cocktails of drugs, I have not previously heard the term "Chinese Snow". In any case, as with crack cocaine and crystal meth, the response required to any variations in the heroin that may become available in Ireland will, as outlined above, most likely relate to the poly-substance nature of such misuse and the need for treatment facilities to be able to respond and deal with all drugs that an individual user presents with.

### **Departmental Programmes.**

**77. Deputy Willie Penrose** asked the Minister for Community, Rural and Gaeltacht Affairs the amount of funding drawn down in regard to the RAPID areas for an area (details supplied); the number of projects funded for each year since the commencement of the programme; the number of projects awaiting funding; and if he will make a statement on the matter. [8960/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The RAPID Programme aims to ensure that priority attention is given to tackling the spatial concentration of poverty and social exclusion within 46 designated RAPID areas nationally. As I have indicated to the House on a number of occasions, it is a matter for individual Departments to report on the provision of funding and progress on delivery with respect to projects under their responsibility in the RAPID areas. In support, Pobal collects data from each RAPID area in respect of funding allocations received by projects from Government Departments and local state agencies. The latest data in respect of the programme is available on Pobal's website under the RAPID section — <http://www.pobal.ie/live/RAPID> — and the Deputy may find it useful to access this information.

I initiated the RAPID leverage schemes in 2004 in order to support small-scale projects identified locally by the Area Implementation Teams in each of the RAPID areas. These schemes are co-funded by the relevant agencies and fund projects that focus on estate enhancement, graffiti removal, traffic calming, community closed-circuit television, health and sports facilities, and the provision of playgrounds and multi-use games areas. In 2007 I agreed to co-fund the provision of facilities in schools located in, or mainly servicing children from, RAPID areas.

I can confirm that since the start of the RAPID Leverage Scheme in 2004, 30 projects in this RAPID area attracted €807,874 in funding. So far, €503,588 has been drawn down. The remainder, €304,286 will be provided to individual projects as they are completed, subject to submission of a valid claim. Table 1 below gives a breakdown of projects by year.

[Deputy Éamon Ó Cuív.]

Table 1: Number of RAPID Leverage Scheme projects by year

Year	Number of Projects
2004	5
2005	10
2006	3
2007	6
2008	6
Total	30

### Departmental Expenditure.

78. **Deputy Seán Sherlock** asked the Minister for Community, Rural and Gaeltacht Affairs the way in respect of the announcement of 3 February 2009, it is intended to achieve the general administrative reductions in regard to his Department; the amount expected to be saved in his Department's budget as a result of this process; and if he will make a statement on the matter. [8966/09]

79. **Deputy Bernard J. Durkan** asked the Minister for Community, Rural and Gaeltacht Affairs the extent to which funding by his Department is expected to be prioritised in 2009; if financial cutbacks are expected to affect one sector more than another; and if he will make a statement on the matter. [8852/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** I propose to take Questions Nos. 78 and 79 together.

As signalled in this House yesterday, the Government is considering a number of measures, which are likely to involve a combination of both revenue-raising and expenditure adjustments, to maintain a prudent fiscal outturn for 2009 and to provide the basis for a sustainable approach to the current financial situation. Across Government, we will be undertaking a range of difficult decisions, but our approach is to do this in as balanced a way as possible. The effects of this in terms of my Department's allocations will be set out in due course in the Revised Estimates Volume.

I can assure the Deputy, as previously indicated to the House, that my primary concern is to continue to make every effort to ensure that the front-line services provided by, or supported through, my Department — especially those focused on the needs of the most disadvantaged communities — are protected to the greatest extent possible.

### Drugs Task Forces.

80. **Deputy Kathleen Lynch** asked the Minister for Community, Rural and Gaeltacht Affairs the number of drugs task forces in place; the areas covered by such; the reports received by his Department from each group; the resultant actions taken as a result of such reports; the liaison or action taken between his Department and the Department of Justice Equality and Law Reform as a result of such reports; and if he will make a statement on the matter. [8955/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** There are 14 Local and 10 Regional Drugs Task Forces currently in place. The locations are listed in the Appendix.

The work of the Drugs Task Forces is overseen by the National Drugs Strategy Team (NDST). The NDST is a cross-sectoral Team with representatives from relevant Government Departments and Agencies, including my own and the community and voluntary sectors are also represented on it.

In addition, a member of the Team acts as liaison person on each of the Task Forces. Through these structures, the NDST addresses and make recommendations on issues arising at local level and receives reports on progress by groups.

The NDST reports to my Department and to the Inter-departmental Group on Drugs (IDG), which I chair. Through these fora, I am kept apprised of the work of the Drugs Task Forces and I receive regular reports and updates from the various players engaged in the National Drugs Strategy, including the Department of Justice, Equality and Law Reform (D/JELR).

The Deputy should also note that, in the context of the consultation process for the new National Drugs Strategy 2009-2016, my officials and I met with representatives from the D/JELR. In addition, the D/JELR has a representative on the Steering Group established to oversee the development of the new Strategy and, along with the others on the Group, they will be playing a significant role in the development and roll-out of the new Strategy.

#### Appendix

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##### *Local Drugs Task Forces*

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Ballyfermot LDTF  
 Ballymun LDTF  
 Blanchardstown LDTF  
 Bray LDTF  
 Canal Communities LDTF  
 Clondalkin LDTF  
 Cork LDTF  
 Dublin 12 LDTF  
 Dublin North East LDTF  
 Dun Laoghaire Rathdown LDTF  
 Finglas Cabra LDTF  
 North Inner City LDTF  
 South Inner City LDTF  
 Tallaght LDTF

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##### *Regional Drugs Task Forces*

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*East Coast*  
 Dún Laoghaire/Rathdown and Wicklow

*Mid-West*  
 Clare, Limerick and Tipperary NR

*Midlands*  
 Laois, Longford, Offaly and Westmeath

*North East*  
 East Cavan, Louth, Meath and Monaghan

*North West*  
 Donegal, Leitrim, Sligo and West Cavan

*Northern Area*  
 North Dublin City and Fingal

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*Regional Drugs Task Forces*

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*South Western*

South Dublin City, South Dublin, Kildare and West Wicklow

*South East*

Carlow, Kilkenny, Tipperary SR, Waterford and Wexford

*Southern*

Cork and Kerry

*Western*

Galway, Mayo and Roscommon

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*Questions Nos. 81 and 82 answered with Question No. 65.*

**Forbairt Gaeltachta.**

83. D'fhiafraigh **Deputy Eamon Gilmore** den Aire Gnóthaí Pobail, Tuaithe agus Gaeltachta cén dul chun cinn atá déanta i leith an triúr áisitheoir pobail sna Gaeltachtaí beaga, An Rinn, Ráth Cairn agus Uíbh Ráthach, a chur ar ais ina bpoist; agus an ndéanfaidh sé ráiteas ina thaobh. [8977/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** Tagraím don Teachta na ceisteanna dála roimhe seo a bhaineann leis seo –uimhir 311 agus 312 ar an 24 Feabhra 2009. Mar atá léirithe, baineann fostaíocht foirne na gcomhlachtaí forbartha áitiúla comhtháite leis na comhlachtaí iad féin. Níl aon fheidhm agam iontu.

**Grant Payments.**

84. **Deputy Denis Naughten** asked the Minister for Community, Rural and Gaeltacht Affairs when a decision will be made on applications under the school outdoors playing facilities enhancement scheme; and if he will make a statement on the matter. [8761/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** There are currently 16 applications in relation to the CLÁR Primary School Outdoor Play Facilities Enhancement Scheme within my Department. In relation to the majority of these my Department is awaiting replies to queries. Decisions will be made in all cases as soon as possible. If the Deputy has a specific query in relation to any particular application, I will be happy to assist, on receipt of the relevant information.

**Polasaí don Ghaeilge.**

85. D'fhiafraigh **Deputy Eamon Gilmore** den Aire Gnóthaí Pobail, Tuaithe agus Gaeltachta cad iad na ciorruithe atá curtha i bhfeidhm agus atá le cur i bhfeidhm i 2009 ó thaobh na Gaeilge de agus ó thaobh na Gaeltachta de ag a Roinn; agus an ndéanfaidh sé ráiteas ina thaobh. [8976/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** Mar a fógraíodh sa Teach seo inné, tá céimeanna á mbreithniú ag an Rialtas, gur dócha go mbeidh idir méaduithe ar ioncaim agus coigeartuithe i ndáil le caiteachas i gceist, d'fhonn a chinntiú go mbeidh toradh fíoscach críonna do 2009 agus go mbeidh bunús ann do chur chuige inbhuanaithe i ndáil leis an staid airgeadais reatha. Beidh cinnithe deacra le déanamh thar réimse an Rialtais agus beimid ag iarraidh é sin a dhéanamh ar an mbealach is cothroime is féidir. Beidh éifeachtaí sonracha an phróisis sin i ndáil leis an soláthar a chuirfear ar fáil do mo Roinnse —

soláthar don Ghaeilge agus don Ghaeltacht san áireamh — le hathaint nuair a fhoilseofar an t-Imleabhar Meastachán Athbhreithnithe ar ball.

Is féidir liom a chinntiú don Teachta, mar a cuireadh in iúl don Teach cheana, go leanfar de gach iarracht a dhéanamh chun a chinntiú go dtabharfar cosaint feadh ár gcumais do na seirbhísí túslíne a chuirtear ar fáil ó mo Roinnse, nó a fhaigheann tacaíocht uaithi.

### **Job Creation.**

86. **Deputy Ciarán Lynch** asked the Minister for Community, Rural and Gaeltacht Affairs if he has, under any of the schemes or funding available to him, created or is proposing to create initiatives to either protect or promote small and medium enterprises within areas for which his Department has responsibility and in which there have been redundancies or job losses; and if he will make a statement on the matter. [8953/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** As the Deputy will be aware, the Tánaiste and Minister for Enterprise, Trade & Employment has primary responsibility in relation to the promotion of small and medium enterprises. However, my Department operates a range of initiatives, schemes and programmes that support the growth of business and enterprise. Relevant schemes include the 2007-2013 Rural Development Programme (RDP), the CLÁR programme, the Community Services Programme, the Enterprise scheme for non-Gaeltacht offshore islands, and Rural Recreation schemes.

My Department is responsible for the implementation of the LEADER elements of the 2007-2013 RDP. A key objective of the programme focuses on the diversification of the rural economy and specifically provides €48.26m to support micro-enterprises. This funding will complement the supports provided by the County Enterprise Boards and will focus, in particular, on the development of indigenous rural resources in artisan food, forestry, marine, rural / agri-tourism, cultural heritage and community promoted enterprises; the development of recreational tourism and other complementary tourism supports and environmentally friendly initiatives.

In addition to the above, I would draw the Deputy's attention to the work of Údarás na Gaeltachta and the Western Development Commission (WDC), which are agencies under the aegis of my Department. Údarás na Gaeltachta are working to reverse the downward employment trend in the Gaeltacht (with a target of 800 new jobs annually) and effect the transition from a declining manufacturing sector to employment in services, including Irish-language centred employment.

### **Community Development.**

87. **Deputy Michael Ring** asked the Minister for Community, Rural and Gaeltacht Affairs if he will incorporate a value for money review into the new rural development programme; and if he will make a statement on the matter. [8859/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** All Rural Development Programmes, including previous LEADER Programmes, are subject to ongoing evaluation and this is set out in the EC regulations governing the respective programmes. In the context of the new Rural Development Programme, the EC regulation governing the Programme provides for a mid-term evaluation, the objective of which is to propose measures to improve the quality, efficiency and effectiveness of the implementation of the Programme. There is also provision for an ex-post evaluation of the Programme.

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These evaluations will examine the degree of utilisation of resources, the effectiveness and efficiency of the programming, and the socio-economic impact of the Programme, while also identifying best practice and the factors contributing to the success or failure of the Programme's implementation.

The Managing Authority for the Programme, which is the Department of Agriculture, Fisheries and Food in the Irish context, is obliged to conduct the mid-term and ex-post evaluations in 2010 and 2015 respectively. These evaluations will be publicly available.

### **Departmental Statistics.**

88. **Deputy Leo Varadkar** asked the Tánaiste and Minister for Enterprise, Trade and Employment the projects which have gone over the timescale and budget within her Department since September 2007 to date in 2009; the length of time each project has run over; and the cost that time and budget over runs have cost to date. [9101/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** Officials in my Department are currently compiling the information sought by the Deputy. However, we are not in a position to provide the information requested given the relatively short time available to my Department since the Question was tabled. As soon as the information is collated from across my Department I will be in further contact with the Deputy.

### **Tax Yield.**

89. **Deputy Kathleen Lynch** asked the Minister for Finance if he will estimate the revenue that would be gained and lost in a full year by a 1% change in the standard rate of tax; and if he will make a statement on the matter. [9051/09]

**Minister for Finance (Deputy Brian Lenihan):** I am informed by the Revenue Commissioners that the full year yield and cost to the Exchequer, estimated by reference to 2009 incomes, of changing the standard rate of tax by one percentage point would be of the order of €560 million. This figure is provisional and subject to revision.

90. **Deputy Kathleen Lynch** asked the Minister for Finance if he will estimate the revenue that would be gained and lost in a full year by a 1% change in the higher rate of tax; and if he will make a statement on the matter. [9052/09]

**Minister for Finance (Deputy Brian Lenihan):** I am informed by the Revenue Commissioners that the full year yield and cost to the Exchequer, estimated by reference to 2009 incomes, of changing the higher rate of tax by one percentage point would be of the order of €220 million. This figure is provisional and subject to revision.

91. **Deputy Kathleen Lynch** asked the Minister for Finance if he will estimate the revenue that would be gained and lost in a full year by a €100 change in the standard rate band; and if he will make a statement on the matter. [9053/09]

**Minister for Finance (Deputy Brian Lenihan):** I assume that the change mentioned by the Deputy is to apply in similar measures to single and widowed persons and lone parents. Double this amount is assumed to apply to married couples.

On this basis, I am informed by the Revenue Commissioners that the full year yield and cost to the Exchequer, estimated by reference to 2009 incomes, of changing the standard rate band by €100 would be of the order of €17 million.

This figure is provisional and subject to revision.

92. **Deputy Kathleen Lynch** asked the Minister for Finance if he will estimate the revenue that would be gained and lost by a 1% change in the higher rate of VAT; and if he will make a statement on the matter. [9054/09]

**Minister for Finance (Deputy Brian Lenihan):** I am informed by the Revenue Commissioners that the estimated full year cost/yield to the Exchequer of a reduction/increase in the 21.5% standard rate of VAT by 1 percentage point is €390 million. The estimates provided are based on current expectations of VAT yield in 2009.

93. **Deputy Kathleen Lynch** asked the Minister for Finance if he will estimate the revenue that would be gained and lost in a full year by a 1% change in the lower rate of VAT; and if he will make a statement on the matter. [9055/09]

**Minister for Finance (Deputy Brian Lenihan):** I am informed by the Revenue Commissioners that the estimated full year cost/yield to the Exchequer of a reduction/increase in the 13.5% reduced rate of VAT by 1 percentage point is €300 million. The estimates provided are based on current expectations of VAT yield in 2009.

94. **Deputy Kathleen Lynch** asked the Minister for Finance if he will estimate the revenue that would be gained and lost in a full year by a €1 increase in excise duties on 20 cigarettes and corresponding increases in other tobacco products; and if he will make a statement on the matter. [9056/09]

**Minister for Finance (Deputy Brian Lenihan):** It is assumed that the Deputy is referring to a €1 (VAT inclusive) price increase on a 20 packet of cigarettes. I am informed by The Revenue Commissioners that the revenue that would be gained in a full year by this increase and corresponding increases in other tobacco products is estimated to be €182 million.

95. **Deputy Kathleen Lynch** asked the Minister for Finance the yield in each of the past five years from taxes on inheritances; and if he will make a statement on the matter. [9057/09]

**Minister for Finance (Deputy Brian Lenihan):** I am informed by the Revenue Commissioners that the information available in respect of the yield from inheritance tax is as follows:

Year	Inheritance Tax
	€m
2004	171.3
2005	196.7
2006	299.4
2007	314.5
2008*	291.8

\*The figure for 2008 is provisional and subject to revision.

96. **Deputy Kathleen Lynch** asked the Minister for Finance if he will estimate the revenue that would be gained and lost in a full year by a 1% change in the rate of capital gains tax. [9058/09]

**Minister for Finance (Deputy Brian Lenihan):** I am advised by the Revenue Commissioners that the full year gain or loss to the Exchequer, estimated by reference to the expected 2009

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outturn, of a 1% change in the rate of capital gains tax (CGT) is estimated to be in the range of €35 million to €39 million.

CGT is very dependent on individual behaviour and a change in rate may not produce a corresponding increase or decrease in tax yield. In current economic conditions any estimate of additional yield must be treated with caution. In addition increasing the rate could, in theory, lead to a reduction in yield from the tax.

97. **Deputy Kathleen Lynch** asked the Minister for Finance if he will estimate the revenue that would be gained and lost in a full year by a 1% change in the rate of inheritance tax. [9059/09]

**Minister for Finance (Deputy Brian Lenihan):** I am advised by the Revenue Commissioners that the full year yield or loss to the Exchequer, estimated by reference to expected 2009 outturn, of a 1% change in the rate of inheritance tax, is estimated to be in the region of €11 million.

98. **Deputy Kathleen Lynch** asked the Minister for Finance if he will estimate the revenue that would be gained by a 10% reduction and by a 20% reduction in the thresholds for all groups of inheritance tax. [9060/09]

**Minister for Finance (Deputy Brian Lenihan):** I am advised by the Revenue Commissioners that the full year gain to the Exchequer of a 10% and 20% reduction in the inheritance thresholds is estimated to be in the order of €19 million and €37 million respectively.

These estimates are based on transactions recorded in 2008.

#### **Decentralisation Programme.**

99. **Deputy Kathleen Lynch** asked the Minister for Finance the current and capital expenditure provided for in 2009 to progress decentralisation; and if he will make a statement on the matter. [9061/09]

**Minister for Finance (Deputy Brian Lenihan):** As I announced in my Budget statement, the Government has reviewed the decentralisation programme and has identified priority elements which should proceed at this time. In prioritising the projects which are going ahead, the Government has taken account of the human resource aspects of the programme, commitments already made, the costs involved and the business readiness of organisations to move. An Exchequer capital envelope for decentralisation projects of €72 million in 2009 was provided for in the Budget. While there is no central provision for current expenditure, liabilities will be met from the voted expenditure for each of the decentralising organisations.

Any changes to the Estimates as announced on Budget Day will be included in the Revised Estimates Volume due to be published shortly.

#### **Banking Sector Regulation.**

100. **Deputy Andrew Doyle** asked the Minister for Finance the priorities and objectives for the operation of Anglo Irish Bank which would guide the risk management strategy referred to in his speech on 12 February 2009; if the remuneration package agreed for the bank executives includes a correlation with compliance with all ethics regulations, and financial controls as well as performance; if the management staff of the bank are fully conversant with ethics for public servants, financial regulations and risk management for every trade done in the bank's name and its implications for the future bank balance sheet of the bank in order to

change the culture of out of control marketing and sales that has operated in the bank previous to nationalisation; the system of internal auditing that will be established to ensure compliance and accountability for all transactions undertaken; the actions that have been taken to introduce regulatory reform of the banking and financial system; and if there will be an opportunity for public input into proposals for reform. [9084/09]

**Minister for Finance (Deputy Brian Lenihan):** Anglo Irish Bank was taken into public ownership on the 21 January 2009. At that time the board of the bank was reconstituted under the chairmanship of Mr Donal O'Connor. The bank continues to trade as a commercial entity and the board and management of the bank continues to manage the bank on an independent and commercial basis, at arms length from Government.

The Board of the bank is preparing a comprehensive business plan which is being designed to ensure the bank's long term viability. This report will be submitted to me in the near future. Further the new Board has commenced a full review of governance and internal approval procedures to ensure that the governance and operation of the bank, including the internal audit function, is a model of best practice in this regard. This review is being carried out with the assistance of outside expertise and I am assured by the Board that the recommendations will be fully implemented.

As stated, the bank is being run on an arms length commercial basis and decisions in relation to remuneration of staff, human resource management, and internal audit systems are consequently a matter for the Board. It goes without saying that Anglo Irish Bank, its Board and its staff, are subject to compliance with the relevant legal and regulatory codes. Furthermore, since nationalisation, Anglo-Irish Bank Corporation is a public body for the purposes of the Ethics in Public Office Acts 1995 to 2001 and the relevant employees of the bank are subject to the provisions of these Acts. The Board has been informed of the application of this legislation to the bank.

With regard to executive remuneration, in line with the other covered institutions, the remuneration of directors and senior executive staff at Anglo Irish Bank is being considered by the Covered Institution Oversight Committee (CIROC) established under the Credit Institutions (Financial Support) Scheme 2008. The Scheme provides for controls on executive remuneration in institutions covered by the Guarantee. The Scheme requires each covered institution to prepare and submit a plan to structure the remuneration packages of directors and executives so as to take account of the objectives of the Credit Institution (Financial Support) Act 2008, which include maintaining financial stability in the best interest of the public, and minimising the potential cost to the Exchequer and taxpayers. CIROC has reported to me and I am considering the report.

The Government has stated that it will examine proposals for the management and reduction of risks within financial institutions with respect to specific exposures in Ireland and development, having regard to international developments. As indicated I will be bringing forward proposals on this as a matter of priority. Ongoing work at European Central Bank level and in the EU will inform the process.

Finally, the Deputy will be aware the Government is committed to the introduction of new standards of banking regulation and new standards of corporate governance, which will restore our reputation and move us to the forefront of best international practice. The Minister for Finance is bringing proposals to Government very shortly in relation to the reform of the Central Bank and the supervision and regulatory functions of the Financial Regulator. This will build on best international practice. Any legislative proposals in this regard will be progressed through the Oireachtas in the normal way.

**Tax Refund.**

101. **Deputy Seán Fleming** asked the Minister for Finance when the deposit interest retention tax refund claim will be approved and granted in respect of a person (details supplied) in County Laois. [9088/09]

**Minister for Finance (Deputy Brian Lenihan):** I am informed by the Revenue Commissioners that they have received a claim for repayment of deposit interest retention tax in respect of the years 2004 to 2007 inclusive. Revenue has processed the claims and a cheque in respect of the tax overpaid will issue to the taxpayer within the next week.

**Grant Payments.**

102. **Deputy James Bannon** asked the Minister for Finance when a person (details supplied) in County Longford will be granted their urban renewal grant which has been sanctioned since 30 January 2009; and if he will make a statement on the matter. [9102/09]

**Minister for Finance (Deputy Brian Lenihan):** I am advised by the Revenue Commissioners that the relevant claim form for Owner-Occupier relief, and some supporting documentation was received on 29 January 2009 from the person in question.

The Sligo Revenue office has been in contact with the person to obtain documents omitted and clarifications of some information provided. When the outstanding documentation and clarifications are received, the claim for Owner-Occupier relief will be processed without delay.

**Banking Sector Regulation.**

103. **Deputy Richard Bruton** asked the Minister for Finance the components of the equity and liabilities of the six Irish guaranteed institutions which were not guaranteed at 30 September 2008 and 26 February 2009, respectively, listed by each category of capital, quasi-capital, undated subordinated debt and bonds maturing after September 2010; if he is monitoring movements between guaranteed and non-guaranteed liabilities in each of the covered institutions. [9123/09]

**Minister for Finance (Deputy Brian Lenihan):** The Financial Regulator has advised me that in the time available, it has not been possible to identify and assemble the information requested. I will write to the Deputy with material as soon as possible.

**Nursing Home Subventions.**

104. **Deputy Edward O’Keeffe** asked the Minister for Health and Children the position regarding an application for nursing home subvention in respect of a person (details supplied) in County Cork. [9023/09]

**Minister of State at the Department of Health and Children (Deputy Máire Hackett):** As this is a service matter it has been referred to the Health Service Executive for direct reply.

**Health Services.**

105. **Deputy Dinny McGinley** asked the Minister for Health and Children the position regarding an appeal of domiciliary care allowance in respect of a person (details supplied) in County Donegal. [9067/09]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** As the Deputy’s question relates to service matters I have arranged for the question to be referred to the Health Service Executive for direct reply.

### Pharmaceutical Sector.

106. **Deputy Brian O'Shea** asked the Minister for Health and Children if her attention was drawn to the problem regarding the sale here of counterfeit pharmaceuticals (details supplied); and if she will make a statement on the matter. [9071/09]

107. **Deputy Brian O'Shea** asked the Minister for Health and Children the discussions she has had with the World Health Organisation in regard to the global pharmaceutical counterfeiting industry (details supplied); and if she will make a statement on the matter. [9072/09]

**Minister for Health and Children (Deputy Mary Harney):** I propose to take Questions Nos. 106 and 107 together.

I am advised by the Irish Medicines Board (IMB) that no counterfeit medicines have been identified in the legal supply chain in Ireland. The IMB, in cooperation with Revenue, focus on the illegal supply of medicines by Internet websites with a view to protecting public health. The IMB inspects manufacturing and distribution facilities to ensure that all medicinal products made available through the legal supply chain are of good quality and safe.

Ireland participates in a range of initiatives and actions focused on preventing counterfeit medical products from gaining access to the Irish, European Community and other international markets. The sale of counterfeit pharmaceuticals is not just a challenge for national governments. This illicit trade is cross-border and transnational by its very nature and as such can only be successfully tackled by way of appropriate actions by the international community.

My Department and the IMB participate in the Council of Europe (CoE) initiatives to prevent counterfeit medical products entering the market. Two CoE groups are actively attended by IMB experts on pharmaceutical crime. One such group has just completed the first draft of a convention on counterfeit medical products. The draft will be negotiated among member states with a view to having it put before the CoE Council of Ministers in 2010. The other CoE group has developed and delivered multi-sector training in the investigation of counterfeit medical products. IMB officials and Irish Revenue Customs received this training during 2008.

My Department and the IMB also support the World Health Organisation (WHO) initiative known as the International Medical Product Anti-Counterfeiting Task Force (IMPACT). Ireland participates in the Permanent Forum on International Pharmaceutical Crime (PFIPC), which is the enforcement advisor to WHO/IMPACT Enforcement Committee.

In 2008 and 2009, as part of "Operation Pangea", (involving 11 countries and Interpol) the IMB participated in the International Internet Day of Action, which targeted rogue Internet websites that are suspected of supplying counterfeit medicines.

At EU level, a draft Directive on the prevention of the entry into the legal supply chain of medicinal products which are falsified in relation to their identity, history or source has been put forward by the EU Commission. The overall aim is to strengthen existing EU legislation (Directive 2001/83/EC) to protect EU citizens from the dangers of fake medicines. The proposed Directive will be considered at both European Parliament and the Council of Ministers as part of the co-decision procedure before it can be translated into law. Officials from my Department are fully involved in these discussions.

### Eating Disorders.

108. **Deputy James Reilly** asked the Minister for Health and Children the number of recommendations of the Obesity Task Force that have been implemented in full; the recom-

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mentations which have been implemented in full; the action that was taken in each case; and if she will make a statement on the matter. [9073/09]

**Minister of State at the Department of Health and Children (Deputy Mary Wallace):** Implementation of the recommendations of the National Taskforce on Obesity is ongoing. A wide range of initiatives have been taken by various Government Departments and Agencies.

Since becoming Minister of State with responsibility for Health Promotion, I have made tackling obesity one of my keys priorities. It is my intention to work closely with all stakeholders to ensure that a coherent approach is adopted to the implementation of the recommendations. For this reason and in order to give a new impetus to the issue, I established a multi-sectoral group on obesity, comprising representatives of all stakeholders, including experts from key Government Departments and agencies, the food industry and relevant Non-Government Organisations. Its first task is to report by Easter on the progress to date in the implementation of the recommendations of the Task Force and the actions being taken.

#### **Health Services.**

109. **Deputy Leo Varadkar** asked the Minister for Health and Children if she will examine the case of a person (details supplied) in Dublin 15 whose child will have no day placement when they reach 18 years even though their needs will not change; and if she will make a statement on the matter. [9074/09]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** As the Deputy's question relates to service matters I have arranged for the question to be referred to the Health Service Executive for direct reply.

110. **Deputy Jack Wall** asked the Minister for Health and Children when a person (details supplied) in County Kildare will receive notification of a procedure; and if she will make a statement on the matter. [9075/09]

**Minister for Health and Children (Deputy Mary Harney):** As this is a service matter it has been referred to the HSE for direct reply.

#### **Inter-Country Adoptions.**

111. **Deputy Olwyn Enright** asked the Minister for Health and Children when she will meet a group (details supplied) to discuss their concerns regarding changes to the Vietnamese inter-country adoption agreement; and if her attention has been drawn to the urgency of same; and if she will make a statement on the matter. [9085/09]

**Minister of State at the Department of Health and Children (Deputy Barry Andrews):** I have advised the House over recent weeks on the situation regarding inter-country adoption in Vietnam. I can inform the Deputy that officials met the group in question today to discuss their concerns.

#### **Health Services Property.**

112. **Deputy Tom Hayes** asked the Minister for Health and Children if the Health Service Executive has approved land for sale in respect of the site of a school (details supplied) in County Tipperary; and if so, when the next step in the process will take place for the HSE to get this land transferred and ready for sale. [9089/09]

**Minister for Health and Children (Deputy Mary Harney):** Estate management of the Health Service Executive property portfolio is a service matter and the question has therefore been referred to the Executive for direct reply.

113. **Deputy Seán Sherlock** asked the Minister for Health and Children if the administrative function, that is, assessment and processing of applications for a medical card for the over 70 year olds will continue to remain with the Health Service Executive south or if there are plans to transfer this function to another geographical area; and if she will make a statement on the matter. [9096/09]

**Minister for Health and Children (Deputy Mary Harney):** As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

#### **Nursing Home Subventions.**

114. **Deputy Róisín Shortall** asked the Minister for Health and Children the position with regard to the payment of funds under the nursing home repayment scheme in respect of a person (details supplied) in Dublin 11 who is deemed to be non compos mentis; the person who is therefore charged with the responsibility of such funds; and the position with regard to the person. [9097/09]

**Minister for Health and Children (Deputy Mary Harney):** As this is a service matter it has been referred to the HSE for direct reply.

#### **Health Service Allowances.**

115. **Deputy James Bannon** asked the Minister for Health and Children the reason a person (details supplied) in County Longford has been refused the domiciliary care allowance in respect of their daughter, despite having appealed the decision on hardship and severe disability problems grounds; and if she will make a statement on the matter. [9103/09]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** As the Deputy's question relates to service matters I have arranged for the question to be referred to the Health Service Executive for direct reply.

116. **Deputy James Bannon** asked the Minister for Health and Children the reason a person (details supplied) in County Westmeath has been refused the domiciliary care allowance in respect of their son, despite hardship and severe disability problems; and if she will make a statement on the matter. [9104/09]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** As the Deputy's question relates to service matters I have arranged for the question to be referred to the Health Service Executive for direct reply.

#### **Health Services.**

117. **Deputy Martin Ferris** asked the Minister for Health and Children her views on the Health Service Executive's plans to centralise to Dublin, health schemes such as the medical card, drugs payment, ophthalmic and immunisation scheme despite the difficulties this will create for service users in the regions who will have to contact Dublin for assistance as well as the possible loss of jobs to those working with the HSE in the regions; and if she will make a statement on the matter. [9124/09]

**Minister for Health and Children (Deputy Mary Harney):** As this is a service matter, it has been referred to the HSE for attention and direct reply to the Deputy.

### **Public Transport.**

118. **Deputy Paul Connaughton** asked the Minister for Transport the status of an application by a company (details supplied) who have submitted an application for a bus route licence from Galway Airport to Fairgreen, Galway City centre; and if he will make a statement on the matter. [9065/09]

**Minister for Transport (Deputy Noel Dempsey):** My Department received an application on 12 February 2009 from the operator referred to by the Deputy for the provision of bus passenger services from Galway Airport to Fairgreen Galway City. In accordance with long standing practice, details of applications received by my Department remain confidential until a decision is made.

The operator has been informed that this application is currently being processed and will be considered under the provisions of the Road Transport Act 1932. My Department will contact the operator with the outcome of their considerations in due course.

### **Departmental Programmes.**

119. **Deputy Fergus O'Dowd** asked the Minister for Transport the projects which have gone over the timescale and budget within his Department since September 2007 to date in 2009; the length of time each project has run over; and the cost that time and budget over runs have cost to date. [9099/09]

**Minister for Transport (Deputy Noel Dempsey):** The information requested by the Deputy is being compiled and will be forwarded as soon as possible.

### **Garda Stations.**

120. **Deputy Paul Kehoe** asked the Minister for Justice, Equality and Law Reform the position with regard to the building of a Garda station (details supplied); when he expects construction to get underway; the reason for delays at present; and if he will make a statement on the matter. [9048/09]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** The position with regard to the matter raised by the Deputy remains as outlined in my response to Parliamentary Question No. 388 (ref.: 32363/08) of 30th September last.

### **Criminal Prosecutions.**

121. **Deputy Charles Flanagan** asked the Minister for Justice, Equality and Law Reform the number of prosecutions that took place in each of the years 2004 to 2008 in respect of shops, off-licences and other such premises selling alcohol to persons aged under 18 years; and if he will make a statement on the matter. [9112/09]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** The Garda Síochána Act 2005 makes provision for the compilation and publication of crime statistics by the Central Statistics Office, as the national statistical agency, and the CSO has established a dedicated unit for this purpose. I have requested the CSO to provide the statistics sought by the Deputy directly to him.

### Proposed Legislation.

122. **Deputy Charles Flanagan** asked the Minister for Justice, Equality and Law Reform the recommendations of the Kopp report on the State Forensic Laboratory that have been implemented to date and which remain to be implemented; the number of additional personnel who have been appointed to the State Forensic Laboratory since the publication of the Kopp report; and if he will make a statement on the matter. [9113/09]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** I refer the Deputy to my response to Parliamentary Question Number 70, of 25th February, 2009 which inter alia sets out the position in relation to the implementation of the Kopp Report on the State Forensic Laboratory.

### Garda Deployment.

123. **Deputy Charles Flanagan** asked the Minister for Justice, Equality and Law Reform the number of gardaí appointed to the Garda National Drugs Unit in each county; and if he will make a statement on the matter. [9114/09]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** I have been informed by the Garda Commissioner that the personnel strength of the Garda National Drugs Unit on 31 January 2009, the latest date for which figures are readily available, was 60. The GNDU is based in Dublin Castle and deployed nationally to support Divisional Drugs Units as and when required.

The personnel strength of the Drugs Unit in each Division on 31 January 2009 was as set out in the following table:

Division	Strength
D.M.R.S.C	20
D.M.R.N.C	15
D.M.R.N	33
D.M.R.E	10
D.M.R.S	27
D.M.R.W	32
Waterford/Kilkenny	15
Wexford	13
Tipperary	14
Cork City	24
Cork North	8
Cork West	6
Kerry	11
Limerick	14
Donegal	8
Cavan/Monaghan	11
Sligo/Leitrim	8
Louth	8
Clare	6
Mayo	6
Galway	13
Roscommon/Longford	3
Westmeath	12

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Division	Strength
Meath	3
Carlow/Kildare	8
Laois/Offaly	10
Wicklow	11
Total	349

It is the responsibility of the Garda Commissioner to allocate personnel throughout the Force taking everything into account. The situation will be kept under review and the allocation of Gardaí to these Divisions will be fully considered by the Commissioner within the overall context of policing requirements throughout the country.

### **Prisoner Transfers.**

124. **Deputy Joe Costello** asked the Minister for Justice, Equality and Law Reform if he will repatriate a person (details supplied); and if he will make a statement on the matter. [9212/09]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** The person referred to by the Deputy has made six separate applications for transfer to a prison in this jurisdiction under the Council of Europe Convention on the Transfer of Sentenced Persons. All of these have been refused and the person concerned has been notified of the reasons for these refusals.

As the Deputy is aware, the Council of Europe Convention on the Transfer of Sentenced Persons does not confer an automatic right on any prisoner to be transferred nor does it confer an obligation on any State to comply with a transfer request.

### **Residency Permits.**

125. **Deputy Joanna Tuffy** asked the Minister for Justice, Equality and Law Reform the position regarding the rule that was introduced in 2007, for volunteer workers from non-EU countries that come to work here with churches and voluntary bodies, which means that these workers can only stay here for a maximum of three years; if in view of difficulties this rule is causing to churches and voluntary bodies, it is proposed to change this rule; and if he will make a statement on the matter. [9239/09]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** A general policy has been in place for a number of years to the effect that religious and volunteer workers in the State should remain for a maximum of 3 years. However, this policy, while remaining in force, has not been rigorously applied and such volunteer workers have on a case by case basis been facilitated with further renewals, although it is not intended that such permissions be open-ended.

The particular immigration status given to religious and volunteer workers indicates that they are not entitled to participate in the labour market. It was also understood they are dependent on their employing church or organisation for their upkeep, finances, and medical expenses or the person concerned could of course organise their own private medical insurance. My Department is currently reviewing the policy in relation to religious and volunteer workers and when that process is completed the terms and conditions governing this category of temporary migration will be set out clearly for the benefit of all parties.

### Sports Capital Programme.

126. **Deputy Seán Fleming** asked the Minister for Arts, Sport and Tourism when outstanding issues in relation to the payment of a grant under the sports capital programme to an organisation (details supplied) in County Laois will be dealt with. [9087/09]

**Minister for Arts, Sport and Tourism (Deputy Martin Cullen):** The grantee in question was provisionally allocated a grant of €70,000 under the sports capital programme in 2004. A provisional grant allocation is subject to the terms and conditions of the Programme, which include the execution of a Deed of Covenant and Charge. A Deed provides, inter alia, for a refund of the grant in the event of the facility not continuing to be used for the purpose for which the grant was allocated. The Department's legal adviser, the Chief State Solicitor's Office (CSSO), deals with the grantee's solicitor in executing this Deed. My Department has been advised by the CSSO that the legal issues are now close to being finalised on foot of documentation received today from the grantee's solicitor. Accordingly, my Department will shortly be in a position to issue formal approval in respect of this grant and will provide every assistance to the grantee in question to expedite the payment of the grant.

### Departmental Funding.

127. **Deputy Paul Kehoe** asked the Minister for Arts, Sport and Tourism if there is financial assistance available from his Department for a community (details supplied); and if he will make a statement on the matter. [9090/09]

**Minister for Arts, Sport and Tourism (Deputy Martin Cullen):** I have no statutory responsibility for the matters raised in the Deputies question.

### Community Development.

128. **Deputy Joanna Tuffy** asked the Minister for Community, Rural and Gaeltacht Affairs the funding to be made available for the staffing of the Collinstown Park Sports Hall, Clondalkin, Dublin; and if he will make a statement on the matter. [9232/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** My Department is currently concluding contract details with the South Dublin VEC to enable funding of the order of €450,000-€500,000 to be provided in 2009 under the Community Services Programme to ensure that services provided at four dual-use school and community facilities are maintained. While separate figures have not been established for the Collinstown facility, my understanding is that the services will be of equal quality across the four centres.

129. **Deputy Bernard J. Durkan** asked the Minister for Community, Rural and Gaeltacht Affairs the amount of funding awarded by way of grant or other form of aid to various groups throughout County Kildare in the past two years; the degree to which it is expected to improve or increase such aid in 2009; and if he will make a statement on the matter. [9251/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The amount of funding awarded by way of grant or other form of aid to various groups throughout County Kildare in the past two years is outlined in the following table. It is obviously necessary to take account of the current economic reality and of the pressure on the public finances in the operation of these schemes and inevitably there will have to be changes affecting the funding of schemes. Against that background, priority will be given to frontline services.

Name of organisation	Amount awarded 2007	Amount awarded 2008	Scheme /programme/ measure awarded
*Kildare Community Partnership	€ 842,652.00	€ 792,335.00	Local Development Social Inclusion Programme
*OAK Partnership (Offaly & Kildare Partnership)	463,467.00	483,188.00	Local Development Social Inclusion Programme
19th Kildare Salesian Scouts	3,600.00	0.00	Programme of Grants for Community and Voluntary Organisations
5th Kildare (Athy) Scout Den	0.00	40,000.00	Programme of Grants for Community and Voluntary Organisations
Abbey Project	0.00	66,301.00	Drugs Initiatives
Accord	50,920.00	0.00	Feds and Nets Scheme
Accord	0.00	47,000.00	White paper funding scheme to support national organisations in the Community and Voluntary sector
Allenwood Comm Dev Assoc Ltd	12,990.00	0.00	Programme of Grants for Community and Voluntary Organisations
Aontas Ogra	5,000.00	0.00	Programme of Grants for Community and Voluntary Organisations
Athy Community Council Ltd	5,400.00	0.00	Programme of Grants for Community and Voluntary Organisations
Athy Community Development Project	91,260.00	109,541.00	Community Development Programme
Athy Community Development Project	0.00	17,968.00	Dormant Account — RAPID additionality
Athy District Resource Centre	10,350.00	0.00	Programme of Grants for Community and Voluntary Organisations
Athy Recreational Community Hall	0.00	600.00	RAPID Leverage Scheme: Sports Capital Top-Up 2008
Athy Rowing Club	3,750.00	0.00	RAPID Leverage Scheme: Sports Capital Top-Up 2007
Athy Rugby Football Club	5,400.00	0.00	RAPID Leverage Scheme: Sports Capital Top-Up 2007
Athy Sports & Acrobatics Club	5,700.00	0.00	RAPID Leverage Scheme: Sports Capital Top-Up 2007
Athy Town AFC	0.00	21,000.00	RAPID Leverage Scheme: Sports Capital Top-Up 2008
Athy Town Council	200,000.00	0.00	Dormant Account — RAPID additionality
Athy Town Council	66,000.00	0.00	RAPID Leverage Scheme: Playgrounds
Athy Town Council	0.00	66,000.00	RAPID Leverage Scheme: Playgrounds
Athy Travellers Support Group	8,860.00	0.00	Programme of Grants for Community and Voluntary Organisations
Athy Travellers Support Group Ltd.	0.00	2,000.00	Dormant Account — RAPID additionality
Ballitore Development Assoc	3,555.00	0.00	Programme of Grants for Community and Voluntary Organisations
Bleach & District C A	4,539.00	4,078.57	Community Supports for Older People
Breaking Through Ltd	71,500.00	0.00	Feds and Nets Scheme

Name of organisation	Amount awarded 2007	Amount awarded 2008	Scheme /programme/ measure awarded
Breaking Through Ltd	€ 0.00	€ 73,000.00	White paper funding scheme to support national organisations in the Community and Voluntary sector
Caragh C A	4,141.20	0.00	Community Supports for Older People
Carers Association Naas	0.00	8,660.00	Community Supports for Older People
Castledermot Comm Serv	1,870.60	0.00	Community Supports for Older People
Castlemitchell Gaelic Football Club	5,400.00	0.00	RAPID Leverage Scheme: Sports Capital Top-Up 2007
Celbridge C A	3,106.16	0.00	Community Supports for Older People
Celbridge Community Council	0.00	7,274.98	Community Supports for Older People
Churchtown Community Dev Assoc	6,636.00		Programme of Grants for Community and Voluntary Organisations
Community Drug Team	203,000.00	340112.00	Drugs Initiatives
Griese Youth Theatre	19,990.00	0.00	Programme of Grants for Community and Voluntary Organisations
HSE	0.00	3,000.00	RAPID Leverage Scheme: Health Sector Co-Fund 2008
John Resource Centre	15,363.00	0.00	Programme of Grants for Community and Voluntary Organisations
Kilcock Branch Dyslexia Assoc	6,381.00	0.00	Programme of Grants for Community and Voluntary Organisations
Kildare Branch Down Syndrome Ireland	3,160.00	0.00	Programme of Grants for Community and Voluntary Organisations
Kildare Community Partnership	15,000.00	0.00	Dormant Accounts — Recreation Development for Disadvantaged Youth
Kildare Community Partnership	0.00	15,500.00	Dormant Account — RAPID additionality
Kildare European LEADER 11 Teo	404,693.00	411,536.00	Rural Social Scheme**
Kildare European LEADER 11 Teo	1.04m	569,944.00	LEADER Programmes
Kildare Sports Partnership	0.00	53,516.00	Dormant Account — RAPID additionality
Kildare Traveller Action Ltd	5,700.00	0.00	Programme of Grants for Community and Voluntary Organisations
Kildare Volunteer Centre	112,150.00	126,690.00	Scheme to Support Volunteers and volunteering
Leixlip Resource Centre	6,009.00	0.00	Programme of Grants for Community and Voluntary Organisations
Lions Club Kildare	11,500.00	0.00	Community Supports for Older People
Maynooth Kilcock Lions Club	0.00	480.00	Community Supports for Older People
Meals on Wheels	0.00	30,000.00	RAPID Leverage Scheme: Health Sector Co-Fund 2008

Name of organisation	Amount awarded 2007	Amount awarded 2008	Scheme /programme/ measure awarded
Monasterevan Old Folks	€ 885.30	€ 2,815.09	Community Supports for Older People
Muintireas	0.00	964.00	Community Supports for Older People
Naas & District C A	30,115.28	30,600.00	Community Supports for Older People
National Association of Boards of Management in Special Education	36,500.00	0.00	Feds and Nets Scheme
Network Kildare	17,340.00	0.00	Programme of Grants for Community and Voluntary Organisations
Newbridge Ass Care of Elderly	11472.90	4,423.68	Community Supports for Older People
Newbridge Family resource Centre	22,354.00	0.00	Drugs Initiatives
Newbridge Resource Centre	15,826.00	0.00	Programme of Grants for Community and Voluntary Organisations
Newtown Donadea A R	3,542.50	700.00	Community Supports for Older People
North-West Kildare CDP	107,980.00	112,300.00	Community Development Programme
Prosperous Comm Youth	38,900.00	0.00	Programme of Grants for Community and Voluntary Organisations
Rathangan Core Group	0.00	16,645.00	Community Supports for Older People
Rathangan Parish Welfare	3,346.10	0.00	Community Supports for Older People
Rose Bud Brownie Unit	2,025.00	0.00	Programme of Grants for Community and Voluntary Organisations
Sisters Of Charity of Jesus & Mary	5,400.00	0.00	Programme of Grants for Community and Voluntary Organisations
St John of God Kildare Services	7,070.00	0.00	Programme of Grants for Community and Voluntary Organisations
St. Michael's Boxing Club	10,500.00	0.00	RAPID Leverage Scheme: Sports Capital Top-Up 2007
St. Vincent's Athy	0.00	67,000.00	RAPID Leverage Scheme: Health Sector Co-Fund 2008
Staplestown C A	985.30	2,600.00	Community Supports for Older People
Teen Challenge	170,000.00	0.00	Drugs Initiatives
The Bridge CDP	150,690.00	130,000.00	Community Development Programme
The Bridge CDP	1,058.50	4,635.50	Community Supports for Older People
The Evergreens	864.00	1,573.40	Community Supports for Older People
Tir na Mona	682.00	0.00	Programme of Grants for Community and Voluntary Organisations
Women's Integrated Network	0.00	36,016.00	Dormant Account — RAPID additionality

### **National Drugs Strategy.**

130. **Deputy Bernard J. Durkan** asked the Minister for Community, Rural and Gaeltacht Affairs his plans to increase or offer support to the various community groups throughout County Kildare in urban or rural areas with particular reference to those involved in drug rehabilitation programmes; and if he will make a statement on the matter. [9252/09]

135. **Deputy Bernard J. Durkan** asked the Minister for Community, Rural and Gaeltacht Affairs his plans to increase or improve financial assistance to groups, bodies or agencies, voluntary or statutory, involved or proposing to get involved, in drug rehabilitation programme; and if he will make a statement on the matter. [9257/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** I propose to take Questions Nos. 130 and 135 together.

As I have previously advised the Deputy, funding for the Local and Regional Drugs Task Forces in 2009 will be approximately €34.6m. Of this, over €23m is being allocated to the LDTFs while over €11m is being earmarked for the Regional groups.

In relation to Co. Kildare, which is part of the South West RDTF area, the following allocations have been made: Abbey Project — funding of €150,000 has been provisionally allocated in 2009 to provide a number of services such as drop-in, family support, referral, counselling, holistic therapies and advice and information on housing to drug users and their families from Celbridge and the surrounding areas; Community Drug Team for Kildare and West Wicklow — for 2009, funding of €350,000 has been provisionally approved for this service which will expand and complement existing treatment services along with family support and early responses to young people at the early stage of drug misuse; and Newbridge Family Resource Centre — in 2007, an amount of €22,354 was approved under the Premises Initiative in respect of the purchase and installation of a semi-permanent structure for the Centre to provide a dedicated drop-in facility for “at risk” youth.

Some of the other funding provided to that Drugs Task Force also provides benefit broadly across their region of operation, including Co. Kildare. In addition, in the region of €80,000 has been made available to Teen Challenge, a rehabilitation project at Shechem House, Richardstown, Co. Kildare, arising from applications through the South Inner City LDTF in Dublin. This funding is in respect of the first half of 2009.

Overall, in the region of €22m was spent in 2008 on projects in Task Force areas with a treatment and rehabilitation focus. Funding for the majority of these projects will continue in 2009, albeit in some cases, possibly at a somewhat reduced level. Roughly 70% of the LDTF projects focus on treatment/rehabilitation, while over 44% of the regional projects have a similar focus.

In addition to this, funding approved in 2008 towards three homeless-related rehabilitation projects will continue in 2009 in the amount of €500,000. The Deputy should also note that the National Drug Rehabilitation Implementation Committee was set up late 2008 by the HSE. The Senior Rehabilitation Coordinator to chair and lead the work of the group was also appointed at that time. A number of meetings have been held to date and I look forward to seeing the outcomes of their deliberations over the coming months and years.

### **Departmental Programmes.**

131. **Deputy Bernard J. Durkan** asked the Minister for Community, Rural and Gaeltacht

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Affairs the extent to which the CLÁR programme is intended to expand or retract in 2009; and if he will make a statement on the matter. [9253/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The CLÁR Programme provides funding and co-funding to Government Departments, State agencies and local authorities to accelerate investment in selected priority developments in areas that have suffered significant depopulation. These investments support physical, economic and social infrastructure across a variety of measures. The measures introduced under the Programme reflect the priorities identified by the communities in the selected areas.

The CLÁR programme budget for 2009 currently stands at €16.9m and represents a reduction on the 2008 allocations. I would emphasise, however, that one of the strengths of the CLÁR Programme has always been its ability to focus on priority needs in CLÁR areas. The CLÁR programme will continuously be refocused to deal with the priorities for those areas, especially in the current difficult economic climate.

132. **Deputy Bernard J. Durkan** asked the Minister for Community, Rural and Gaeltacht Affairs the extent to which the RAPID programme is intended to expand or retract in 2009; and if he will make a statement on the matter. [9254/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The RAPID Programme aims to ensure that priority attention is given to tackling the spatial concentration of poverty and social exclusion within 46 designated RAPID areas nationally. As I have indicated to the House on a number of occasions, it is a matter for individual Departments to report on the provision of funding and progress on delivery with respect to projects under their responsibility in the RAPID areas. In support, Pobal collects data from each RAPID area in respect of funding allocations received by projects from Government Departments and local state agencies. The latest data in respect of the programme is available on Pobal's website under the RAPID section — <http://www.pobal.ie/live/RAPID> — and the Deputy may find it useful to access this information.

I initiated the RAPID leverage schemes in 2004 in order to support small-scale projects identified locally by the Area Implementation Teams in each of the RAPID areas. These schemes are co-funded by the relevant agencies and fund projects that focus on estate enhancement, graffiti removal, traffic calming, community closed-circuit television, health and sports facilities, and the provision of playgrounds and multi-use games areas. In 2007 I agreed to co-fund the provision of facilities in schools located in, or mainly servicing children from, RAPID areas. €6.09m has been allocated in 2009 for the RAPID leverage schemes. I am satisfied that this year's allocation will be sufficient to enable further good progress to be made with small-scale co-funded projects in RAPID areas in 2009.

### **Community Development.**

133. **Deputy Bernard J. Durkan** asked the Minister for Community, Rural and Gaeltacht Affairs the number of community based projects which received support from his Department in each of the past five years; the extent to which this is expected to alter in 2009; and if he will make a statement on the matter. [9255/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** It has not been possible within the time available to compile the information sought. I am arranging

for this work to be compiled and the material provided directly to the Deputy as a matter of priority.

134. **Deputy Bernard J. Durkan** asked the Minister for Community, Rural and Gaeltacht Affairs his proposals to increase support to community based groups involved in alleviating the social impact of the economic downturn in both urban and rural communities; and if he will make a statement on the matter. [9256/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** Against the background of the current economic reality and of the pressure on the public finances, my priority is to make every effort that front-line services provided through my Department, especially those focused on the needs of the most socially deprived communities, are prioritised. With regard to alleviating the social impact of the economic downturn in both urban and rural communities, my Department has a range of programmes, schemes and measures supportive of the rural economy, tackling unemployment among the disadvantaged and enterprise development.

As the Deputy will be aware, the new Rural Development Programme (RDP) 2007-2013 includes particular measures in relation to rural enterprise development and the diversification of the rural economy. Funding under the LEADER elements of the RDP for the period 2007-2013 will amount to €425.4 million — almost treble the €150 million available for LEADER activities for the 2000-06 period. The measures under the RDP are expected to result in over 12,000 new jobs during the lifetime of the programme.

Rural recreation, rural tourism and marine leisure offer opportunities for attracting more visitors to Ireland's regions and thus positive impacts for local economies including employment. This Department promotes the countryside as a recreational resource and has introduced a number of initiatives to boost walking tourism, including the appointment of walk managers and the establishment of a countryside forum, Comhairle na Tuaithe. In 2007, Fáilte Ireland estimated that 511,000 overseas visitors participated in walking activities in Ireland, who spent some €339 million in total.

The Services for the Unemployed Measure of the Local Development Social Inclusion Programme (LDSIP) specifically supports individuals into employment and self-employment through education, training, work experience, job placement, enterprise and the social economy. During 2008 27807 adults were supported under the services for the unemployed measure. As the Deputy will be aware, the Community Services Programme provides employment opportunities for people from disadvantaged groups, including people with disabilities, long-term unemployed, travellers, lone parents and rehabilitated drug misusers. Nearly 2,400 people are employed in the 372 Projects currently approved for funding. By the end of 2009, I estimate that more than 2,600 people will be engaged by CSP supported projects.

The Rural Social Scheme currently provides employment for some 2,700 persons, mainly low and medium income farmers and fishermen. The work undertaken on the Scheme benefits communities and can help generate economic renewal at a local level and alleviate the social impact of the economic downturn. In addition to the above, I would draw the Deputy's attention to the work of Údarás na Gaeltachta. Údarás na Gaeltachta are working to reverse the downward employment trend in the Gaeltacht (with a target of 800 new jobs annually) and effect the transition from a declining manufacturing sector to employment in services, including Irish-language centred employment. The organisation also provides supports for community

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based projects in the areas of language development, child care, youth services and rural development.

*Question No. 135 answered with Question No. 130.*

### **Planning Issues.**

136. **Deputy Bernard J. Durkan** asked the Minister for Community, Rural and Gaeltacht Affairs if he has had discussions with the Department of the Environment, Heritage and Local Government with a view to ensuring that the housing requirements of rural populations are met by way of provision in the various county development plans; and if he will make a statement on the matter. [9258/09]

137. **Deputy Bernard J. Durkan** asked the Minister for Community, Rural and Gaeltacht Affairs the discussions he has had with the various local authorities with a view to ensuring continued indigenous growth in rural communities with particular reference to planning permissions to facilitate such population; and if he will make a statement on the matter. [9259/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** I propose to take Questions Nos. 136 and 137 together.

Planning permission is primarily a matter for local authorities under the relevant legislation and guidelines issued by the Department of Environment, Heritage and Local Government.

As I have said before in the House, I believe that balanced physical planning is crucial and it is to ensure this balance that the National Spatial Strategy clearly sets out the principals on which one-off houses should be granted in the countryside. It clearly articulates the right of those, with a connection to the countryside by way of background or by way of employment, to live and be granted planning permission in rural Ireland. I and my officials have regular contacts with Ministers and officials in the Department of Environment, Heritage and Local Government and various Local Authorities on issues concerning rural development.

### **Community Development.**

138. **Deputy Bernard J. Durkan** asked the Minister for Community, Rural and Gaeltacht Affairs his plans to support community based groups involved in the various projects which have previously received support or might be eligible to receive support under the schemes operated by his Department; and if he will make a statement on the matter. [9260/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** The Deputy will be aware that my Department supports a broad range of community based groups across a wide range of programmes including local and community development, rural development, Gaeltacht, islands, volunteering and drugs strategy. It is obviously necessary to take account of the current economic reality and of the pressure on the public finances in the operation of these schemes and inevitably there will have to be changes affecting the funding of schemes. Against that background, priority will be given to frontline services.

### **Child Support.**

139. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Social and Family Affairs the number of Irish nationals who were found not to satisfy the habitual residence condition in the

periods July to December 2004, July to December 2005, July to December 2006, July to December 2007, July to December 2008, and to date in 2009. [9217/09]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** The requirement to be habitually resident in Ireland was introduced as a qualifying condition for certain social assistance schemes and child benefit with effect from 1 May 2004. It was introduced in the context of the Government's decision to open the Irish labour market to workers from the 10 new EU Member States, without the transitional limitations which were imposed at that time by most of the other Member States. The effect of the condition is that a person whose habitual residence is elsewhere would not normally be entitled to social welfare assistance or child benefit payments on arrival in Ireland.

The information requested is set out in the following table. Figures for February 2009 are not yet available.

Period	Irish nationals refused under HRC
July to December 2004	176
July to December 2005	309
July to December 2006	239
July to December 2007	186
July to December 2008	176
January 2009	21

#### **Carer's Strategy.**

140. **Deputy Róisín Shortall** asked the Minister for Social and Family Affairs the position in relation to the publication of a carer's strategy. [9299/09]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** During 2008 an inter-departmental group, chaired by the Department of the Taoiseach, with secretariat support provided by my Department, undertook work to develop a national carers strategy. Unfortunately, in the current economic climate it is not possible to consider introducing any developments in services for carers at this time. In that context, rather than publishing a document which does not include any significant plans for the future, the Government has decided not to publish a strategy at this time.

The Government is acutely aware of the sacrifices made by the many people who care for others and has sought to make many improvements in services and supports for carers. Over the past decade 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.

I appreciate that it is disappointing for carers and the people for whom they care that we are not in a position to publish a strategy at this time. I met with some of their representatives earlier this week to inform them of this difficult decision taken by Government.

I also wanted to acknowledge all those who took the time to make submissions as part of the public consultation process and to assure them that those submissions were considered in detail by the working group and will inform our thinking in the future. The Department of Social and Family Affairs and the Department of Health and Children, including the Health

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Service Executive, are committed to working with the carer representative groups to deliver services in a more effective way to support the carer groups in the valuable work they do in supporting carers.

### **Social Welfare Benefits.**

141. **Deputy Róisín Shortall** asked the Minister for Social and Family Affairs the position in relation to the reform of supports for lone parents. [9300/09]

**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. These included proposals for the extension of the National Employment Action Plan to focus on lone parents, focused provision of child care and the introduction of a new social assistance payment for low income families with young children.

Any proposed new payment cannot be introduced without co-ordinated supports and services being put in place by other Departments and Agencies. The Senior Officials Group on Social Inclusion is working on an implementation plan to progress the non-income recommendations. Issues including access to child care support, education, training and activation measures are being discussed with the relevant Departments and Agencies in tandem with the development of a new payment scheme.

To further inform the process, the Department, with the co-operation of FÁS, the Office of the Minister for Children and Youth Affairs and the Department of Education and Science, tested the proposals in both an urban and rural setting: Coolock, Dublin and Kilkenny. These studies 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. It was carried out on a voluntary basis and the take-up was low.

The experience has however 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. For almost all of those intending to return to work, affordable child care is a critical issue.

Officials in the Department continue to work on developing the proposed new income support payment and the experience of this engagement process is feeding into the development of our approach to working with lone parents and qualified adults.

### **Social Insurance.**

142. **Deputy Arthur Morgan** asked the Minister for Social and Family Affairs the steps being taken to lift the PRSI ceiling. [6307/09]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** Under the PRSI system social insurance contributions are compulsorily payable by employers and employed and self-employed workers. Employees contributions are determined by reference to reckonable earnings in a weekly period, and are subject to a range of thresholds and an annual ceiling. Approxi-

mately 76 per cent of workers pay PRSI Class A and Class H at the rate of 4 per cent and accrue entitlement to a range of benefits and pensions under various social insurance schemes. Employees with incomes below €352 per week are exempt from paying PRSI. Once they earn above this level their total income, up to the annual ceiling, is chargeable to PRSI but they are entitled to a PRSI-Free Allowance of €127 per week.

The employee PRSI ceiling is reviewed annually in accordance with the legislative stipulations of the Social Welfare (Consolidation) Act, 2005. The legislation requires that changes in the average earnings of workers, as recorded by the Central Statistics Office, be taken into account in this regard. In the 2009 Budget the employee ceiling was increased by €1,300 from €50,700 to €52,000. Any future changes to the PRSI ceiling would have to be considered in a budgetary context.

### **Asgard II Salvage.**

143. **Deputy Brian O'Shea** asked the Minister for Defence if he will reconsider his decision to leave the *Asgard II* on the seabed (details supplied); and if he will make a statement on the matter. [9094/09]

**Minister for Defence (Deputy Willie O'Dea):** I have already outlined my reasons for accepting the unanimous recommendation of the board of Coiste an Asgard not to proceed with the salvage of Asgard II. The main reason for that decision was that I considered that the risks were too great to commit to spending a sum in the region of €2 million at this time on a salvage effort where the outcome is uncertain. I also had to consider the cost of restoration, which cannot be accurately assessed until after the vessel is raised. Obviously, the greater the damage caused to the vessel, the higher the cost of restoration. The decision not to proceed with a salvage operation was taken after very thorough consideration of all relevant factors and I regret that I am not in a position to reconsider that decision. However, as I have already stated, while I cannot commit public monies to a salvage operation, I will consider any realistic and funded proposals from private individuals or groups with regard to the future of Asgard II.

### **Community Development.**

144. **Deputy Paul Kehoe** asked the Minister for the Environment, Heritage and Local Government if there is financial assistance available from his Department for a community (details supplied); and if he will make a statement on the matter. [9091/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** There is no funding in my Department for this purpose.

### **Departmental Statistics.**

145. **Deputy Phil Hogan** asked the Minister for the Environment, Heritage and Local Government the projects which have gone over the timescale and budget within his Department since September 2007 to date in 2009; the length of time each project has run over; and the cost that time and budget over runs have cost to date. [9100/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** My Department's capital programmes include responsibility for Housing, Water Services, Environmental Protection, Fire Services, Libraries and other capital projects implemented primarily by local authorities but also by my Department. The scale of these projects ranges across social and affordable housing projects both by local authorities and voluntary bodies, provision of

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water supply and waste water treatment systems, construction and upgrading of fire stations and libraries, and improvement works at six National Parks.

I am satisfied that good progress is being made in advancing these programmes in a timely and efficient manner. As all of these programmes involve many hundreds of live projects, with widely varying values, at various stages of implementation. The compilation of the information sought would involve a disproportionate amount of time and work by my Department including contact with local authorities and voluntary bodies.

#### **Local Authority Boundaries.**

146. **Deputy Pat Breen** asked the Minister for the Environment, Heritage and Local Government when a White Paper on his proposals for a boundary extension will be published; his views in relation to same; and if he will make a statement on the matter. [9107/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** I am currently finalising the White Paper on local government, which I expect to publish following Government consideration. In this context I will be dealing with a range of issues, including local authority boundaries.

#### **Local Authority Staff.**

147. **Deputy Joanna Tuffy** asked the Minister for the Environment, Heritage and Local Government if, for the purposes of section 161 of the Local Government Act 2001, a person holds two employments with two different local authorities, neither of which separately exceeds the salary of a clerical officer, that person can run for the local government elections; and if he will make a statement on the matter. [9237/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** The provisions governing local authority membership and local authority employment are set out in sections 13 and 161 of the Local Government Act 2001. Under section 13 of the Act, a person employed by a local authority who is not the holder of an employment designated by order under section 161 is disqualified from being elected or co-opted to, or from becoming a member of, a local authority.

The employments designated under section 161 of the Act are those employments whose maximum remuneration, on the last date for receipt of nominations at a local election, does not exceed the maximum remuneration for the grade of Clerical Officer. While the application of the legislation is being examined by my Department, its interpretation either generally or in specific circumstances is a matter for the Courts.

#### **Greenhouse Gas Emissions.**

148. **Deputy Joanna Tuffy** asked the Minister for the Environment, Heritage and Local Government if he will abandon his plans to have taxpayers money spent on purchasing carbon offsets in respect of Government flights; and if he will make a statement on the matter. [9236/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** I have no proposals to abandon the Irish Government Offsetting Scheme. The Scheme will help reduce greenhouse gas emissions and deliver social improvements in Ireland's priority Overseas Development Aid countries in Africa by improving access to renewable and clean energy tech-

nology. The overall cost of the Scheme, estimated at some € 420,000 per annum, is modest relative to the benefits likely to accrue.

The Scheme is designed to be optimal in terms of administrative efficiency and accountability and will have the added advantage of increasing awareness of the global warming implications of air travel among official travellers and their Departments and Offices. The Renewable Energy and Efficiency Partnership (REEEP), who will operate the Scheme on Ireland's behalf, are providing their services free of charge. I propose to review the operation of the Scheme in 2011.

### **Nuclear Plants.**

149. **Deputy Joanna Tuffy** asked the Minister for the Environment, Heritage and Local Government if his attention has been drawn to a recent report by the British Nuclear Decommissioning Authority into the Mox Production Plant at Sellafield; and the steps that he will take on foot of this report. [9238/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** I assume the question refers to documents recently published by the UK Nuclear Decommissioning Authority on its Plutonium Topic Strategy, in particular the NDA Plutonium Strategy — Credible Options Technical Analysis (January 2009), which states as its purpose “to outline the credible options for a future management strategy for the UK civil stockpile of separated plutonium”.

Ireland has long been concerned about the risk to this country posed by the large and complex nuclear reprocessing site at Sellafield. The policies and actions of the Government continue to reflect the firm position that Sellafield's continued operation poses risks of real and legitimate concern to Ireland and that it should be decommissioned and closed in a safe and orderly manner. Since coming into office I have articulated this position at all appropriate opportunities.

For some years now, the UK and Ireland have developed a process for regular high level exchanges on the matter of Sellafield and its related facilities. These exchanges have embedded the ‘package’ of measures for enhanced co-operation and information exchanges announced by my predecessor in December 2004.

The background to that announcement was that, in 2001, in response to the then imminent commissioning of the MOX fuel manufacturing plant at the Sellafield site, Ireland instituted legal proceedings against the UK under the United Nations Convention on the Law of the Sea (UNCLOS). Pending the hearing of the case, Ireland applied for and received a Provisional Measures Order from the Arbitral Tribunal, which ordered a review by Ireland and the UK of the mechanisms for inter-governmental notification and co-operation. Arising from this, a series of co-operative measures was developed, agreed and put in place.

These measures are valuable from Ireland's viewpoint, are working well, and represent considerable and real added value to the necessarily co-operative relationship between Ireland and the UK on these matters. The Bi-Lateral Agreement on Early Notification of a Nuclear Incident; direct access to the UK Radiation Monitoring System (RIMNET); access for the Garda Síochána to Sellafield; access for the Radiological Protection Institute of Ireland (RPII) to Sellafield and other facilities; significantly improved information exchanges; co-operation on emergency planning with the UK; and improved and ongoing contacts at regulator and official level on nuclear issues, all provide objective evidence of real improvements.

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In this context of improved communication with the UK authorities on matters relating to Sellafield, my Department regularly participates in relevant policy development consultations conducted by the UK authorities. In October 2008 my Department participated in a consultation on Plutonium Options by the UK Nuclear Decommissioning Authority and expressed the Government's concern over the risks posed by the operation of the Sellafield plant and by the transport of nuclear materials by sea. This consultation was part of the process leading to the recent publication by the UK Nuclear Decommissioning Authority of a Plutonium Strategy — Credible Options Technical Analysis. My Department will continue to use all appropriate opportunities to communicate Ireland's concerns in these matters to the UK authorities.

I emphasise also that the Government is continuing and will continue to pursue all political, diplomatic and, where necessary and appropriate, legal options to secure the safe and orderly decommissioning of the Sellafield facility. It is my view that the ongoing discussions between the two administrations in relation to Sellafield have resulted in increased recognition by the UK Government of the depth and seriousness of Ireland's concerns about Sellafield and of the priority that is rightly accorded to the issue by the Irish Government.

#### **Telecommunications Services.**

150. **Deputy Brendan Kenneally** asked the Minister for Communications, Energy and Natural Resources the dark fibre services that will be available through the technical solution proposed by a company (details supplied) between the Telehouse in Derry and the Letterkenny and Monaghan mandatory locations; and if he will make a statement on the matter. [9020/09]

151. **Deputy Brendan Kenneally** asked the Minister for Communications, Energy and Natural Resources the terrestrial connection that is proposed by a company (details supplied) between the submarine landing point and the telehouse facility in Derry; and if he will make a statement on the matter. [9021/09]

152. **Deputy Brendan Kenneally** asked the Minister for Communications, Energy and Natural Resources if the technical solution proposed by a company (details supplied) will guarantee 99.999% availability between the three mandatory locations of Derry, Letterkenny and Monaghan and New York; the way this will be achieved; and if he will make a statement on the matter. [9022/09]

**Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan):** I propose to take Questions Nos. 150 to 152, inclusive, together.

The Kelvin project is a €30m North-South project approved for 75% EU funding under the Interreg IVA Cross Border Cooperation Programme between my Department and the Department of Enterprise, Trade and Investment (DETI) in Northern Ireland, our joint partners in the project. €12m of Irish Exchequer funding has been approved for the project, of which €9m will be refunded to the Irish Exchequer from EU funds. The contract for the Kelvin Project was awarded in late December 2008 and is now being implemented by Hibernia Atlantic.

The Kelvin project will provide high speed direct international broadband connectivity to the North West of Ireland at a very competitive cost, in particular for the towns of Derry, Letterkenny, and Monaghan. The contract for the Kelvin project requires 99.999% availability at these mandatory locations. Dark fibre on the link between the Telehouse in Derry and the

mandatory locations in Letterkenny and Monaghan will be available for use by companies for the provision of services.

I understand that Hibernia Atlantic are proposing to operate an optic fibre connection between the submarine cable landing point and the Telehouse in Derry. The completed network providing direct international connectivity under the Kelvin Project will make the entire region more attractive for international business and for foreign direct investment and will improve Ireland's overall international connectivity.

#### **Foreshore Licences.**

153. **Deputy Pat Breen** asked the Minister for Agriculture, Fisheries and Food when a foreshore licence will issue for a project (details supplied) in County Clare; and if he will make a statement on the matter. [9080/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** An application for a foreshore lease to facilitate construction of a pier at Doonbeg Co Clare was received on 9 October 2007.

The application was circulated to my Department's consultees in the normal way.

Issues have been raised by the Department of the Environment, Heritage and Local Government regarding potential impacts of the proposed development on underwater archaeology. The applicant has submitted observations regarding the issues raised and these have been forwarded to the Department of the Environment, Heritage and Local Government for its further consideration. Every effort is being made by my Department to expedite consideration of this case.

#### **Harbours and Piers.**

154. **Deputy Pat Breen** asked the Minister for Agriculture, Fisheries and Food further to Parliamentary Question No. 393 of 1 July 2008 the status of a project (details supplied); and if he will make a statement on the matter. [9078/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The pier at Doonbeg is the property of Clare County Council and responsibility for its repair and upkeep rests with the Local Authority in the first instance.

In 2008, funding of €525,000 was allocated by my Department for development works at Doonbeg, Co. Clare. However, this project did not progress in 2008 as the necessary statutory permissions were not in place. My Department has, however, received an application from Clare County Council for funding under the 2009 Fishery Harbours and Coastal Infrastructure Development Programme for improvements at the pier.

This application, together with all other applications for funding under the 2009 Fishery Harbours and Coastal Infrastructure Development Programme, will be given consideration subject to available exchequer funding and overall national priorities providing all the necessary statutory permissions are in place.

#### **Pigmeat Sector.**

155. **Deputy Michael Creed** asked the Minister for Agriculture, Fisheries and Food when and the means by which the Dutch authorities contacted his Department in relation to the discovery of PCBs in pork fat samples; and if he will make a statement on the matter. [9083/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** On the evening of December 5th 2008 an official from the Dutch food safety authority phoned an official in my Department seeking information on contents of my Department's Press Release which had been issued the previous day. The Press Release indicated the detection of marker PCBs in pork fat samples.

My understanding is that a similar enquiry was made to the FSAI on the same evening.

156. **Deputy Dan Neville** asked the Minister for Agriculture, Fisheries and Food if he will make a statement on a matter (details supplied). [9093/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The agreement concluded with pig processors in December involved making available a facility of €180 million from the public finances to assist processors in funding the recall and destruction of certain pork products from the market and product in storage. As a result of that agreement, processing plants were able to resume operations within a week.

To date, a total of €37.16m has been paid to processors as interim payments. Funding is also being provided to pay for relevant verification, rendering and destruction services. In addition, ex gratia payments are being made to those pig producers whose animals are being destroyed as a result of the dioxin incident. None of these herds is located in Co. Limerick.

In the context of general initiatives to assist the sector, Teagasc has prepared a development strategy for the Irish pig industry, which identifies the issues facing the sector and makes certain recommendations. The 'Pig Industry Strategy Steering Group', which includes representation from my Department and all sectors of the industry, has been established for the purpose of furthering those recommendations. This group will identify, prioritise and promote actions needed to ensure a viable sustainable future for the pig sector.

Bord Bia is also very active in promoting the sector. Following on from the dioxin issue, the Bord plans a number of relevant marketing and promotion initiatives. On the Irish market a series of promotional campaigns are planned. These commenced this month and focus on building awareness and loyalty to the Bord Bia Quality Mark. These will underline the quality of Irish pigmeat and will communicate its origin.

A customer reassurance programme will continue in export markets. This will entail

- Continued direct Bord Bia contact with customers, placing key information about the Irish pigmeat industry in context and demonstrating the integrity of Irish health controls,
- A trade communications programme designed to position the capability of the Irish pigmeat sector and the safety and quality measures in place to influence key decision makers in the retail, food service and manufacturing sectors and
- A programme to maximise international market access for Irish pigmeat products. This will involve communications activities designed to build confidence among national authorities and opinion formers in markets based around Ireland's health controls.

#### **Grant Payments.**

157. **Deputy John Perry** asked the Minister for Agriculture, Fisheries and Food if he will ensure that a REP scheme four payment is made in respect of a person (details supplied) in County Sligo; and if he will make a statement on the matter. [9095/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** REPS 4 is a measure under the current Rural Development Programme 2007-13 and is subject to EU Regulations which require detailed administrative checks on all applications to be completed before the first payments issue. The first payments for 2008 REPS 4 applications issued in the last week of January to those whose applications required no correction following the administrative checks. Further payments continue to be made as applications are cleared.

Queries have arisen during the administrative checks on the plan of the person named and it is currently under further examination.

#### **Departmental Programmes.**

158. **Deputy Fergus O'Dowd** asked the Minister for Agriculture, Fisheries and Food if there are further incentives and reliefs to assist a person (details supplied) in County Louth; and if he will make a statement on the matter. [9109/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** There are no grants or reliefs available from my Department for assisting in home feed mixing operations.

#### **Grant Payments.**

159. **Deputy Michael Ring** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Mayo will be awarded a REP scheme three payment. [9120/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** Payment will issue to the person named within the next 10 days.

#### **Rural Environment Protection Scheme.**

160. **Deputy Pat Breen** asked the Minister for Agriculture, Fisheries and Food if he will clarify the situation regarding REP scheme four; his plans to phase in payments in line with his recent decision on the farm waste management scheme; if funding is available in the long-term for this scheme; and if he will make a statement on the matter. [9122/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** My Department's Vote for 2009 includes a provision of €355 million for REPS. I have previously indicated my intention to make REPS available to farmers as a scheme that meets environmental imperatives and consumer demands for environmentally-friendly food production.

#### **School Transport.**

161. **Deputy Emmet Stagg** asked the Minister for Education and Science the reason transport costs for pupils in Ticknevin, Carbury, County Kildare, attending a school (details supplied) in County Offaly have risen from €33 per annum in 2006, to €126 per annum in 2007, to €168 per annum in 2008 and to more than €300 per annum in 2009; and if he will reduce the transport chargers being imposed. [9024/09]

**Minister of State at the Department of Education and Science (Deputy Seán Haughey):** The Budget 2009 increases in school transport charges will apply from the start of the 2009/10 school year. The annual charges in 2006 and 2007 were in fact €99 and €138 respectively.

In order to minimise the overall impact, these charge increases will apply to the 55,000 eligible post-primary pupils and children availing of concessionary transport. Charges will con-

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tinue to be waived in the case of eligible post-primary children where the family is in possession of a valid medical card. A maximum family rate of €650 will also be applied. My Department has also given parents the option of spreading the amount over two payments due in July and December 2009.

The costs in school transport, a service delivered by Bus Eireann on behalf of my Department, have been increasing arising from a range of issues such as: — In ensuring a comfortable and safe transport service for over 135,000 children daily travelling to and from school, measures to ensure the highest standards including the phasing out of the 3 for 2 seating arrangement on both primary and post-primary services, providing all children with an adult seat each; — The addition of a considerable number of vehicles to address capacity shortfalls arising from the decision to provide each child with an individual seat and the equipping of all dedicated school buses with safety belts; — increased demands to meet the needs of special needs children; — Parental choice.

The overall spend in 2009 is now estimated to be €194m — a reduction of €2m in the revised allocations as a result of efficiencies. Furthermore, there have been increases in the school transport charges in the 2009 Budget.

Taking into account the factors outlined, it is not envisaged that there will be a reduction in either the estimated expenditure or the charges.

My Department has also commenced a Value for Money Review of the School Transport Scheme which is to be completed before the end of the year.

#### **Pupil-Teacher Ratio.**

162. **Deputy Ulick Burke** asked the Minister for Education and Science if he will review his decision to reduce the teacher-pupil ratio at a school (details supplied) in County Galway despite having the required retention number on 30 September 2008; if his attention was drawn to the effect this would have on the delivery of the high quality of education at the school at present; and if he will make a statement on the matter. [9047/09]

164. **Deputy Paul Connaughton** asked the Minister for Education and Science if a school (details supplied) in County Galway will lose a teacher as result of the changes that he made to the pupil-teacher ratio in budget 2009; if his attention was drawn to the fact that out of the 48 pupils enrolled in the school nine are Travellers and five have special needs; and if he will make a statement on the matter. [9064/09]

175. **Deputy Michael Ring** asked the Minister for Education and Science if he will review the circumstances of a school (details supplied) in County Mayo and not cut the staffing levels of this school as proposed. [9118/09]

176. **Deputy Niall Collins** asked the Minister for Education and Science the position regarding a school (details supplied) in County Limerick; and if he will make a statement on the matter. [9199/09]

**Minister for Education and Science (Deputy Batt O’Keeffe):** I propose to take Questions Nos. 162, 164, 175 and 176 together.

I have consistently said that the 2009 Budget required difficult choices to be made across all areas of public expenditure. These decisions were made to control public expenditure and to

ensure sustainability in the long run. In this respect Education while protected to a much greater extent than most other areas of public expenditure could not be totally spared. The various impacts at school level were included in the Budget day announcements. Even with the Budget measures in place there will still be a significantly increased borrowing requirement in 2009.

The budget measures will impact on individual schools in different ways depending on whether enrolment is rising or declining and the degree to which any one school has more teachers than it is entitled to under the allocation processes.

In terms of the position at individual school level the key factor for determining the level of resources provided by my Department is the pupil enrolment at 30 September 2008. The annual process of seeking these enrolment data from schools took place in the autumn and the data have since been received and processed in my Department enabling the commencement of the processes by which teaching resources are allocated to schools for the school year that begins next September.

My Department has written to the primary schools that are projected to have a net loss or gain in classroom teaching posts in September, 2009. As part of my efforts to ensure that relevant information is openly available to the public detailed information on the opening position for primary schools is now published on my Department's website. This provisional list sets out the details on individual schools that, taken collectively, are projected to gain 128 posts and to lose 382 posts — a net reduction of 254 posts. It is my intention to have this information updated and ultimately to set out the final position when the allocation processes are completed.

The above allocations are provisional at this stage and reflect the initial allocation position. The final position for any one school will depend on a number of other factors such as additional posts for schools that are developing rapidly and posts allocated as a result of the appeals processes. The operation of redeployment arrangements also impacts on the final position as a teacher can remain in his or her existing school where a suitable redeployment position does not exist. The final staffing position for all schools will therefore not be known until the autumn. At that stage the allocation process will be fully completed for mainstream classroom teachers and any appeals to the Staffing Appeals Board will have been considered.

### **Higher Education Grants.**

163. **Deputy Paul Gogarty** asked the Minister for Education and Science if he will explain what constitutes out of term time in relation to the calculation of reckonable income for a student grant application; if income earned at weekends is considered out of term time income; if income earned in the time before a student begins a third level course is considered out of term time income; and if he will make a statement on the matter. [9050/09]

**Minister for Education and Science (Deputy Batt O'Keeffe):** The assessment of means under my Department's third level student support schemes is based on gross income from all sources of the candidate and his/her parents/guardians, where applicable, with certain social welfare and health service executive payments being exempt.

It is necessary, therefore, that information regarding all income, including that from after school/weekend employment, is accounted for when completing the grant application form. However, in the assessment of means, allowance is made for "holiday earnings" on the part of

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the candidate. Under the terms of the Schemes holiday earnings are considered as a candidate’s reasonable earnings from employment outside of term time.

*Question No. 164 answered with Question No. 162.*

### School Accommodation.

165. **Deputy Charles Flanagan** asked the Minister for Education and Science the schools and the number of classroom units within each school in County Laois that are availing of accommodation under the temporary accommodation scheme; the average rental cost of each unit per annum in tabular form; and if he will make a statement on the matter. [9066/09]

**Minister for Education and Science (Deputy Batt O’Keeffe):** I include for the Deputy’s information details held by this Department of the schools in County Laois renting prefabricated units in the tabular statement. The latest information is that currently 20 Primary schools are renting 47 classroom units and 1 Post-Primary School is renting 11 classroom units. The average rental cost per classroom unit for Co. Laois is €13,835. As the Deputy will appreciate the cost per unit will vary depending on the size, type and age of each unit.

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. It will continue to be necessary for prefabricated accommodation to be provided because competing priorities mean that it will not always be possible to have a permanent accommodation solution in place in a short timeframe.

#### Temporary Accommodation — Co. Laois

Roll No.	School Name	Address
01556F	Scoil Bhride NS	Ballyroan, Laois
07183W	St Josephs GNS	Davitt Road, Mountmellick, Laois
07183W	St Josephs GNS	Davitt Road, Mountmellick, Laois
07636K	St Fintan BNS	New Line Road, Mountrath, Laois
12692B	Kiladooley NS	Ballybrophy, Portlaoise, Laois
12692B	Kiladooley NS	Ballybrophy, Portlaoise, Laois
13643Q	Emo NS	Emo, Portlaoise, Laois
13643Q	Emo NS	Emo, Portlaoise, Laois
13643Q	Emo NS	Emo, Portlaoise, Laois
13643Q	Emo NS	Emo, Portlaoise, Laois
13643Q	Emo NS	Emo, Portlaoise, Laois
13643Q	Emo NS	Emo, Portlaoise, Laois
13643Q	Emo NS	Emo, Portlaoise, Laos
13741Q	Rath NS	Ballybrittas, Portlaoise, Laois
14260F	South NS	Ballacolla Road, Abbeyleix, Laois
14838N	Maryboro NS	Stradbally Road, Portlaoise, Laois
15446B	Gaelscoil Thromaire	Trumera, Mountrath, Laois
17064U	St Patricks NS	Ballylinan, Athy, Kildare (Laois)
17064U	St Patricks NS	Ballylinan, Athy, Kildare (Laois)
17064U	St Patricks NS	Ballylinan, Athy, Kildare (Laois)
17557U	St Abbans NS	Killeen, Mageney, Laois
17557U	St Abbans NS	Killeen, Mageney, Laois

Roll No.	School Name	Address
17604D	Ratheniska NS	Ratheniska, Portlaoise, Laois
17604D	Ratheniska NS	Ratheniska, Portlaoise, Laois
17604D	Ratheniska NS	Ratheniska, Portlaoise, Laois
17617M	Scoil Chomhghain Naofa	Killeshin, Laois
17617M	Scoil Chomhghain Naofa	Killeshin, Laois
17692D	Stradbally BNS	Stradbally, Laois
18150S	Scoil an Fraoich Mhoir	The Heath, Portlaoise, Laois
18150S	Scoil an Fraoich Mhoir	The Heath, Portlaoise, Laois
18150S	Scoil an Fraoich Mhoir	The Heath, Portlaoise, Laois
18547W	Faolan Naofa NS	Baile Ui Ruain, Portlaoise, Laois
18828H	St Pauls Primary	Borris Road, Portlaoise, Laois
18828H	St Pauls Primary	Borris Road, Portlaoise, Laois
18828H	St Pauls Primary	Borris Road, Portlaoise, Laois
18828H	St Pauls Primary	Borris Road, Portlaoise, Laois
18828H	St Pauls Primary	Borris Road, Portlaoise, Laois
18828H	St Pauls Primary	Borris Road, Portlaoise, Laois
19747M	Scoil Bhríde NS	Knockmay, Portlaoise, Laois
19747M	Scoil Bhríde NS	Knockmay, Portlaoise, Laois
19747M	Scoil Bhríde NS	Knockmay, Portlaoise, Laois
19747M	Scoil Bhríde NS	Knockmay, Portlaoise, Laois
19747M	Scoil Bhríde NS	Knockmay, Portlaoise, Laois
19747M	Scoil Bhríde NS	Knockmay, Portlaoise, Laois
20071L	Scoil Bhríde NS	Rathdowney, Rathdowney, Laois
20224K	Gaelscoil an tSli Dala	An Bealach Mór, Buirios Mor Osrai, Laois
20224K	Gaelscoil an tSli Dala	An Bealach Mór, Buirios Mor Osrai, Laois
63440J	Patrician College	Ballyfin, Portlaoise, Laois
63440J	Patrician College	Ballyfin, Portlaoise, Laois
63440J	Patrician College	Ballyfin, Portlaoise, Laois
63440J	Patrician College	Ballyfin, Portlaoise, Laois
63440J	Patrician College	Ballyfin, Portlaoise, Laois
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63440J	Patrician College	Ballyfin, Portlaoise, Laois
63440J	Patrician College	Ballyfin, Portlaoise, Laois
63440J	Patrician College	Ballyfin, Portlaoise, Laois

### Grant Payments.

166. **Deputy Dan Neville** asked the Minister for Education and Science the status in relation to an application for a Montessori grant made by a group (details supplied) in County Limerick; and if he will make a statement on the matter. [9068/09]

**Minister of State at the Department of Education and Science (Deputy Barry Andrews):** My Department does not operate a Montessori grant scheme. If the Deputy has further information on the grant scheme or some reference number that can be checked I will be happy to have this further checked out within my Department.

### Special Educational Needs.

167. **Deputy Bobby Aylward** asked the Minister for Education and Science if he will confirm that a special needs assistant and access to an individual education programme will be made available to a person (details supplied) in County Wexford, who has been diagnosed with Asperger's syndrome. [9077/09]

**Minister for Education and Science (Deputy Batt O'Keeffe):** As the Deputy will be aware, the National Council for Special Education (NCSE) is responsible, through its network of local Special Educational Needs Organisers (SENOs), for allocating resource teachers and Special Needs Assistants (SNAs) to schools to support children with special needs.

Applications for SNAs may be considered by the NCSE where a pupil has a significant medical need for such assistance and where there are identified care needs arising from a diagnosed disability. A pupil's level of care may diminish over time as the child matures. Pupils may move to a different school or on to post-primary school. In such situations, the NCSE will review and adjust the SNA support required in the school. The NCSE operates within my Department's criteria in allocating such support. I understand that the local SENO is currently processing an application for an individual SNA for this child and a decision should issue shortly.

The Deputy will also be aware that the Education for Persons with Special Educational Needs (EPSEN) Act, 2004 makes provision for an education plan for each individual pupil with special educational needs, and this will become mandatory when the relevant sections of the Act are commenced. In preparation for this, the NCSE have published guidelines on the Individual Education Plan process and a copy issued to all primary and post primary schools at the commencement of the 2006/2007 school year. These guidelines provide advice and assistance to schools, teachers and parents on devising and implementing individual education plans. It is the NCSE's intention that these guidelines will provide a benchmark for best practice pending the implementation of the Act and that schools will use these guidelines to draw up school policies and procedures in relation to individual education plans in advance of the mandatory requirement for them to do so.

My Department encourages parents and school authorities to engage locally regarding pupils' education. In addition, schools and parents can contact their local SENO directly to discuss a pupil's special educational needs, using the contact details available on [www.ncse.ie](http://www.ncse.ie).

### Schools Building Projects.

168. **Deputy Pat Breen** asked the Minister for Education and Science further to Parliamentary Question No. 339 of 8 October 2008, the status of a school building project; when a technical visit will take place for a school (details supplied) in County Clare; and if he will make a statement on the matter. [9079/09]

**Minister for Education and Science (Deputy Batt O'Keeffe):** The development of a building project for the school to which the Deputy refers is at an early stage. A technical inspection will be arranged in due course and consistent with the priority attaching to the project.

Thereafter, the further progression of the project, from initial design stage through to construction phase will, as with all large scale capital projects, 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 Department's capital budget, it is not possible to give an indicative timeframe for the further progression of the project at this time.

### Departmental Bodies.

169. **Deputy Kathleen Lynch** asked the Minister for Education and Science the names of those on the panel of the staffing appeals board; the number of times the number of times the board has met; the number of successful and unsuccessful appeals heard each year over the past five years on a county basis by the staffing appeals board; the criteria determined by him for decisions by the board; and if he will make a statement on the matter. [9092/09]

**Minister for Education and Science (Deputy Batt O'Keeffe):** The members of the Appeal Board are: Dr. Tom McCarthy, Chairperson, Mr. Frank Davis, Ms. Monica Healy, Ms. Mairead McGowan and Mr. Sean Nolan. The information which the Deputy requested in relation to the number of appeals considered by the Appeal Board over the past five years is as follows.

It is open to the Board of Management to submit an appeal under certain criteria to an independent Appeal Board which was established to adjudicate on appeals on mainstream staffing allocations in primary schools. Details of the criteria and application dates for appeal are contained in the staffing schedule, Circular 0002/2009, available on my Department's website. The criteria are also available in Circular 0024/2007 (Appeal Board for Mainstream Staffing in Primary Schools) which is also available on my Department's website.

The Appeal Board meets in May, July and October each year to consider cases submitted. Appeals must be submitted to Primary Allocations Section, Department of Education and Science, Athlone, on the standard application form, clearly stating the criterion under which the appeal is being made. The standard application form is available from Primary Allocations Section or on my Department's website. Closing dates for receipt of staffing appeals in the current year are 29 April, 29 May and 9 October 2009.

The Appeal Board operates independently of the Department and its decision is final.

Summary of Appeals: Primary Staffing Appeal Board

Year	Number of Appeals Considered	Number of Appeals Upheld
2004	68	6
2005	96	9
2006	88	11
2007	74	16
2008	49	16

### Schools Building Projects.

170. **Deputy Leo Varadkar** asked the Minister for Education and Science the companies which have been awarded the building contracts in relation to schools (details supplied) that are going ahead in Dublin 15; and if he will make a statement on the matter. [9098/09]

**Minister for Education and Science (Deputy Batt O'Keeffe):** The tendering process for the awarding of building contracts is under way for the school building projects to which the Deputy refers. No contracts have yet been signed so it would not be appropriate for me to comment

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further with regard to companies involved. I can say that, subject to the necessary technical and financial approvals, contracts will be placed with the preferred bidders as soon as possible.

### **School Transport.**

171. **Deputy James Bannon** asked the Minister for Education and Science the way in respect of a person (details supplied) in County Longford can justify an almost 100% increase in school transport charges from €168 to €300, in respect of their children who live four miles from their school; and if he will make a statement on the matter. [9105/09]

**Minister of State at the Department of Education and Science (Deputy Seán Haughey):** The costs in school transport, a service delivered by Bus Éireann on behalf of my Department, have been increasing arising from a range of issues such as: in ensuring a comfortable and safe transport service for over 135,000 children daily travelling to and from school, measures to ensure the highest standards including the phasing out of the 3 for 2 seating arrangement on both primary and post-primary services, providing all children with an adult seat each; the addition of a considerable number of vehicles to address capacity shortfalls arising from the decision to provide each child with an individual seat and the equipping of all dedicated school buses with safety belts; increased demands to meet the needs of special needs children; parental choice.

The overall spend in 2009 is now estimated to be €194m — a reduction of €2m in the revised allocations as a result of efficiencies. Furthermore, there have been increases in the school transport charges in the 2009 Budget. Taking into account the factors outlined, it is not envisaged that there will be a reduction in either the estimated expenditure or the charges. My Department has also commenced a Value for Money Review of the School Transport Scheme which is to be completed before the end of the year.

### **Schools Building Projects.**

172. **Deputy Pat Breen** asked the Minister for Education and Science further to Parliamentary Question No. 338 of 8 October 2008, if he will report on the appointment of a design team for a school (details supplied) in County Clare; and if he will make a statement on the matter. [9106/09]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The development of a building project for the school to which the Deputy refers is at an early stage. 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 Department’s capital budget, it is not possible to give an indicative timeframe for the further progression of the project at this time.

### **Third Level Institutions.**

173. **Deputy Ruairí Quinn** asked the Minister for Education and Science further to Parliamentary Question No. 506 of 24 February 2009 the reason his Department is taking steps to have the management and accounting practices in the universities reviewed and examined; and if he will make a statement on the matter. [9116/09]

**Minister for Education and Science (Deputy Batt O’Keeffe):** In answer to the Deputy’s previous Parliamentary Question of 24 February I replied that my Department was reviewing the position with TCD to ensure that the remuneration levels of the relevant staff were regularised and in full compliance with the recommendations outlined in Report No 42 of the Review Body on Higher Remuneration.

### **Higher Education Grants.**

174. **Deputy Ruairí Quinn** asked the Minister for Education and Science further to Parliamentary Question No. 447 of 24 February 2009, if an applicant for a maintenance grant can use a sworn affidavit to certify their proof of address; if not, the reason these legal documents are not accepted; and if he will make a statement on the matter. [9117/09]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The decision on eligibility for student maintenance grants is a matter for the relevant assessing authority, either the local authority or VEC, as appropriate. These bodies do not refer individual applications to my Department, except in exceptional circumstances.

In order to establish the candidate’s status as an independent mature student, documentary evidence is required as proof of a candidate’s ordinary-permanent address from 1 October of the year preceding entry to college. Examples of the type of documentary evidence which would establish residence are as follows: (i) utility bills, such as a telephone, gas or ESB bill; (ii) evidence of registration with the Private Residential Tenancies Board (PRTB); (iii) official documentation from any Government Department e.g. The Department of Social and Family Affairs or the Revenue Commissioners (if any). These documents must cover the period outlined. An affidavit in isolation cannot be accepted as sole proof of residency.

The awarding authorities are obliged to satisfy themselves beyond doubt that an acceptable degree of proof is submitted by the grant applicant in establishing eligibility under all aspects of the schemes. This requires the candidate to supply appropriate evidence verifying his status. If an individual applicant considers that she/he has been unjustly refused a maintenance grant, or that the rate of maintenance grant awarded is not the correct one, she/he may appeal, in the first instance, to the relevant local authority or VEC.

Where an individual applicant has had an appeal turned down, in writing, by the relevant local authority or VEC and remains of the view that the body has not interpreted the schemes correctly in his/her case, an appeal form outlining the position may be submitted by the applicant to my Department.

*Questions Nos. 175 and 176 answered with Question No. 162.*

### **Schools Building Projects.**

177. **Deputy Joanna Tuffy** asked the Minister for Education and Science the position regarding the need for a permanent school building for a school (details supplied) in County Dublin; and if he will make a statement on the matter. [9233/09]

**Minister for Education and Science (Deputy Batt O’Keeffe):** I wish to advise the Deputy that County Dublin VEC has agreed to dispose of a site to my Department under the terms of a 99 year lease. The Department is waiting the legal documents in relation to same from the VEC.

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In light of current competing demands on the capital budget of my Department, it is not possible to give an indicative timeframe for the progression of the project at this time.

178. **Deputy Joanna Tuffy** asked the Minister for Education and Science the position regarding plans for a new community college in Lucan south, Dublin; and if he will make a statement on the matter. [9235/09]

**Minister for Education and Science (Deputy Batt O’Keeffe):** I wish to advise the Deputy that a new Community College is under construction in Adamstown, which will cater for 1,000 pupils. This school building is planned to come on stream in 2009 and will operate under the patronage of County Dublin VEC. Based on current demographic trends, my Department anticipates that there will be a need for a further post-primary school in Lucan in the medium term to cater for a long-term projected enrolment of 1,000 pupils.

My Department has been in contact with South Dublin County Council regarding a potential site for future educational provision in the area, and has arranged a technical inspection of the various site options identified by South Dublin County Council. These options are currently being considered and the Department will be in further contact with South Dublin County Council in the coming weeks regarding the matter.