



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

*Thursday, 12 November 2009.*

Requests to move Adjournment of Dáil under Standing Order 32 ... ..	511
Order of Business ... ..	511
National Asset Management Agency Bill 2009: From the Seanad ... ..	531
Ceisteanna — Questions	
Tánaiste and Minister for Enterprise, Trade and Employment	
Priority Questions ... ..	581
Other Questions ... ..	593
Adjournment Debate Matters ... ..	595
Adjournment Debate	
Hospital Services ... ..	595
Health Services ... ..	598
Schools Building Projects ... ..	600
Higher Education Grants ... ..	602
Questions: Written Answers ... ..	605

# DÁIL ÉIREANN

---

*Déardaoin, 12 Samhain 2009.*  
*Thursday, 12 November 2009.*

---

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

---

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

**An Ceann Comhairle:** Before coming to the Order of Business, I propose to deal with a number of notices under Standing Order 32. I will call on the Deputies in the order in which they submitted their notices to my office.

**Deputy Paul Connaughton:** I wish to seek the adjournment of the Dáil under Standing Order 32 to raise a matter of national importance, namely, the despicable manner in which elderly people are treated when they try to contact the primary care reimbursement service in Finglas, Dublin 11, to inquire about their medical card applications; whether the Minister for Health and Children is aware of the problems in making contact with the Finglas centre — in some cases applicants never actually get through — and that this is causing annoyance, frustration and especially fear to hundreds of elderly people. It is an absolute disgrace.

**Deputy Pádraic McCormack:** Something should be done.

**Deputy James Bannon:** I wish to seek the adjournment of the Dáil under Standing Order 32 to raise a matter of national importance, namely, the threat to countrywide home ownership with the number of new mortgages given out in the third quarter falling again, a 56.4% decrease from the same period last year and a 4% reduction from the second quarter of this year. This is a worrying trend, combined as it is with a massive increase in the demand for rent supplement, which has increased by 24% since last December, with 91,600 currently receiving this payment. This is a waste of scarce resources which should be utilised to place people in long-term housing.

**An Ceann Comhairle:** Having considered the matters raised, they are not in order under Standing Order 32.

**Deputy Pádraic McCormack:** What about Deputy Connaughton's issue? What about old people and medical cards?

## **Order of Business.**

**The Tánaiste:** It is proposed to take No. *a1*, National Asset Management Agency Bill 2009 — amendments from the Seanad; and No. 1, Industrial Relations (Amendment) Bill 2009 [*Seanad*] — Second Stage. It is proposed, notwithstanding anything in Standing Orders, that the proceedings on No. *a1* shall, if not previously concluded, be brought to a conclusion at 3.30 p.m. and any amendments from the Seanad not disposed of shall be decided by one question which shall be put from the Chair, and which shall, in respect of amendments to the Seanad amendments, include only those set down or accepted by the Minister for Finance.

**An Ceann Comhairle:** There is one proposal to put to the House. Is the proposal to deal with number *a1*, Seanad amendments to the National Asset Management Agency Bill 2009, agreed?

**Deputy Phil Hogan:** Fine Gael will continue to oppose the NAMA legislation. It is not built on concepts that will get credit moving again or that will retain or create new employment opportunities. Before the House divides on this matter, has the Tánaiste received EU approval for the plan proposed through NAMA? If not, when is that approval likely to be given? Will further legislation be required?

**An Ceann Comhairle:** There will be ample opportunity to put these questions to the Minister.

**Deputy Phil Hogan:** There might not be ample time on this issue.

**Deputy Noel J. Coonan:** I would not be too sure.

**Deputy Phil Hogan:** To establish our position on the proposal put to the House, we need answers to these questions. Has EU approval been granted for the plan? If not, when will it be given? If changes or conditions are proposed by the EU Commission, will further legislation be required? Will the Bill be sent to the President for signature before EU approval is granted? Has the Tánaiste had any contact with the European Commission, particularly Commissioner Kroes, about the changes in the structure of the banking sector that may arise from NAMA being construed as a state aid?

**An Ceann Comhairle:** These are questions with which the Minister for Finance will deal.

**Deputy Phil Hogan:** These are very important questions about our attitude. I ask the Tánaiste to answer these questions so that we can establish how to vote on this issue.

**An Ceann Comhairle:** We have spent long hours debating the Bill to date.

**Deputy Michael Ring:** Can we put the whole lot of them into NAMA? Into NAMA with the lot of them, Ministers and all, along with the Fianna Fáil builders.

**Deputy Dermot Ahern:** Deputy Ring is still in Fine Gael. He was going to join Labour.

**Deputy Noel J. Coonan:** Hard labour.

**Deputy Eamon Gilmore:** The Labour Party wishes to oppose the Government's proposal for taking the NAMA legislation today. It is somewhat unusual to have amendments from the Seanad although we get the odd amendment from time to time. In this case, 37 amendments were made to the Bill, most of which were proposed by the Minister. The Government wishes to guillotine discussion on this at 3:30 p.m. It is not just for procedural reasons that the Labour Party is opposing this proposal; it is because of the scale. This is the biggest corporate welfare cheque ever written. We are told every day that there is no money. There is no money for the Christmas bonus——

**Deputy Pádraic McCormack:** Cancel Christmas.

**Deputy Eamon Gilmore:** ——no money for child benefit, no money for paying wages, no money to help people in trouble with their mortgages and no money to take initiatives to get people back to work, but there is no shortage of money for the banks. Let us bear in mind what has been already done. Some €4 billion has been put into a delinquent bank called Anglo Irish Bank and €7 billion has been provided for Bank of Ireland and AIB. According to the Government's business plan for NAMA, this exercise will involve overpayment for assets by

another €7 billion. That amounts to €18 billion, which would pay the Christmas bonus for 90 years. It is equivalent to five times the adjustment in the public finances about which the Minister will talk in the budget, which will cause everyone a great deal of grief for the next number of years. It is almost as if this is not real money. It is €18 billion of real money without getting into whether more money will be needed for further recapitalisation of the banks or the interest being added to the cost of the State's borrowing. The Government wants to get all of this done and dusted by 3.30 p.m., yet it will turn around to people in bad circumstances and tell them that there is no money. All of this is because of Fianna Fáil's mismanagement of the economy.

**Deputies:** Hear, hear.

**Deputy Eamon Gilmore:** This problem happened because of Fianna Fáil's policies of encouraging property speculation down the years which created the property bubble, because it made the wrong call on the bank guarantee scheme and because it made a second wrong call on NAMA when there was the alternative of nationalising the banks——

**Deputy Noel Dempsey:** What a load of rubbish.

**Deputy Eamon Gilmore:** ——for far less than all of this would cost.

**Deputy Caoimhghín Ó Caoláin:** The Sinn Féin Deputies do not agree to the Order Paper as presented by the Tánaiste this morning. Very simply, we oppose the NAMA proposition absolutely and the guillotine to be applied. Make no mistake about it, 37 amendments coming back from the Seanad is tantamount to an acknowledgement — an admission on the part of the Government because they are Government amendments — that what was discussed and processed through this House was flawed and that many elements needed further address, as they still do if this is the approach to be taken.

The 37 amendments make a significant body of work to be addressed here over a very limited number of hours. Let me remind the House that only 17 of the approximately 200 amendments presented on Report Stage were dealt with substantively during the passage of NAMA through this House and that was over a number of days. Here, we are being asked to address 37 amendments referred back to this House from the Upper House in a matter of a few hours. This is indicative of the Government's attitude to this, which is to railroad, steam-roll and have its way no matter what. Very simply, if it is voted on to proceed in a matter of hours to address what is involved in this body of amendments, it will be clear that there is no regard whatsoever for real and responsible address of what is at the core of NAMA. We cannot accept it under any circumstances.

**The Tánaiste:** We have had a considerable period of time to debate the legislation. In this House we had 86 hours of debate and in the Seanad we had 36 hours of debate. In the context of what we would like to achieve, which is the completion of this legislation as a matter of urgency, which was urged by the Commissioner when he was here recently, I propose the motion.

**Deputy Terence Flanagan:** There are 37 amendments.

Question put: "That the proposal for dealing with No. a1 be agreed to."

## The Dáil divided: Tá, 80; Níl, 57.

## Tá

Ahern, Bertie.  
 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.  
 Coughlan, Mary.  
 Cregan, John.  
 Cuffe, Ciarán.  
 Curran, John.  
 Dempsey, Noel.  
 Devins, Jimmy.  
 Dooley, Timmy.  
 Fahey, Frank.  
 Finneran, Michael.  
 Fitzpatrick, Michael.  
 Fleming, Seán.  
 Flynn, Beverley.  
 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.  
 Kitt, Michael P.  
 Kitt, Tom.  
 Lenihan, Brian.  
 Lenihan, Conor.  
 Lowry, Michael.  
 McEllistrim, Thomas.  
 McGrath, Mattie.  
 McGrath, Michael.  
 McGuinness, John.  
 Mansergh, Martin.  
 Martin, Micheál.  
 Moloney, John.  
 Mulcahy, Michael.  
 Nolan, M.J.  
 Ó Cuív, Éamon.  
 Ó Fearghaíl, Seán.  
 O'Brien, Darragh.  
 O'Connor, Charlie.  
 O'Dea, Willie.  
 O'Donoghue, John.  
 O'Flynn, Noel.  
 O'Hanlon, Rory.  
 O'Keeffe, Batt.  
 O'Keeffe, Edward.  
 O'Sullivan, Christy.  
 O'Sullivan, Maureen.  
 Power, Peter.  
 Power, Seán.  
 Roche, Dick.  
 Ryan, Eamon.  
 Sargent, Trevor.  
 Scanlon, Eamon.  
 Smith, Brendan.  
 Treacy, Noel.  
 Wallace, Mary.  
 White, Mary Alexandra.  
 Woods, Michael.

## Níl

Allen, Bernard.  
 Bannon, James.  
 Breen, Pat.  
 Broughan, Thomas P.  
 Burke, Ulick.  
 Burton, Joan.  
 Byrne, Catherine.  
 Carey, Joe.  
 Clune, Deirdre.  
 Connaughton, Paul.  
 Coonan, Noel J.  
 Costello, Joe.  
 Crawford, Seymour.  
 Creed, Michael.  
 D'Arcy, Michael.  
 Deenihan, Jimmy.  
 Doyle, Andrew.  
 Durkan, Bernard J.  
 English, Damien.  
 Feighan, Frank.  
 Ferris, Martin.

Flanagan, Terence.  
 Gilmore, Eamon.  
 Hayes, Brian.  
 Hayes, Tom.  
 Higgins, Michael D.  
 Hogan, Phil.  
 Howlin, Brendan.  
 Kehoe, Paul.  
 Lynch, Ciarán.  
 McCormack, Pádraic.  
 McEntee, Shane.  
 McGinley, Dinny.  
 McManus, Liz.  
 Morgan, Arthur.  
 Naughten, Denis.  
 Neville, Dan.  
 Ó Caoláin, Caoimhghín.  
 Ó Snodaigh, Aengus.  
 O'Donnell, Kieran.  
 O'Dowd, Fergus.  
 O'Keeffe, Jim.

Níl—*continued*

O'Mahony, John.  
O'Sullivan, Jan.  
Penrose, Willie.  
Perry, John.  
Reilly, James.  
Ring, Michael.  
Sheahan, Tom.  
Sheehan, P.J.

Sherlock, Seán.  
Shortall, Róisín.  
Stagg, Emmet.  
Stanton, David.  
Timmins, Billy.  
Upton, Mary.  
Wall, Jack.

Tellers: Tá, Deputies Pat Carey and John Cregan; Níl, Deputies Paul Kehoe and Emmet Stagg.

Question declared carried.

**Deputy Phil Hogan:** I ask the Tánaiste whether the National Asset Management Agency Bill 2009 will be referred to the President prior to the EU's approval being sought.

**Deputy Billy Kelleher:** That is out of order.

**An Ceann Comhairle:** Deputy Hogan, we are not debating the issue.

**Deputy Billy Kelleher:** He is compromising the powers of the President.

**Deputy Phil Hogan:** I welcome the release of Fr. Michael Sinnott and congratulate the Minister for Foreign Affairs and his officials on a satisfactory conclusion to this unfortunate event. I am sure Fr. Sinnott's family and friends are more than pleased with the co-operation they received and the eventual outcome.

Finally, I ask the Tánaiste when the environmental liability directive will be transposed into Irish law.

**The Tánaiste:** I share Deputy Hogan's delight in the release of Fr. Michael Sinnott. I thank those who have helped to ensure his release, including in particular my colleague, the Minister for Foreign Affairs and our ambassadors. Fr. Sinnott's family is certainly relieved that he is free and it was wonderful to see him in such good fettle despite his captivity. Our officials are liaising with his family to ensure a safe reunion.

An environmental liability Bill will be introduced this session.

**Deputy Eamon Gilmore:** I join Deputy Hogan and the Tánaiste in welcoming the release of Fr. Michael Sinnott, which is a great relief to his family and colleagues in the Columban Fathers. I also join the tributes being paid to the Minister for Foreign Affairs and, through him, to Ambassador O'Brien and his colleagues, for the outstanding work they did in securing the release of Fr. Sinnott.

On legislation, the Defamation Act was passed in the House on 8 July last. Introduced in July 2006, the legislation had a long gestation in the Houses. Having taken three years to be passed, the Act has not yet come into effect, apparently because the Minister for Justice, Equality and Law Reform has not yet made the commencement order. What is delaying the making of the commencement order? When will it be made and laid before the House?

**The Tánaiste:** On the Defamation Act, which has been passed, the Minister has indicated he will commence it very shortly.

**Deputy Caoimhghín Ó Caoláin:** We have a crisis in the largest hospital in the north east, Our Lady of Lourdes Hospital in Drogheda. Four deaths have been associated with an outbreak of

[Deputy Caoimhghín Ó Caoláin.]

C. difficile, three wards have been closed and absolute chaos has resulted from the spin-off situation. Will the Tánaiste indicate to the House if the Minister for Health and Children will accommodate—

**An Ceann Comhairle:** The Deputy's question would be more appropriately addressed to the Minister.

**Deputy Caoimhghín Ó Caoláin:** In relation to the arrangement of the ordering of business of the House, will the Tánaiste indicate whether the Minister for Health and Children will accommodate an opportunity to address this very serious situation and outline what additional measures she is introducing to ensure patients are not playing a game of Russian roulette with MRSA or C. difficile in taking up opportunities in hospital sites?

**An Ceann Comhairle:** The Adjournment debate or parliamentary questions would be much more appropriate forums for raising the issue.

**Deputy Caoimhghín Ó Caoláin:** As the Ceann Comhairle is well aware, this is an extremely important matter. I have made a reasonable request to ascertain whether address of the issue can be accommodated on the floor of the House.

**Deputy Seymour Crawford:** It is urgent.

**An Ceann Comhairle:** The issue should be raised on the Adjournment or in a question to the Minister for Health and Children.

**Deputy Brian Hayes:** As the Tánaiste may be aware, many students in higher education have dropped out of college because they have not obtained a maintenance grant from a local authority or vocational educational committee. Eighteen months ago, the Government—

**An Ceann Comhairle:** Is the Deputy referring to legislation?

**Deputy Brian Hayes:** Yes, I refer to legislation which has completed Second Stage. We have been waiting for 18 months for it to come before a committee of the House. On what date will the Committee Stage debate take place on the Student Support Bill, the purpose of which is to bring within one agency the four higher education grant schemes?

**The Tánaiste:** I will revert to the Deputy in due course on the date for the Committee Stage debate.

**Deputy Brian Hayes:** In the 18 months we have been waiting many young people have had to leave college.

**An Ceann Comhairle:** The Fine Gael Party Whip can address the issue to the Government Chief Whip.

**Deputy Brian Hayes:** I want the Government to indicate on what date the Bill will be taken on Committee Stage. This is a matter for the House which completed Second Stage of the legislation.

**An Ceann Comhairle:** The Deputy has been given a reply. The Tánaiste indicated she would revert to him.

**Deputy Brian Hayes:** Her reply is inadequate.

**Deputy Fergus O'Dowd:** In view of the fact that some Aer Lingus aeroplanes are leaving this country crewed by non-Aer Lingus staff, will the Tánaiste ensure that the company law consolidation and reform Bill requires equality and fairness in companies such as Aer Lingus? In light of the necessity to retain our national carrier and its employees, will the Government require that directors of the board of Aer Lingus appointed by the Minister insist that the company employ Aer Lingus crews to fly its aeroplanes?

**An Ceann Comhairle:** Is the Deputy referring to legislation?

**Deputy Fergus O'Dowd:** It is disgraceful and shameful that Aer Lingus crews are sitting in airports while contract companies are being used to fly Aer Lingus aeroplanes. This practice is unacceptable and breaches legislation on——

**An Ceann Comhairle:** The Deputy will have to table a question to the appropriate Minister.

**Deputy Emmet Stagg:** This is what happens when one privatises.

**Deputy Shane McEntee:** On speed cameras, the relevant Bill has——

*(Interruptions).*

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

**Deputy Shane McEntee:** I note the Minister for Justice, Equality and Law Reform has departed. Changes are to be made in the area of speed cameras. Money has been allocated and speed cameras ordered but the equipment is not in place.

**An Ceann Comhairle:** Is the Deputy referring to primary legislation?

**Deputy Shane McEntee:** One hundred people will lose their lives this year because the Ministers for Transport and Justice, Equality and Law Reform are not doing their job.

**Deputy Tom Sheahan:** Was it intended that the €200 levy on second homes introduced in the budget would be tax deductible?

On communications legislation, is it fair and equitable that a small operator of a holiday home village must pay television licence fees——

**An Ceann Comhairle:** The Deputy should ask a parliamentary question or raise the matter on the Adjournment. There are many ways to raise this issue which is not related to primary legislation.

**Deputy Tom Sheahan:** The issue arises under the communications Bill. A small operator who did not build up his business through the business expansion scheme or Government tax incentives must pay——

**An Ceann Comhairle:** The Deputy should submit a parliamentary question to the relevant Minister.

**Deputy Tom Sheahan:** I am coming to the point. The operator in question, who must purchase a television licence for each of his holiday homes, is competing with 100 bedroomed hotels which have one television licence. Is that fair and equitable?

**An Ceann Comhairle:** Parliamentary questions are the obvious vehicle for eliciting the information the Deputy seeks.



**Deputy Tom Sheahan:** Will the Tánaiste reply to my question on whether the second home levy was intended to be tax deductible?

**An Ceann Comhairle:** I advise the Deputy to submit a parliamentary question on the issue.

**Deputy Tom Sheahan:** The Minister for the Environment, Heritage and Law Reform indicated in the House that the levy would be tax deductible.

**An Ceann Comhairle:** If the Deputy gives notice of the matter, my office will consider having it discussed on the Adjournment.

**Deputy Paul Kehoe:** The Tánaiste is unable to answer Deputy Sheahan's question.

**Deputy Billy Kelleher:** It is not in order.

**Deputy Seymour Crawford:** Social welfare has been widely discussed in the House in recent weeks. Will the Government rectify the record of the House which states that in the emergency legislation increases will be introduced in the Social Welfare Bill 2010? Is this still the case and, if not, when will the error be rectified?

**An Ceann Comhairle:** The Deputy must await the publication of the Bill.

**Deputy Seymour Crawford:** Some weeks ago, Deputies were promised a debate on the crisis in agriculture. When will the debate take place?

**An Ceann Comhairle:** Is the Deputy pursuing some aspect of primary legislation that is under consideration?

**Deputy Seymour Crawford:** It was agreed to have statements on agriculture but they were postponed. When will they be taken? When will the animal health and welfare Bill be taken? The welfare of animals and humans in the farming sector is extremely important at present.

**The Tánaiste:** The debate will take place on Tuesday week, as agreed by the party spokespersons. There is not yet a date for publication of the animal and welfare legislation.

**Deputy Terence Flanagan:** I refer to the environment (miscellaneous provisions) Bill, which will, among other things, increase penalties under the Air Pollution Act 1997, and the sale of alcohol Bill, long overdue legislation to update and consolidate the liquor licensing laws. When will these Bills come before the House?

**The Tánaiste:** It is intended that the environment Bill will come before the House during this session and the sale of alcohol Bill will come before it early next year.

**Deputy Willie Penrose:** On promised legislation, and in particular the Health Information Bill, is the Tánaiste or any member of the Government aware of how the bureaucratic monster, namely, the HSE is surreptitiously pursuing a campaign to downgrade the status of the Midland Regional Hospital, Mullingar? At 5 p.m. today 41 acute beds will be taken out of the most efficient hospitals in the country. No discussions took place with consultants, nurses or patients. Beds for acute patients who present to the hospital 24 hours a day, seven days a week, 52 weeks of the year will be removed. Is there any control over this monster? Why did the HSE steal money which was due to the hospital? Some €1.5 million was to be provided to it but only €0.5 million was received. The monster must be emasculated because it is destroying the health service and the people of Longford-Westmeath will not stand for it. Hundreds of patients

are now very worried. This is a matter of life and death. Acute beds are being replaced with day beds. I cannot understand it.

**An Ceann Comhairle:** It may well be but the Deputy will have to find an alternative way of addressing it.

**Deputy Willie Penrose:** We might as well not come in here. It is not the Ceann Comhairle's fault, but we would be better off closing this place because the media have a field day telling people we are only open 91 days. The 91 days we are here are a waste of time.

*(Interruptions).*

**Deputy Willie Penrose:** Something has to be done. We have lost consultants.

**An Ceann Comhairle:** The Deputy is being disorderly.

**Deputy Willie Penrose:** I know. I am 13 years here and I am fed up being orderly. I do not want to be disorderly.

**An Ceann Comhairle:** You are being very disorderly.

**Deputy Willie Penrose:** I do not want to be disorderly at all, but the HSE is not helping anyone.

**An Ceann Comhairle:** It is not——

**Deputy Willie Penrose:** Deputy Bannon knows what the people——

**An Ceann Comhairle:** Deputy Penrose, resume your seat.

**Deputy Willie Penrose:** There are phantom notes.

*(Interruptions).*

**Deputy James Bannon:** On the same issue——

*(Interruptions).*

**An Ceann Comhairle:** I will come back to you.

**Deputy James Bannon:** On the same issue——

**An Ceann Comhairle:** I ask Deputy Bannon to resume his seat and I will come back to him

**Deputy James Bannon:** Am I not allowed to speak on the same issue?

**An Ceann Comhairle:** I have to take speakers in sequence.

**Deputy James Bannon:** Am I not allowed to speak on the same issue? It is very important.

**An Ceann Comhairle:** I will come back to you.

**Deputy James Bannon:** On the same issue——

**An Ceann Comhairle:** Resume your seat.

**Deputy Michael D. Higgins:** On two matters——

**An Ceann Comhairle:** Deputy Bannon, resume your seat.

**Deputy James Bannon:** It is the same issue.

**An Ceann Comhairle:** I will come back to you.

**Deputy James Bannon:** Am I not allowed to speak on the same issue?

**An Ceann Comhairle:** I ask you to resume your seat.

**Deputy James Bannon:** God help us.

**Deputy Michael D. Higgins:** On the Student Support Bill, all Stages should be completed as a matter of urgency, particularly as some 12 vocational education committees have told students they are short staffed and cannot issue grants. It is important that the Tánaiste give an indication as to when the House will pass all Stages of the Bill.

On the C list of proposed legislation, three Bills, namely Nos. 56, 57 and 58, deal with changes in regard to regulation. In no case is there any indication when they will be brought before the House. For example——

**An Ceann Comhairle:** Does the Deputy have a specific query on legislation?

**Deputy Michael D. Higgins:** Yes, I have. The new proposed regulatory regime for the Central Bank will create a Central Bank of Ireland commission. The list states it is not possible to indicate at this stage when the Bill will be published. In view of the widespread public outrage at the complete failure of regulation or supervision by the Department of Finance, the Central Bank and the Financial Regulator, as we discuss the final Stages of the NAMA Bill today it is irresponsible not to be in a position to give a date for the publication of the legislation——

**An Ceann Comhairle:** All those points can be made during the debate on the Bill.

**Deputy Michael D. Higgins:** ——regarding changes in regulation.

**An Ceann Comhairle:** The Deputy will have ample opportunity to make his points.

**Deputy Michael D. Higgins:** It is the Tánaiste's business to indicate when she will bring forward the legislation. Can she give a date for it? The commission will ask her for it.

**An Ceann Comhairle:** We will ask the Tánaiste to advise the House.

**The Tánaiste:** We are not in a position to say when this legislation will be brought forward.

**Deputy Michael D. Higgins:** I can read that.

**The Tánaiste:** As the Deputy is aware, we have had to introduce emergency legislation——

**Deputy Michael D. Higgins:** I am well aware of that, as is the whole country.

**Deputy Emmet Stagg:** For the banks and the builders.

**The Tánaiste:** ——which has taken a long time, and consequently only a certain amount of resources are available to the Government and parliamentary draftsmen to bring forward legislation. I will indicate the Deputy's vociferousness to the Minister in providing that legislation as a matter of urgency.

On the Student Support Bill——

**Deputy Michael D. Higgins:** The Tánaiste does not need to bother about my vociferousness. I will look after it myself.

*(Interruptions).*

**The Tánaiste:** The Minister indicated to the Labour Party spokesperson last week the issues arising from Committee Stage and I will have the matter circulated to the two Deputies who raised the issue.

**A Deputy:** Can the Tánaiste say that again?

**The Tánaiste:** The Minister wrote to Deputy Quinn in response to a question he raised and I will circulate the response to the other Deputies who raised the matter.

**Deputy Joe Carey:** On the finance Bill and the comments of the Tánaiste in Limerick last week on the abolition of the €10 travel tax, today offers her an opportunity to clarify her position. Can she make a statement on the mid-west task force—

**An Ceann Comhairle:** The Deputy will have to find an alternative way of eliciting the information.

**Deputy Joe Carey:** —interim report? I tried to raise this issue on the Adjournment but the Ceann Comhairle did not give me the opportunity to do so.

**An Ceann Comhairle:** The Deputy has the option of asking a parliamentary question.

**Deputy Joe Carey:** The Tánaiste is taking the Order of Business. Why can she not make a statement?

**An Ceann Comhairle:** The Order of Business will last all day if we allow this to continue.

**Deputy Joe Carey:** It is about a region in this country.

**An Ceann Comhairle:** The Deputy can submit a parliamentary question.

**Deputy Jan O'Sullivan:** I share Deputy Carey's concern about the two issues he tried to raise. On secondary legislation, the Limerick north side and south side regeneration agencies were established by legislation passed by this House. Their masterplans have been ready for more than a year but have not yet been brought to the Cabinet. When does the Tánaiste expect them to come before the Cabinet for consideration?

**Deputy Joan Burton:** The Deputy will be waiting a long day for that.

**The Tánaiste:** That is a matter for another Minister.

**Deputy Pat Breen:** I raise the question of the Tánaiste's visit to Thomond Park in Limerick last week.

**The Tánaiste:** Where were you? If the Deputies are all worried about Shannon development, they should all have been there.

**Deputy Pat Breen:** She was out too early for us. We were doing other business.

**The Tánaiste:** Regional development.

**Deputy Pat Breen:** The Tánaiste was asked by Clare FM and other local media—

**Deputy James Reilly:** Thomond Park is not big enough for the two of them.

**Deputy Pat Breen:** —about the travel tax and she said the Government was in discussions with Ryanair which resulted—

**The Tánaiste:** I said neither.

**Deputy Pat Breen:** —in Ryanair stating no discussions were taking place. The Department of Finance stated it was surprised at the Tánaiste's comments. Now that the Minister for Transport is sitting close to the Tánaiste perhaps—

**An Ceann Comhairle:** The Deputy will have to find another way to address this matter.

**Deputy Pat Breen:** —we can know if talks are taking place with Ryanair regarding the travel tax, as the Tánaiste stated last Friday. It is very simple—

**An Ceann Comhairle:** That is not appropriate for the Order of Business.

**Deputy Pat Breen:** —and straightforward. The Minister for Transport is beside to her to answer the question.

**An Ceann Comhairle:** The Deputy should ask a parliamentary question.

**Deputy Pat Breen:** I put down a parliamentary question and the Minister for Transport said he had no talks, but the Tánaiste said they were in discussions and the Department of Finance is denying it. I want to know—

**An Ceann Comhairle:** The Deputy should communicate directly with the Minister.

**Deputy Pat Breen:** I want clarification of the situation.

**An Ceann Comhairle:** The Deputy should raise it on the Adjournment.

**Deputy Pat Breen:** Can the Tánaiste clarify the situation regarding talks with Ryanair? It is having a devastating affect on the region and is part of the reason a deal is not being done with the Shannon Airport Authority.

**An Ceann Comhairle:** I have been more than tolerant.

**Deputy Pat Breen:** Both of the Ministers are there.

**Deputy Noel Dempsey:** We are not discussing press releases from Michael O'Leary.

**Deputy Pat Breen:** The Tánaiste said it. It is on audio.

**An Ceann Comhairle:** Deputy Breen.

**Deputy Pat Breen:** The Tánaiste said discussions took place between the Government and Ryanair on the travel tax.

*(Interruptions).*

**An Ceann Comhairle:** Deputy Breen, resume your seat.

**Deputy Pat Breen:** I want clarification on that in the House this morning.

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

**Deputy Pat Breen:** The silence is deafening.

**Deputy Michael Ring:** The Minister for press releases.

**Deputy James Reilly:** The Minister for depression is more likely. The Student Support Bill has been discussed here and the Tánaiste's response is very poor. The Bill has been waiting for 18 months to enter Committee Stage. Some students are unable to go to college and their grants have been delayed. The Tánaiste needs to give a far better response than she has given.

**An Ceann Comhairle:** The Tánaiste has already dealt with that question. The matter was raised earlier.

**Deputy James Reilly:** What has she told us? When will Committee Stage of the Bill be dealt with?

**An Ceann Comhairle:** I am reverting to Deputy Hayes.

**Deputy James Reilly:** When will Committee Stage be debated? That is what students all over this country want to know.

**An Ceann Comhairle:** Deputy, please.

**Deputy James Reilly:** Some €60 million was paid out this year in medical legal fees and €560 million is coming down the track, one third of which will cover legal costs.

When will the legal costs Bill be published to address this matter?

The last issue I want to raise has been mentioned by Deputy O'Dowd. That is Aer Lingus and the outsourcing of its work——

**Deputy Terence Flanagan:** Jobs.

**Deputy James Reilly:** ——to England. There is legislation involved. Will provisions be made in the finance Bill to stop this loophole where companies in this country flying an Irish flag will be able to outsource all their labour, pilots and cabin crew to a foreign clime? These people pay taxes in that foreign clime and contribute nothing to our Exchequer.

**Deputy Terence Flanagan:** Hear, hear.

**An Ceann Comhairle:** The Deputy will have to await publication of the Finance Bill.

**Deputy James Reilly:** As a country, we have a 25% stake in the airline. What is that for except the public interest? If the public interest is not in maintaining Irish jobs, I do not know what it is.

**Deputy Brian Hayes:** Hear, hear.

**The Tánaiste:** The legal costs Bill is due next year.

**Deputy Tom Sheahan:** The Tánaiste had no Weetabix this morning.

**Deputy Bernard J. Durkan:** She is very short this morning.

**Deputy Paul Kehoe:** She had Rice Krispies.

**Deputy Denis Naughten:** I wish to ask the Tánaiste about two pieces of legislation. All Members in the House have had personal experience of the trauma people go through in dealing with the coroner service. The Coroners Bill has been in limbo in the Seanad for the past two years. Will the Seanad give us any indication of when it will move through the Seanad and come before the Dáil?

The second piece of legislation——

**An Ceann Comhairle:** That Bill is a matter for the Seanad and it is not really a matter for the Dáil at this point.

**Deputy Denis Naughten:** We are awaiting Committee Stage. There has been a delay in tabling amendments for two years. Deputy Stagg raised a similar issue last week which the Taoiseach responded to on Tuesday. The precedent is there.

**An Ceann Comhairle:** The information may not be available. The Bill is before the Seanad and it is quite unfair to expect the Tánaiste to have the information readily available this morning.

**Deputy Noel Dempsey:** The information was supplied to the Taoiseach at a later time.

**Deputy Denis Naughten:** I do not expect the Tánaiste to have it.

**Deputy Emmet Stagg:** It is not really a matter for the Seanad, we are waiting for the Minister.

**Deputy Denis Naughten:** She can do me the courtesy of coming back to me on the issue. No. 76 is the social welfare lone parent and low income families reform Bill.

**An Ceann Comhairle:** On the previous issue, the legislation is in the Seanad and it is a matter for the other House. We will have to await its deliberation.

**Deputy Emmet Stagg:** It is not a matter for the other House, it is a matter for the Minister.

**Deputy Denis Naughten:** On Tuesday the Taoiseach responded to a question put by Deputy Stagg the previous week on legislation before the Seanad. The question asked when Committee Stage amendments would be tabled and the Taoiseach responded in the House on the specific pieces of legislation. I am talking about a piece of legislation——

**An Ceann Comhairle:** The information may not be available today.

**Deputy Denis Naughten:** ——that has been in the Seanad for the past two years.

**An Ceann Comhairle:** It may not be available today.

**Deputy Denis Naughten:** The Minister for Transport has trotted out figures without any basis and there is a piece of legislation that could streamline the whole process and address some of the trauma people experience in dealing with coroners around this country. All I am asking is for the Tánaiste to come back to me on that and let me know what is happening.

The second issue is No. 76, the social welfare lone parent and families reform Bill. Yesterday, the Minister for Social and Family Affairs admitted to the House that she will not reach her target by the end of the year of €600 million in savings against fraud. The savings that could be made could pay for the Christmas bonus. Instead of the Minister for Social and Family Affairs coming here and planning how she will take money from vulnerable families through reducing child benefit and the Christmas bonus——

**An Ceann Comhairle:** The Deputy must find an alternative way of raising the matter.

**Deputy Denis Naughten:** —and slashing social welfare rates from 1 January, it would be more in her line to get her own act together in her Department—

**An Ceann Comhairle:** Deputy.

**Deputy Denis Naughten:** —and deliver on her own commitments to tackling fraud. Only half of the target for fighting fraud will be achieved by the end of the year. It is an appalling disgrace and shows the gross incompetence of the Government and the Minister for Social and Family Affairs.

**Deputy Joe Carey:** Hear, hear.

**An Ceann Comhairle:** I call Deputy Bernard Durkan.

**Deputy Tom Sheahan:** The Ceann Comhairle is protecting the Tánaiste like a gladiator.

**The Tánaiste:** To be helpful to the Deputy, I will ask the Minister for Justice, Equality and Law Reform to revert to him on the legislation before the Seanad.

**Deputy Denis Naughten:** What about No. 76?

**The Tánaiste:** The Deputy answered his own question. It is not possible to indicate when that will come before the House.

**Deputy Bernard J. Durkan:** The Ceann Comhairle will be delighted with me this morning.

**The Tánaiste:** Good.

**Deputy Bernard J. Durkan:** I will be completely in order.

**Deputy Aengus Ó Snodaigh:** Go on.

**Deputy Bernard J. Durkan:** I will not ask any question about the Ministers who very carefully answer parliamentary questions — there is a minority who do so — because it would reflect on those who do not.

**Deputy Tom Sheahan:** That is right.

**Deputy Bernard J. Durkan:** That would not be fair. I will not raise the question of the Ministers who do not reply at all—

**Deputy Tom Sheahan:** At all.

**Deputy Bernard J. Durkan:** —but will respond to anything except the question.

**An Ceann Comhairle:** Is the Deputy going to talk about promised legislation?

**Deputy Bernard J. Durkan:** I am not going to ask that. Ministers should note that I will come back to the subject. Apropos the issue raised by Deputy Michael D. Higgins, there is a peculiar occurrence with promised legislation. Nos. 56 to 58, inclusive, are urgent legislation — it states as much in the legislative programme — and No. 57 is in accordance with the Government's better regulation agenda. That is news to me and I did not know it had a better regulation agenda but we are always willing to hear new things.



[Deputy Bernard J. Durkan.]

No. 58 is the reform of financial regulatory services Bill, and that was raised by Deputy Michael D. Higgins. The programme states it is “to replace existing structures (the Central Bank and Financial Services Authority of Ireland) with a new single unified Central Bank of Ireland Commission”.

**An Ceann Comhairle:** Could we get to a question?

**Deputy Bernard J. Durkan:** I am quoting the legislation. I have raised this on several occasions and everybody on this side of the House has also raised it on several occasions. Will the Tánaiste give some indication to the House this morning of what is meant, in Government terms, by “urgency” and “urgent legislation”? Is it intended to in any way expedite the process through the process in line with public anxiety and requirements in the country currently?

**The Tánaiste:** I have answered Deputy Higgins’s question. It is the same answer as I gave 25 minutes ago and I cannot change it.

**Deputy Bernard J. Durkan:** What is the answer?

**The Tánaiste:** There is no date.

**Deputy Joe Carey:** That says it all.

**Deputy Bernard J. Durkan:** Does the Ceann Comhairle agree with me that the response says it all?

**An Ceann Comhairle:** The Tánaiste has given the answer.

**Deputy Bernard J. Durkan:** Not only is the Government misleading the public and the House——

**An Ceann Comhairle:** The Deputy will need to find an alternative way of bringing that up.

**Deputy Bernard J. Durkan:** The Tánaiste has very glibly tried to inform the House that the Government will do nothing.

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

**Deputy Bernard J. Durkan:** It is a disgrace.

**Deputy James Bannon:** Does the Tánaiste realise that she has treated the people of this country with contempt this morning with her replies?

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

**Deputy James Bannon:** Of course. I am coming to it. The Tánaiste stated that it is not possible at this stage to state when the eligibility for health and personal social services Bill will be brought before the House. This concerns all the citizens of the midlands who have been treated by phantom consultants for the past six months——

**An Ceann Comhairle:** Has the Deputy a specific inquiry rather than commentary?

**Deputy James Bannon:** ——in Longford-Westmeath General Hospital.

**An Ceann Comhairle:** Deputy Bannon.

**Deputy James Bannon:** Nurses and staff are being withdrawn from the hospital without any consultation whatever with the management of the hospital. It is a disgrace.

**An Ceann Comhairle:** Will Deputy Bannon resume his seat?

**Deputy James Bannon:** On another issue?

**Deputy Noel Dempsey:** The Deputy should take his tablets.

**Deputy James Bannon:** On another issue——

**An Ceann Comhairle:** Is it relevant to legislation?

**Deputy James Bannon:** Very much so. I had friends from the United States visiting Ireland last week. They had much interest in our heritage and culture and visited many of our monuments throughout the length and breadth of Ireland. They said it was a sham and a shame the way our national monuments have been allowed to deteriorate in this country.

**An Ceann Comhairle:** Is this relevant to legislation?

**Deputy James Bannon:** When the Government announced its budget it cut 40% from the monument budget.

**An Ceann Comhairle:** The Deputy is not speaking to legislation. Will he resume his seat?

**Deputy James Bannon:** May I ask about legislation?

**An Ceann Comhairle:** It is commentary rather than a question on legislation.

**Deputy James Bannon:** I am allowed to pose a question on legislation.

**An Ceann Comhairle:** Deputy Bannon should resume his seat.

**Deputy James Bannon:** I ask the Tánaiste when the monuments Bill will come before the House. That is legislation.

**The Tánaiste:** That is next year.

**Deputy Joe Costello:** This is a very straightforward question relating to children's welfare. The Tánaiste may have seen recent reports where the Maclaren company, which produces children's goods, has had to recall a million child buggies in the United States because of the danger and damage to children's fingers. Some children had the tips of their fingers cut off by the buggies in the United States. When the query was put to the Maclaren company about similar products in Ireland, it first denied that there were any such products in Ireland. The statement was then corrected to indicate that there were such products in Ireland but because of the nature of the Irish safety legislation, they did not warrant a recall of the buggies.

**An Ceann Comhairle:** Is the Deputy speaking to promised legislation?

**Deputy Joe Costello:** If the matter is serious enough for 1 million child buggies to be recalled in the United States, surely it is serious enough for the same items to be recalled in this country. What will the Tánaiste do about this situation? What will she do to strengthen the legislation so that the child protection principle that has pertained in the US also pertains here?

**The Tánaiste:** I have asked the National Consumer Agency to investigate this matter on my behalf.

**Deputy Joe Costello:** If the piece of equipment that has been recalled in the United State is on sale in Ireland, surely there is a *prima facie* case for its recall.

**The Tánaiste:** I will revert to the Deputy when I have received the advice of the National Consumer Agency, which is investigating the matter on my behalf.

**Deputy Joe Costello:** Is there a timescale for that?

**The Tánaiste:** It will happen as quickly as possible.

**Deputy John Perry:** I am sure the loss of 250 jobs at the Stiefel plant in Sligo yesterday is close to the Tánaiste's heart. Can she tell the House whether due diligence took place before the company was sold three months ago? Stiefel has been the backbone of job creation in County Sligo since its operations commenced in 1975. It is apparent from information that has been supplied to me that it was bought by a major international company with the intention of downsizing it and eventually closing it. I am raising this matter in the context of the proposed industrial development foundation Bill. The people of Sligo would like to know what plans have been put in place by the Tánaiste in light of the massive impact of yesterday's news.

**An Ceann Comhairle:** The Deputy can raise this matter on the Adjournment or table a parliamentary question.

**Deputy John Perry:** Given that the closure will take place over a four-year period——

**An Ceann Comhairle:** This is not appropriate to the Order of Business.

**Deputy Arthur Morgan:** We are entitled to know.

**Deputy John Perry:** I am entitled to know about the industrial development foundation Bill, which is being prepared by the Department of Enterprise, Trade and Employment. As the closure will take place over a four-year period, the Tánaiste has an opportunity to intervene in some way, for example by incentivising——

**An Ceann Comhairle:** The Deputy will have to raise this matter on the Adjournment.

**Deputy John Perry:** I have sought to raise this important issue on the Adjournment. I hope the Ceann Comhairle chooses it.

**An Ceann Comhairle:** The Deputy can also ask a parliamentary question.

**Deputy John Perry:** Can the Tánaiste deal with this matter?

**An Ceann Comhairle:** If it is to be raised on the Adjournment, it can be considered in that context.

**Deputy John Perry:** Will that happen today?

**An Ceann Comhairle:** It will be considered.

**Deputy John Perry:** Will the Tánaiste come to the House for such a debate? There is no point——

**An Ceann Comhairle:** The Deputy cannot continue to intervene like this.

**Deputy John Perry:** The Tánaiste wants to answer.

**An Ceann Comhairle:** It will be considered for inclusion in the Adjournment debate.

**Deputy John Perry:** The Tánaiste needs to speak about the closure of a company that is based next door to her constituency.

**An Ceann Comhairle:** The Deputy will be informed if this matter is selected for the Adjournment debate.

**Deputy John Perry:** I am asking whether the Tánaiste will respond to this issue on the Adjournment.

**An Ceann Comhairle:** The queries the Deputy is raising now can be dealt with at that point.

**Deputy John Perry:** I am looking for clarification on this matter.

**Deputy Denis Naughten:** The people of the north west want to know what is going on.

**Deputy John Perry:** Will the Tánaiste, who is the Minister for Enterprise, Trade and Employment, come into the House this evening to deal with this issue on the Adjournment?

**An Ceann Comhairle:** I call——

**Deputy John Perry:** She is in charge of this issue.

**Deputy Denis Naughten:** She is the boss.

**The Tánaiste:** I have made a public pronouncement on what I intend to do on this issue. I will follow through on that.

**Deputy John Perry:** Will the Tánaiste make a statement in this House today?

**The Tánaiste:** I made a statement yesterday.

**Deputy Noel Dempsey:** She has already made a statement.

**The Tánaiste:** I indicated yesterday that I will work with the relevant authorities to deal with this issue.

**Deputy John Perry:** We have heard all that before.

**An Ceann Comhairle:** The item is down for consideration on the Adjournment.

**Deputy John Perry:** Why has the Tánaiste not been working before now to prevent the closure of the company?

**An Ceann Comhairle:** If it is selected, the Deputy will be able to ask all these questions.

**Deputy John Perry:** What happened last July?

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

**Deputy John Perry:** The company was sold last July.

**An Ceann Comhairle:** I have been more than tolerant with the Deputy.

**Deputy John Perry:** Will the Tánaiste come to the House for the Adjournment debate later today?

**An Ceann Comhairle:** If the item is selected for the Adjournment, it will be dealt with by the Department of Enterprise, Trade and Employment.

**Deputy John Perry:** I am trying to hold the Tánaiste to account.

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

**Deputy John Perry:** Will she give the Dáil an answer on this issue today?

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

**Deputy Joan Burton:** The Dáil has not debated the McCarthy report since it was published some months ago. The report recommended that a number of third level educational institutions should be amalgamated. For example, it proposed that a number of institutes of technology in the Dublin area should be merged with Dublin Institute of Technology. The Grangegorman Development Agency was established by the Government with the aim of developing a new headquarters for Dublin Institute of Technology.

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

**Deputy Joan Burton:** We are coming up to the budget.

**An Ceann Comhairle:** Yes.

**Deputy Joan Burton:** A pre-budget announcement will be made today.

**An Ceann Comhairle:** We cannot have Question Time on the Order of Business.

**Deputy Joan Burton:** We have no clarity.

**An Ceann Comhairle:** The Deputy should ask about promised legislation.

**Deputy Joan Burton:** Can the Tánaiste tell the House whether the Government has made a decision on the future of certain third level institutions, such as Dublin Institute of Technology and certain authorities, such as the Grangegorman Development Agency?

**An Ceann Comhairle:** The Deputy will have to find an alternative way of getting this information.

**Deputy Joan Burton:** The McCarthy report recommended that some of these bodies should be amalgamated or abolished. What is the status of the report, which proposed the Grangegorman Development Agency for abolition? Will the Government provide time for a debate on the McCarthy report, which is a fundamental aspect of its pre-budget strategy?

**An Ceann Comhairle:** I am not aware that the McCarthy report can be considered as promised legislation.

**Deputy Joan Burton:** The McCarthy report is a major Government report. It has never been debated in this House even though it will have huge consequences for education and health services.

**An Ceann Comhairle:** It can be dealt with in the context of the pre-budget debate that has been promised for next week.

**Deputy Joan Burton:** Can the Tánaiste tell us whether the Government has made a decision on the future of the Grangegorman Development Agency, Dublin Institute of Technology and related institutions?

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

**Deputy Ulick Burke:** A waste disposal company has applied to the Environmental Protection Agency to provide facilities for the dumping of asbestos at an existing landfill in the community of Kilconnell, which is near Ballinasloe in east Galway.

**An Ceann Comhairle:** This is not promised legislation.

**Deputy Ulick Burke:** I would like to ask the Tánaiste about the matter in the context of the proposed environment (miscellaneous provisions) Bill. Will the Minister for the Environment, Heritage and Local Government intervene in the granting of a licence by the EPA? The disposal of asbestos in this country is one of the most serious issues with which we have to deal.

**An Ceann Comhairle:** The Deputy is going to have to find an alternative way of raising this matter.

**Deputy Ulick Burke:** In the past, all of it has been sent out of the country at an enormous cost.

**An Ceann Comhairle:** I suggest that he should raise it on the Adjournment or table a parliamentary question.

**Deputy Ulick Burke:** A waste company has applied to be allowed to dispose of asbestos in east Galway.

**An Ceann Comhairle:** There are many ways of raising it.

**Deputy Ulick Burke:** Questions were asked when the site in question was approved as a landfill site in the first instance.

**An Ceann Comhairle:** We have to move on.

**Deputy Ulick Burke:** The company has no concern for the health and safety of the community in Kilconnell.

**An Ceann Comhairle:** I have to begin the debate on the National Asset Management Agency Bill 2009.

**Deputy Ulick Burke:** I ask the Minister for the Environment, Heritage and Local Government to intervene in this case immediately to ensure that the site is not used for the disposal of asbestos.

**An Ceann Comhairle:** That concludes the Order of Business.

#### **National Asset Management Agency Bill 2009: From the Seanad.**

The Dáil went into Committee to consider amendments from the Seanad.

**An Ceann Comhairle:** As Seanad amendments Nos. 1, 2, 7 and 8 are related, they may be discussed together by agreement.

[An Ceann Comhairle.]

Seanad amendment No. 1:

Section 4: In page 19, line 30, to delete “(wherever situated and regardless” and substitute “wherever situated (regardless”

**Deputy Joan Burton:** Can I ask the Minister to explain the purposes of these amendments and the thinking behind them? We were presented this morning with 37 amendments to the National Asset Management Agency Bill 2009, including the Schedules to the Bill, along with another revised or amended version of the Bill. We have not received an updated explanatory memorandum from the Minister or his officials. Deputies on all sides of the House have repeatedly said that this Bill, which will cost €54 billion, represents the most significant financial decision the Dáil will ever make, outside the annual budgetary process. We have not been told who the amendments were moved by, or what the purposes of them are. I ask the Minister to set out in some detail the purposes of these amendments. How did they arise?

The Members of this Parliament are not being treated as well as contestants on a television quiz show. We would get more information if we were participants in a reality show. The officials have given the Opposition — certainly the Labour Party — no information about these amendments. It is a disgrace and in total contravention of the requirements of democracy. Some of the amendments relate to the valuation board, which will be responsible for valuing NAMA’s assets. It will have a hugely important role in determining how NAMA performs and behaves. Some of the amendments are so confused, particularly the ones dealing with people employed or acting within NAMA who commit an offence, that they are a dog’s breakfast. That is the only way I can describe it. Three amendments on the later pages are entirely contradictory with each other and with the sections 220 and 221 to which they relate. We are being asked to accept this without any information. If the Minister now has any information available that he could give to the Members of the Dáil that would be most welcome. It is disgraceful that we have had no briefing on these amendments.

**An Leas-Cheann Comhairle:** Does the Minister wish to intervene?

**Minister for Finance (Deputy Brian Lenihan):** Perhaps I could assist Deputy Burton. Does she have the grouping of the amendments?

**Deputy Joan Burton:** We have just got that now.

**An Leas-Cheann Comhairle:** We are discussing amendments Nos. 1, 2, 7 and 8.

**Deputy Joan Burton:** Can we take a moment to consider what the grouping is likely to mean?

**Deputy Brian Lenihan:** There are ten groups of amendments before the House that relate to amendments accepted in Seanad Éireann. Under the procedures of this House, subject to the ruling of the Leas-Cheann Comhairle, each amendment is considered separately.

**An Leas-Cheann Comhairle:** I have five groups of amendments as follows: Nos. 1, 2, 7, and 8; Nos. 4 to 6, inclusive; Nos. 11 to 13, inclusive, and 15; Nos. 17 to 23, inclusive; and Nos. 24 to 37, inclusive. All others are to be discussed individually.

**Deputy Brian Lenihan:** Yes and there are five individual amendments.

**An Leas-Cheann Comhairle:** They are not grouped.

**Deputy Brian Lenihan:** They are not grouped so there are ten substantive items of discussion.

**An Leas-Cheann Comhairle:** Yes.

**Deputy Brian Lenihan:** The first item of discussion comprises minor technical amendments. The second substantive item relates to the question of sustainable planning, which was an amendment the Labour Party sought in Dáil Éireann and has now been inserted at section 12 of the Bill. The third substantive heading relates to the provision of a finance committee for the board as well as the risk and audit committees. The fourth——

**Deputy Joan Burton:** I ask the Minister to refer us to the numbers of the amendments.

**Deputy Brian Lenihan:** I will. The minor technical amendments, which comprise the first item for discussion, are Nos. 1, 2, 7 and 8. The Deputy should have a paper with this detail before her. The second amendment on sustainable planning is amendment No. 3. The third item, which provides for a finance committee for the board of the agency, comprises amendments Nos. 4 to 6, inclusive. The fourth amendment on qualifications for membership of the valuation panel is amendment No. 9. The fifth amendment on laying the lending guidelines before the Houses of the Oireachtas is amendment No. 10. The sixth item comprising amendments Nos. 11 to 13, inclusive, and No. 15, affecting section 222 and the Schedule, relates to the whistleblower legislation.

**Deputy Joan Burton:** That is the most significant set of amendments. It seems to contradict——

**An Leas-Cheann Comhairle:** We are having a general debate about procedure for the moment.

**Deputy Joan Burton:** These amendments——

**An Leas-Cheann Comhairle:** I ask the Deputy to allow the Chair to speak. I am anxious that we would have a general discussion in order to agree the format of taking matters for the day. On that basis, I call Deputy Burton.

**Deputy Joan Burton:** These amendments constitute amendments to section 222 and appear to seriously contradict section 221, about which we had a brief discussion. They also amend the Schedule. They are highly contradictory with each other because they seem to impose protection for whistleblowers as well as penalties. They also contradict part of section 221. Does the Minister have a memorandum of explanation to give us on these sections? These are substantive amendments and are extraordinarily confusing. They will be a minefield and great for the lawyers, who will dine out on what is put before us. It is little more than a dog's breakfast of a set of amendments.

**Deputy Kieran O'Donnell:** Given the timeframe in which this came back before the House, we have had little or no time to consider the amendments. Many of the major Dáil Report Stage amendments were never discussed, including the subordinated debt, about which we hold very strong views. Some €7 billion over market value is being paid, only €2.7 billion of which is subordinated. We feel it should be €7 billion. The taxpayer is taking the bulk of the risk. On the issue of the Comptroller and Auditor General effectively reporting to an Oireachtas committee, we consider that the Oireachtas committee should have been put on a statutory footing. We had tabled amendment No. 43 on the register of bank assets, which will be a big issue when NAMA becomes operational.

There is also the issue of security and performing loans going into NAMA. If there is any further activity by those individuals in dealing with mainstream banks they will have no security



[Deputy Kieran O'Donnell.]

with which to operate and they may not be able to get loans. We never got to debate in any great depth the issue of the surcharge. The Minister tabled an amendment, which means that a bank levy may never be paid because it is in the form of a surcharge on corporation tax. We had no proper time to debate the issue. Instead of the surcharge being based——

**Deputy Michael Mulcahy:** On a point of order, is this the Second Stage speech again?

**Deputy Kieran O'Donnell:** This is by way of explanation leading up to our amendments.

**An Leas-Cheann Comhairle:** At the outset I determined that we would have a few minutes on how the debate will proceed because people are getting groupings as we come in. The Chair is getting amendments to amendments and has been advised that there is to be an amendment to an amendment to an amendment. The Chair is finding its way and I am trying to give room to all Deputies to find their way through a difficult and complicated piece of legislation. It is not straightforward as the Deputy will appreciate.

**Deputy Arthur Morgan:** Would the Chair not cede to Deputy Mulcahy to chair this session as the Deputy seems to wish?

**An Leas-Cheann Comhairle:** The Chair is content to focus on a general overview of the work programme we are covering now. The Minister has very helpfully grouped——

**Deputy Brian Lenihan:** I had not completed the work programme.

**An Leas-Cheann Comhairle:** I will allow the other Deputies and then the Minister to come back in.

**Deputy Kieran O'Donnell:** I thank the Leas-Cheann Comhairle for his common sense approach. More of that around here would be very much welcomed.

The surcharge is based on a surcharge on corporation tax that may never be payable because the banks will have losses forward. It should have been based on operating profits before adjustments for any losses forward. It should be on the basis of a charge rather than a tax surcharge. We never got to debate it properly. It is important we put it on the record of the House.

We have tabled amendments to the Minister's amendments that came from the Seanad. Amendment No. 9 in section 119 deals with the qualifications for membership of the valuation panel. We consider that should be referred for consideration before an Oireachtas committee. It is regrettable that the Minister has not put the Oireachtas committee on a statutory footing. Anything requiring funding of the order of €54 billion would require that.

Regarding amendment No. 10 in section 210, we welcome that the Minister has put into the legislation guidelines for credit flow but they are not sufficiently detailed. We have tabled an amendment covering what should be included in those guidelines. We have added a further area covering credit for small businesses and mortgage holders.

**An Leas-Cheann Comhairle:** Very good.

**Deputy Kieran O'Donnell:** The issue of protection in terms of the whistleblower elements of the legislation——

**An Leas-Cheann Comhairle:** I ask the Deputy to keep his overarching comments brief.

**Deputy Kieran O'Donnell:** We are reaching the conclusion of the debate on the National Asset Management Agency Bill. My difficulty is that many of the sections that are very relevant have never been properly discussed in this Chamber. We should be given time to discuss those areas in some detail again.

**An Leas-Cheann Comhairle:** I call Deputy Morgan for a brief general comment.

**Deputy Arthur Morgan:** On Report Stage of the Bill in this House, we got through only a small number of the more than 200 amendments. In other words, we did not have an opportunity to debate the proposals sufficiently, and today's Order of Business ensures that we will not have time to debate the Seanad amendments adequately. Given that €54 billion of taxpayers' money is involved, it is critical that this House should have an opportunity adequately to scrutinise, debate and, above all, amend the legislation. We will all have to live with the consequences of these measures for a long time.

Will the Leas-Cheann Comhairle confirm that we will now proceed to deal with the detail of the amendments?

**An Leas-Cheann Comhairle:** Yes. As soon as the Minister concludes his contribution, we will proceed to the first group of amendments.

**Deputy Brian Lenihan:** I am aware that Members wish to focus on various general and specific matters. Before proceeding, I remind Members of the proposal in some quarters for the abolition of the Seanad. In that regard, it should be noted that Seanad Éireann was able in a much shorter time than the Dáil to move through all Stages, with each section considered in detail in committee, including——

**An Leas-Cheann Comhairle:** It is not appropriate for Members of this House to pass measurement or judgment on the other House or how it works.

**Deputy Brian Lenihan:** I stand corrected.

The sixth item is the group comprising amendments Nos. 11 to 13, inclusive, and 15, relating to the whistleblower provisions. I will be pleased to address the concerns expressed by Deputy Burton as to how these provisions relate to another section. Deputy O'Donnell has pointed to the omission of a reference to the NAMA group entity in these provisions. I am willing to accept an amendment in that regard.

The seventh item is amendment No. 14 which relates to the Irish language. Deputies will recall that we agreed not to provide for simultaneous publication of an Irish language version of the Bill. However, an amendment was accepted in the Seanad to ensure that the Irish language version will be published as quickly as possible. The eighth item is amendment No. 16 which relates to the Central Bank provisions and underlines the independence of that institutions. This measure was suggested by the European Central Bank on the basis of its analysis of the provisions.

The ninth item is the group comprising amendments Nos. 17 to 23, inclusive, which relate to planning issues. The Bill as passed by the Dáil includes, under one of the Schedules dealing with planning, the scope for NAMA to extend the duration of planning permissions. The Minister for the Environment, Heritage and Local Government has similar legislation before the other House and the opportunity was taken to introduce a substantial harmony between the two items of legislation. The tenth item is the group comprising amendments Nos. 24 to 37, inclusive, which relate to the 80% windfall tax on profits arising from rezonings.

These are the ten items that fall for discussion in the House today.

**An Leas-Cheann Comhairle:** We will now focus on the first group, comprising amendments Nos. 1, 2, 7 and 8.

**Deputy Brian Lenihan:** Amendments Nos. 1, 2, 7 and 8 are minor technical amendments introduced on Committee Stage in the Seanad for clarification purposes. Amendments Nos. 1 and 2 clarify the definition of “development” and remove any doubt that land and development loans given by participating institutions in respect of developments outside the State are eligible for transfer. Amendment No. 7 was introduced to clarify that the undertaking required of applicant institutions is to obtain consents in accordance with any applicable law which may have particular relevance to subsidiaries incorporated in foreign jurisdictions. Amendment No. 8 clarifies that where a subsidiary is bound by a foreign law which would prevent it from complying with an obligation under this legislation, it is not required to act illegally in order to comply with the obligation.

**Deputy Kieran O'Donnell:** We have no issue with these technical amendments.

**Deputy Joan Burton:** Will the Minister outline the implications of these provisions for individuals or institutions subject to the NAMA process in regard to items or assets that are offshore? I raised this issue in the course of the debate and have not yet received a clear response. If I understand the Minister correctly, these provisions are intended to cater for a variety of situations, both onshore and offshore, within the scope of the legislation. It has been extensively reported in the media, as I am sure the Minister and his officials are aware, that various developers and perhaps also financial institutions have undertaken significant movement of assets in an effort to protect them. For example, there are indications that viable and positive assets have been segregated and, in some cases, transferred to spouses and other family members.

These sections deal with the application for designation of an institution, that is, the application by a credit institution or bank to partake in the NAMA process. What powers will the Minister have arising from these provisions to address the reality that in the 14 months since the institution of the guarantee to financial institutions, developers and financial bodies have been preparing their asset in anticipation of the NAMA process? For example, we saw in the High Court and Supreme Court cases in regard to Liam Carroll's Zoe Group that only 30 or 40 of the 200 or 300 companies in that group were subject to proceedings. Is it the case, under these provisions, that developers who are part of the NAMA process may only have part of their empires committed to NAMA, and that where they have been successful in transferring assets to spouses or other family members, that those assets will fall outside the NAMA process and will not be available as collateral for outstanding liabilities? I have not received a satisfactory answer from the Minister on this point.

In regard to designated credit institutions and their offshore activities, we are aware that some Irish institutions have made extensive use of offshore banking facilities. For instance, Mr. McErlean, the former internal auditor to Allied Irish Banks, described extensive transactions in the Cayman Islands and other tax havens. What will be the status of those types of activities once the credit institutions come within the remit of NAMA, as set out in these sections? The public has an entitlement to be informed by the Minister regarding his oversight of such activities, which were central to the failure of the banking and construction systems. Those involved in the operation of NAMA must be in a position to command this information. I would like an explanation and a detailed commentary from the Minister on these matters.

**An Leas-Cheann Comhairle:** I remind Members that we must deal with the narrow confines of the Seanad amendments as much as possible, although I am willing to allow some leeway.

**Deputy Arthur Morgan:** I agree with Deputy O'Donnell that these are technical amendments, although I have some concerns.

**Deputy Joan Burton:** They are not solely technical but relate also to the designation of financial institutions.

**Deputy Arthur Morgan:** I very much share Deputy Burton's concern about this matter, given the potential to draw many implications, but later amendments are more important and I do not propose to delay the House.

**Deputy Brian Lenihan:** The amendments deal with the designation of assets in participating institutions and, therefore, their purpose is to clarify as a matter of legal definition what assets are transferred to the agency by a participating institution.

Deputy Burton raised two entirely separate questions. One relates to the persons who owe money to participating institutions and she suggested by inference they were preparing for NAMA. They have no function in this regard because the institutions are preparing the assets for transfer, not the borrowers. The Deputy is rightly and properly concerned that some of the borrowers may be structuring their assets and internal affairs to minimise their exposure in respect of the liabilities they owe to the institutions. *12 o'clock* Although it does not arise under these amendments, we have gone in the legislation as far as we can go under the Constitution to ensure when the assets are transferred to NAMA, the agency has powers to deal with such borrowers.

With regard to family matters, section 211 permits NAMA to apply to the courts to set aside the disposition of an asset which was designed "to defeat, delay or hinder the acquisition of NAMA or a NAMA group entity of an eligible bank asset, or to impair the value of a...bank asset or any rights . . . that NAMA or the NAMA group entity would have acquired or increased...[but] for that disposition". It empowers the court to set aside that disposition. Ample provision is made in the legislation for the avoidance of transactions designed by borrowers to evade compliance with their obligations.

The other issue raised by the Deputy is the offshore operations of banks. The word "offshore" is used but the three principal banks in Ireland all have operations in other jurisdictions, which are fully regulated in those jurisdictions and which are part of the ordinary course of banking in them. I am not quite clear on this aspect of what the Deputy is probing, as this does not arise under these amendments. Clearly a designated class of assets will be transferred to NAMA but if the Deputy has information about improprieties in domestic banks in connection with their overseas and external operations, then naturally those matters should be brought to the attention of the regulatory system.

**Deputy Kieran O'Donnell:** With regard to the designation of assets taken over by NAMA, the Minister mentioned that implicit in the valuation of the loan will be the level of security attaching to it. Has the Minister the authority to take over all the security? Could a bank state it wished to transfer less security, which could result in the value of the loan decreasing accordingly? Has the Minister a veto on deciding the level of security they can provide?

**Deputy Brian Lenihan:** NAMA does.

**Deputy Kieran O'Donnell:** Could the agency decide to leave certain of the security with the individual institution?

**Deputy Brian Lenihan:** Theoretically it has the power but I cannot envisage its exercise. It is an unlikely position for NAMA to adopt. The agency has an option not to take particular assets and I can see where that could arise.

**Deputy Kieran O'Donnell:** Has NAMA the legal authority to ensure banks disclose all the security attaching to the loans?

**Deputy Brian Lenihan:** Yes.

**Deputy Kieran O'Donnell:** How will that be done?

**Deputy Brian Lenihan:** It is provided for in the legislation.

**Deputy Joan Burton:** With regard to applications for designation of assets of participating institutions, amendment No. 7 states this will be done “in accordance with any applicable law” while amendment No. 8 states it will be done “subject to any prohibition in any applicable law”. Under the legislation, Allied Irish Banks, Bank of Ireland, Anglo Irish Bank and Irish Nationwide Building Society will transfer loans to NAMA. Anglo Irish Bank and INBS will account for €34 billion of the €54 billion being transferred.

**Deputy Brian Lenihan:** The figure is €28 billion.

**Deputy Joan Burton:** These banks will be processed first.

**Deputy Brian Lenihan:** They are not being done first.

**Deputy Joan Burton:** The top ten to 15 developers listed in the Minister's draft NAMA management plan will be dealt with in the first 30 days and, therefore, possibly by Christmas. According to everything I have heard about Anglo Irish Bank, the top ten to 15 developers were heavily supported by this bank. Is that not so? I do not say the other institutions are not also involved with these developers but Anglo Irish Bank was the developers' bank. It was a development bank. The Minister and I or the people on the main streets of Cahirciveen or Dundalk did not obtain loans from this bank. The top developers in the State, not couples buying a house, secured loans from the bank.

INBS will transfer €8 billion in loans to NAMA. It is a little building society that was set up to enable people to save and purchase a family home in which to live and not to speculate on. Anglo Irish Bank, INBS, their associates and customers used extensive tax avoidance mechanisms onshore through tax breaks that the Taoiseach, Deputy Bertie Ahern and Mr. Charlie McCreevy gave to them to boost the bubble that has destroyed the economy and offshore in the Isle of Man, to mention one little local offshore island that is heavily involved in assisting persons who wish to avoid and evade tax. What is the meaning of the two amendments, particularly the reference to “prohibition in any applicable law”?

If the little subsidiaries in the dear little Isle of Man say it is prohibited by their law to give information to NAMA, the Revenue or anybody else, will NAMA be forced to accept that and to accept that both the credit institutions they deal with and the customers of the credit institutions with bad loans can say the agency cannot examine their offshore activities in nice little tax havens such as this because the Minister's amendment made provision for acknowledging “prohibition in any applicable law”? This is a problem because securing full disclosure of assets will be critical to whether the agency is taken for the biggest ride ever by those who caused the property bubble to burst or to whether it is capable of securing to the full extent the assets and liabilities, genuinely helping to clean up our banking system and restoring Ireland's reputation. It is a very simple question and I would like a simple answer.

**Deputy Brian Lenihan:** These sections deal with applications for designation as an institution and with the designation of assets. A legal definition of an asset is provided in the Bill. The purpose of that definition is to ensure there is a uniform categorisation of the assets which are transferred to NAMA. The reference to local law must be read in that context.

Deputy Burton raised the question of the Isle of Man. There is a memorandum of understanding between our authorities and those in the Isle of Man on the exchange of information in tax matters.

**Deputy Joan Burton:** Not only are Anglo Irish Bank and Irish Nationwide going into the NAMA process but there is also discussion in the media, and this is permissible under the Bill, about the possibility of institutions such as Ulster Bank having assets up to €15 billion parked in some kind of quarantine process which may, at some stage, enter the NAMA process. Given that Ulster Bank is owned by Royal Bank of Scotland and that a number of other institutions are foreign owned, what is the reference to prohibition in “any applicable law”? In my reading of the section it means that when a bank or credit institution applies to join the NAMA scheme it is, correctly, required to supply information and so on. However, the Minister has introduced an amendment to qualify that requirement by taking into account prohibitions in applicable laws. These exist in many jurisdictions where there is banking confidentiality, not to mention tax confidentiality. Such jurisdictions, which are used for tax avoidance and mitigation, specifically have such prohibitions.

This measure reminds us of the special purpose vehicle measure. This kind of stuff is being added to the Bill at this point to limit what NAMA can do to receive full accounting from those institutions which will benefit from the taxpayers’ guarantee of €54 billion. Why is the Minister adding more measures to enable applicants to hide behind overseas legislation and to qualify consents?

**Deputy Brian Lenihan:** The amendments are very clear. They are technical.

**Deputy Joan Burton:** Technical amendments are fierce important at this stage. Let me tell the Minister that.

**Deputy Brian Lenihan:** There is no conspiracy in my Department. These amendments have been checked by the Attorney General and are viewed as drafting amendments. I said that in good faith in the House.

I will go through the points raised by Deputy Burton, amendment by amendment. First, amendment No. 2 would insert the words “or applicable law” after the word “enactment” in section 4. That simply clarifies that an enactment includes an applicable law because, as we know, an enactment can have subordinate legislation.

Second, amendment No. 7 to section 62 would insert the words “in accordance with any applicable law” after the word “consents”. If the applicant requires a consent to any particular step it must be obtained in accordance with the applicable law to that transaction. Under the system of international law and the comity of nations, respect is given by one State to the laws of another. The amendment merely recognises that when consent is required under the law of another State it is obtained in accordance with the applicable law. That seems to me to clarify an issue rather than introduce a matter of materiality.

Third, Deputy Burton’s main point refers to amendment No. 8, which would insert the words “subject to any prohibition in any applicable law” in section 63. That amendment clarifies that where subsidiaries are bound by a foreign law which would prevent them from complying with an obligation under this legislation, they are not required to act illegally in order to comply with the obligation. That is a matter of sense. We cannot enact legislation which compels others

[Deputy Brian Lenihan.]

in other jurisdictions to act illegally in those jurisdictions. It would be an extraordinary step for the Oireachtas to do that. It was never the intention to seek to impose obligations on subsidiaries in foreign jurisdictions which would cause them to break local laws. That must be clarified explicitly in the legislation.

That is the purpose of these amendments, nothing more. We live in a world of different legal systems and countries respect each other. Within the European Union it is the practice to respect other legal systems, although we can debate their merits and demerits. That is the effect of this matter and it is important that it is understood and placed on the record of the House.

**An Leas-Cheann Comhairle:** I will call both Deputies who are offering in turn. I call Deputy O'Donnell.

**Deputy Joan Burton:** May I continue the point? We are not talking about ordinary law. We are talking about banking and international global banking systems which have crashed, to the detriment of millions of ordinary people throughout the world. We are not talking about ordinary law but about banking institutions which have used their might and main to have part of their transactions and part of their subsidiaries in jurisdictions which are established almost entirely for tax avoidance, commercial secrecy and flouting the ordinary commercial law of many countries. That is why President Obama, after his election, said that if we are to make progress on a regulated international financial structure of banking and trade we must get rid of tax havens.

What advice has the Minister taken from his officials on the use of tax havens in the organisational structure of banks? I include those banks which are in the guarantee scheme, and therefore automatically fall into the framework of the NAMA legislation, and the Irish subsidiaries of foreign owned banks which, we understand, may also apply. This is a perfectly clear question. What advice has he taken on this thorny problem?

At last week's meeting of the G20, people who had laughed at the notion of the Tobin tax as a nutty professor's idea, were speaking in favour of a Tobin type tax on currency transactions or some other kind of levy or penalty. Even people like Gordon Brown——

**An Leas-Cheann Comhairle:** Deputy, please confine your remarks to the amendments before us.

**Deputy Brian Lenihan:** Gordon Brown was the only one talking about it.

**Deputy Joan Burton:** No. The Minister should read French literature in some detail. People at the G20 recognised that the availability of offshore mechanisms and tax havens have rendered the supervision and regulation of banking, in this country and throughout the world, very difficult.

Why is the Minister giving specific recognition to prohibition in any applicable law without being able to tell us if he, his officials and the Attorney General have given due consideration, on behalf of the Irish taxpayers, to the issue of avoidance? I refer to avoidance of disclosure and accountability by whole parts of bank empires and people who are the subject of the distressed loans. This is a simple question and I would like an answer.

**Deputy Kieran O'Donnell:** With regard to amendment No. 8 to section 63, has the Minister looked at the structures of the covered institutions whose loans are being transferred to NAMA? Effectively, one could have performing loans in those banks which may never be taken over by NAMA. One could have a situation where the banks would maintain certain performing loans through legal structures they have offshore and in countries with which we

do not have memorandums of understanding in terms of tax law and laws of discovery. Has the Minister looked into that area in great depth?

The Minister would have to be concerned that the initial view taken was that there was €120 billion of developer or property loans in the covered institutions. We now find the figure has been reduced to €88 billion. Where has that more than €30 billion in developers loans gone? Some €120 billion was the gross value of the developer loans in the institutions whose loans were being transferred to NAMA. That is now down to €88 billion. If one takes out the rolled up interest, it is down to €77 billion. We want clarity on where that missing €32 billion has gone.

Has the Minister looked into the legal structures in regard to the loans? We cannot have a situation where the banks keep the cherry, the good stuff, and the taxpayer ends up with the chaff in NAMA.

**An Leas-Cheann Comhairle:** I am afraid we are well beyond the scope of the technical amendments.

**Deputy Joan Burton:** It is very relevant.

**Deputy Brian Lenihan:** Deputy O'Donnell asked what due diligence we have done. We have done substantial due diligence on the loan book. At the beginning of Second Stage, a document was circulated which outlined the location of the loans which were overseas. The vast bulk of them were in the United States and the United Kingdom and not in offshore island jurisdictions.

**Deputy Kieran O'Donnell:** Does the Minister mean the draft business plan?

**Deputy Brian Lenihan:** No. I refer to the document that was circulated on Second Stage designating where the assets were. That made it very clear where the assets were located. Let us be clear about this.

I thank Deputy O'Donnell for his initial question because it gives me the opportunity to say that we have been going through these loans, examining where they are and ensuring they are regular and proper in form. Deputy O'Donnell moved on to this curious issue of a phantom loan book of more than €30 billion which was not in the statement circulated on Second Stage.

**Deputy Kieran O'Donnell:** With due respect——

**Deputy Brian Lenihan:** I am entitled to reply.

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

**Deputy Brian Lenihan:** That phantom loan book does not exist. The figures that exist were circulated to the House when the Bill was introduced on Second Stage.

**Deputy Kieran O'Donnell:** From where did the €120 million come?

**Deputy Brian Lenihan:** That was an indicative figure used for debating purposes over the summer. Obviously, my officials continued to work on the figures and the figures in the document circulated on Second Stage are those which reflect our assessment of the loans involved and which will be transferred to NAMA.

Deputy Burton raised the Tobin tax and the tax liabilities of the banking system. With respect, and with the exception of the windfall levy, this is not a taxing statute. The Finance Bill is the vehicle and forum for a debate on whether banks are engaged in tax compliance or non-compliance. It does not arise here. We are talking about bank assets located, for the greater



[Deputy Brian Lenihan.]

part, in this jurisdiction — two thirds. The other one third is located predominantly in the United Kingdom and the United States with some other countries involved, mainly European Union member states. That is the position in regard to these bank assets being taken over. The whole debate on how one taxes financial transactions and whether banks are compliant in terms of tax and whether they facilitate tax schemes, tax avoidance or tax evasion is a matter for the Finance Bill.

**Deputy Kieran O'Donnell:** Did the Minister look into the legal structures of the banks in terms of offshore subsidiaries, where those offshore subsidiaries are located and whether there are legal disclosure requirements in respect of those countries? The figure of €120 million as the gross loan book was mentioned by the Minister on a number of occasions. That loan book transpired to be €77 billion. That is a difference of €43 billion. That is a 36% shortfall which is significant and requires explanation.

**Deputy Joan Burton:** Section 62 is about applications for designation as a participating institution and section 63 is about the effect of application for designation. These are two very powerful sections because they give the banks, the credit institutions in the one year guarantee scheme, and Irish-owned subsidiaries of foreign banks the right to apply. Section 63 states: “By making an application under this Chapter the applicant credit institution and all of its subsidiaries shall be taken to undertake to comply with the provisions of this Act (including this Act as amended from time to time)” subject to any prohibition in any applicable law.

The Minister said throughout the summer that the Attorney General, his officials, etc., worked very hard on NAMA, and I accept that they did. However, he did not see fit to bring this particular restriction on the requirements for information before this House. He put them in at the last minute in order to make it easier for institutions to withhold information because some of their structures may be held overseas in jurisdictions such as Switzerland, Bermuda and the Isle of Man as well as the other places to which the Minister referred. He has still not explained why this has gone into the legislation.

It appears to bring into the legislation the power of an institution to state that banks in some offshore location are not entitled to communicate, because that is the mark of an offshore banking location. Very often they are not entitled to communicate with authorities in other jurisdictions. That is what makes those banks so powerful and so secretive and that is part of the reason the financial system failed. The Minister has still not given an explanation as to why he brought this in at this point given that he has had all these lawyers crawling all over it.

The Minister has still not commented on whether it is true that there have been significant movements of assets to spouses and family members and to offshore locations out of the powers of this jurisdiction. There is no point in the Minister telling me to go the Garda; he is the Minister. Unless he can respond to the contrary, what he is doing is enabling more of that to happen.

**Deputy Arthur Morgan:** It might be worth remembering that the figures changed more often than the weather in an Irish summer. Sometimes the authorities did not know because the financial institutions did not tell them and sometimes it was to deliberately mislead us and to try to cause some confusion in the area.

I support what Deputy Burton said. There are rumours and speculation about what is going on. It is important that NAMA has a significant investigative element attached to it which will get to the bottom of what is going. I am not in a position to state whether these rumours and this speculation on the transfer of assets to spouses and family members, etc., is correct. I would not be in a position to give the Minister information on that because I do not know how well-

founded those rumours are and it would not be fair. What I do know is that it requires to be tied down and to be dealt with in this Bill. This an opportunity to do so.

**Deputy Terence Flanagan:** Section 62(2) provides for credit institutions to decide which subsidiaries——

**An Leas-Cheann Comhairle:** We are strictly dealing with the amendments from the Seanad and how they impact on the section. If the Deputy was not quite so specific he might be able to make his contribution.

**Deputy Terence Flanagan:** Why are financial institutions allowed to decide, to cherry-pick as to which subsidiary will go into NAMA and which will remain outside it? The section states that financial institutions must provide information to the Minister as to why they can be excluded. On what grounds will the Minister allow financial institutions to exclude subsidiaries from going into NAMA?

**Deputy Paul Gogarty:** We have heard many a conspiracy theory over the lifetime of NAMA, that it is a bail-out for banks and a bail-out for developers. Deputy Burton seems to believe that this small little technical amendment is a conspiracy in itself whereas I regard it as crystal clear. NAMA does not operate in other jurisdictions, which is stating the obvious. There is no other way around it and there is no conspiracy. The conspiracy was that councillors from many parties aided and abetted speculators and developers in rezoning lands which led to the property bubble. This was the conspiracy and hopefully this is now over. However, we are paying the price for that conspiracy but there is no conspiracy here today with regard to Seanad amendment No. 8. There are far more important sections of this legislation which we should be discussing, such as the next Seanad amendment relating to sustainable planning which, in the practical operation of NAMA, will have more far-reaching implications——

**Deputy Joan Burton:** That was a Labour Party amendment.

**Deputy Paul Gogarty:** It is in line with Green Party thinking and I support any welcome amendments——

**Deputy Joan Burton:** I thank the Deputy for his kind comments.

**Deputy Paul Gogarty:** ——and would like to discuss them——

**An Leas-Cheann Comhairle:** Allow Deputy Gogarty to make his contribution.

**Deputy Paul Gogarty:** ——rather than talking about conspiracy theories. It might be helpful if the Minister could reiterate for the benefit of Members of this House and also for members of the media, the exact percentage of the overseas assets that may be held currently in jurisdictions with whom we have no agreements and no reach. Assets held in Britain, the United States and other EU states are eminently accessible.

This amendment states the obvious. I ask the Members, having made their points, not to call a vote on it and proceed to deal with the very welcome Labour Party amendments.

**Deputy Brian Lenihan:** Deputy Gogarty will be glad to hear that the Labour Party amendment required extensive re-fashioning by Government to make it a workable amendment and a full Government discussion——

**Deputy Joan Burton:** I am glad we got the Minister to do some work.

**Deputy Seán Sherlock:** And to accept the principle.

**Deputy Brian Lenihan:** There was also a major input from all of the Ministers of all parties in Government.

In reply to Deputy Terence Flanagan, a participating institution may request that a subsidiary be not included but the Minister does not have to comply with that request. The institution is simply enabled to make an application in that regard. Were that section not in the Bill then automatically, every subsidiary asset, no matter how irrelevant to the purposes of NAMA, if it fell within the designation, would be captured by it. That is the answer to the Deputy's question which I appreciate does not arise on the section.

With regard to Deputy O'Donnell's question about the famous black hole —

**Deputy Kieran O'Donnell:** It is a big hole.

**Deputy Brian Lenihan:** The €120 billion included was a notional figure, based on the value of the collateral at peak; it was not a book value. It added to the book value the actual peak value of the property in measuring the decline since. This is important. This was part of the debate before NAMA but it was never suggested that this figure was the actual book value.

Deputy Gogarty expressed it well. It is simply making explicit what is implicit. It is clarifying that a bank in another jurisdiction has to comply with local law. I also reiterate what Deputy Gogarty said, rightly, that the bulk of these assets are in jurisdictions such as Great Britain, the United States, other European jurisdictions, where there is no complaint about the system of taxation or bank regulation.

I do not have the figures for the three jurisdictions referred to by Deputy Burton, the Isle of Man, Bermuda and Switzerland. In the case of the Isle of Man and Bermuda, I do not think we are aware of any assets going into NAMA from those jurisdictions. I will have to check out the situation with regard to Switzerland but any amount would probably be very small. Deputy Burton has done an intensive analysis and study of the doings of Irish developers for a long number of years and I am sure if they were very involved in any of these countries, she would have advised me what developments they were building there. The leading location is Ireland, which has 66.8%. Northern Ireland has 6.2%, Great Britain has 20%, the US has 2.7%, followed by Germany, Portugal, France, the Czech Republic, Italy and Spain. This list is then followed by a category called, "Other" which has 0.3% of the total bank assets being transferred. I am not in a position to give the Deputy the precise figures for the three jurisdictions she mentioned but they are clearly a fraction of 0.3%, if anything. One would assume there might be some Swiss building, given that Switzerland is a substantial country and one would assume that the Isle of Man and Bermuda are most unlikely because there is not very much scope for building operations in either of those countries. That is all I want to say about it.

**An Leas-Cheann Comhairle:** Can we make progress?

**Deputy Joan Burton:** I can only conclude that the Minister is being deliberately oblique in his reply. There is a very significant difference between where a physical asset or land bank is located and where the company or the entity that owns that land bank may be located for tax and administrative purposes. One of the reasons President Obama, following his election, was so intent on the point is that in the United States there is a long-established practice covering those who do business in the United States. Many US citizens and corporations consciously put their business offshore because the reach of the internal revenue in the United States is very wide.

I do not want to hear about ski chalets in parts of Switzerland being owned by developers as this is not relevant. What is relevant are the entities involved in these banks, the subsidiaries of these banks. The application must be to the Minister as stated in these sections and not to NAMA. I presume applications will be processed by NAMA but the Minister is the decision-maker in these sections. Unless the Minister is not as well-informed as I would have thought, I am sure he is very aware that many European banks and Irish banks have subsidiary activities in Switzerland as that country is in many ways the home of modern banking. It would be quite unusual, particularly for the foreign owners of Irish banks, not to have some of their company activities and subsidiaries located in Switzerland.

**An Leas-Cheann Comhairle:** The Deputy's point is very well made.

**Deputy Kieran O'Donnell:** I refer to a point requiring clarification in section 63, amendment No. 8. Why was this amendment included at the eleventh hour? It is a Seanad amendment. Why does the Minister find it necessary to include it?

The amendment states, "subject to any prohibition in any applicable law". Does this mean that the laws in a tax haven will take precedence over law in this jurisdiction?

**Deputy Paul Gogarty:** That is the way it operates now.

**An Leas-Cheann Comhairle:** Please allow the Deputy to make his contribution in an orderly fashion.

**Deputy Kieran O'Donnell:** My main concern is for the Irish taxpayer with regard to NAMA and that good assets may end up in tax havens. The Minister stated that one of the reasons he was taking performing property loans into NAMA was to enable NAMA to be self-financing. I might disagree with that policy for a business plan but the basic concept was that in order to enable NAMA to have some possibility of being viable the performing loans would, to a certain extent, have to subsidise the non-performing loans. This concerns me and I believe the Minister's explanation of the €120 billion and the statement that this was the value at the peak is not credible. On what date was the peak? There has been a significant fall of €43 billion. There is a concern abroad that many of the performing loans in the banks will end up—

**An Leas-Cheann Comhairle:** The same points are being made repeatedly.

**Deputy Kieran O'Donnell:** Why was it necessary to introduce this at the tenth hour? Will the law that appertains to the jurisdiction in which the subsidiary of a bank is located take precedence over Irish law? What about performing loans in such jurisdictions that NAMA might try to get at but for which it has no legal basis to act?

**Deputy Brian Lenihan:** As I made clear several times, the only purpose of this minor technical amendment is to clarify what is already the law. In other words a subsidiary operating in a foreign jurisdiction must comply with the local law. That is the only purpose of this amendment and it has no other purpose whatsoever. It simply makes explicit what is already implicit.

Deputy Burton intervened in respect of tax havens to give her analysis of how people structure their affairs. Let us begin with the fact that NAMA will acquire bank assets. The bank assets are not, to any appreciable extent, if at all, located in tax havens. The assets NAMA will acquire are based in jurisdictions that have legal systems of which we know, respect and with which we work.

We will now go beyond the assets to the collateral and borrowers and how those borrowers structure their affairs. Under the legislation NAMA is given all the powers which the Consti-

[Deputy Brian Lenihan.]

tution permits to acquire off borrowers where they must enforce such powers and to set aside transactions which are improper.

**Deputy Kieran O'Donnell:** I wish to make one more point.

**An Leas-Cheann Comhairle:** We have spent one hour and twenty minutes on what are described as——

**Deputy Kieran O'Donnell:** Does the Minister hold concerns that there are performing loans in jurisdictions which are tax havens? Will the Minister be dealing with countries with which we have legal agreements? Does the Minister hold concerns that there will be performing assets in tax haven jurisdictions at which NAMA and the Government will not be able to get? When carrying out due diligence in the banks did the Minister encounter specific cases in which he will not be able to access performing loans?

**Deputy Brian Lenihan:** The assets can be transferred by the participating institution. There is no difficulty in that respect.

**Deputy Kieran O'Donnell:** What if they are held by a subsidiary of the bank in a jurisdiction with which we have no legal agreement?

**Deputy Brian Lenihan:** The assets are transferred by the bank. The bank can procure the subsidiary to do whatever is required.

**Deputy Joan Burton:** Does the Minister not remember Ansbacher?

**Deputy Kieran O'Donnell:** If that is the case, then why include the amendment and the reference to “any applicable law”? Surely, a subsidiary must comply with the law that appertains in such a jurisdiction?

**Deputy Brian Lenihan:** Yes. That can be taken into account in the valuation of the loans.

**Deputy Joan Burton:** Has the Minister wiped the Fianna Fáil memory disk clean of what took place in respect of the Ansbacher accounts? Those loans were off-shore but all the money was in Dublin and Ireland, circulating to the Fianna Fáil head honchos, who had their own little scheme. That was disclosed by numerous tribunals and inquiries. It is a real Fianna Fáil trick to pretend they never heard of this before. That it is amazing. Such off-shore activity was the essence of the Ansbacher accounts. When Mr. Haughey was telling people to tighten their belts in his Charvet shirt, he had a lot of funds circulating in the Ansbacher accounts. The essence of that scheme was back-to-back off-shore arrangements between this and other jurisdictions. The scam continued for a long time before it was uncovered.

Seanad amendment agreed to.

Seanad amendment No. 2:

Section 4: In page 19, line 32, after “enactment” to insert “or applicable law”.

Seanad amendment agreed to.

Seanad amendment No. 3:

Section 12: In page 28, between lines 12 and 13, to insert the following subsection:

“(8) In exercise of its powers under *paragraphs (s), (z), (ab) and (ac) of subsection (2)*, NAMA shall have regard to proper planning and sustainable development as expressed in Government policy and in any relevant regional planning guidelines (within the meaning of the Planning and Development Act 2000) and development plans (within the meaning of that Act).”.

**Deputy Brian Lenihan:** This section was introduced to clarify that NAMA will have regard to proper planning and sustainable development in the exercise of its powers which are relevant to those concerns. It was always intended that NAMA would do so and it is appropriate to include a provision to that effect. The provision is contained in section 12.

**Deputy Joan Burton:** I welcome the amendment and the comments of Deputy Gogarty because this amendment was put forward by the Labour Party to provide a context in which proper planning and development could inform any decisions of NAMA and be taken into account. In practice it will be very difficult to realise because it will be genuinely difficult to achieve proper planning and development in the aftermath of the bursting of the construction bubble.

Last night we heard from Dr. Peter Bacon, a consultant, whose report suggested that 20,000 hotel rooms must be taken out. The hotels were built on the back of tax breaks, even though people such as myself called for the Government and the then Minister for Finance, Deputy Brian Cowen, to desist. However, he could not do so, even when reports from his own Department indicated the sell by date was past.

This will be difficult to do and there will have to be a very strategic approach to cluster and re-group what is left to ensure what comes to NAMA is used in a coherent and sustainable way to assist with economic planning and development. I note the comments of the Minister for the Environment, Heritage and Local Government regarding some towns with zoning dating forward to 2040 and 2050. It will be difficult to implement this in practice. However, if we can get to a basis of sustainable planning and development, we can work it into the NAMA framework and it could make a contribution.

As a people, we must restore large areas of the economy, especially in the tourism sector. We must so do in a strategic and coherent way that is not dependant on the political power carried by many individuals involved in that industry, especially within Fianna Fáil. It is remarkable from travelling to many hotels throughout the country how many of the corridors have a photo display dominated by Fianna Fáil political figures.

**Deputy Brian Lenihan:** We have been in office since 1997.

**Deputy Joan Burton:** It is more than that. When one visits a hotel—

**Deputy Brian Lenihan:** The President often features as well.

**Deputy Joan Burton:** The former President, Ms Mary Robinson, and President McAleese feature to some degree. However, that is in the ha’penny place compared to the glowing photos of such people as Deputy Bertie Ahern.

**Deputy Michael Mulcahy:** So what? What point is the Deputy making?

**Deputy Joan Burton:** The point is proper planning and development did not apply in respect to many of these hotels. Some hotels have been in the country for generations and families work in these hotels. There are very fine hotels but some of them are under very serious threat. More and more hotels were built, driven by the tax breaks, to the extent where there is now a

[Deputy Joan Burton.]

very significant surplus of hotel rooms. There is almost a proposal in Dr. Bacon's report of a NAMA-style process for hotels.

Deputy Mulcahy should note that NAMA for hotels and accelerated tax breaks for hotels stands in marked contrast to the experience of homeowners facing repossession, who have found very little comfort in the Government benches. There is one law in this process for the bankers, the developers and possibly for failed hoteliers. The argument is that the viable sector of the hotel industry must be protected. Ordinary people whose entitlements are being cut feel this very deeply. Child benefit will be attacked, the Christmas bonus will be abolished and people's houses may be repossessed. However, if they were on the Fianna Fáil gravy train for tax breaks, someone would sit down and think about how they could save and protect these people. Proper planning and development will be extremely challenging because of the crony capitalism, in the words of Mr. Peter Bacon in his first report, that infests Fianna Fáil in particular. It has caused a large part of the property collapse. I do not know how the Minister for the Environment, Heritage and Local Government will frame a structure for returning to sensible and strategic approaches to planning. Obviously vested interests will be involved. Nonetheless, I welcome the amendment. I acknowledge that the Green Party was to the fore in suggesting and supporting this amendment.

**Deputy Kieran O'Donnell:** The danger here is that NAMA will effectively become a monopoly, as the largest property developer in Ireland, Europe and the world. It is extremely challenging. The Bill refers to "acquire and dispose of property", "make any planning application in relation to land", "undertake development for the purpose of realising the full value of any asset" and "carry on any business that NAMA considers can be conveniently carried on in connection with any of its functions or is calculated directly or indirectly to enhance the value of or facilitate the realisation of or render profitable any of NAMA's property or rights". It is critical that NAMA gets best value for money for the taxpayer but NAMA in its application must examine the wider aspect such as those operating outside NAMA.

Examining the business plan, I note that nothing happens until 2013. At that point there are enormous repayments of principal, where the sum goes from €2.5 billion to €7.5 billion, a threefold increase. Within the first three years, does the Minister intend that the structure of the SPV and the NAMA will engage under the headings I have cited? I do not necessarily refer to acquiring or disposing of property but the provision to make "any planning application in relation to land, and intervene in any planning application made by another person". Does NAMA intend to get involved in that area in a quick fashion? It may also "undertake development for the purpose of realising the full value of any asset" and "carry on any business that NAMA considers can be conveniently carried on in connection with any of its functions". In respect of this section, if it is done for the common good it is good but not if it is done so that NAMA gains a dominant position in the Irish market, whereby outside of NAMA very little activity will happen. With the structure the Minister has created, with assets overvalued to the tune of €7 billion or 15% and much higher if we return to a lower value, he will create a false floor under the valuation of assets. There will be no movement and he will bring further constraints to the property market that will hinder the market returning to normal. That is why it is so important that the assets in NAMA are bought at market value. The Minister is effectively creating a false market for assets. The worry is that this will be added to by further interference in the market under this amendment. I would like to hear the Minister's comments on the practical aspects of this.

**Deputy Arthur Morgan:** This is the essence of the Labour Party amendment moved on Committee and Report Stage. I commend Deputy Burton and the Labour Party on spotting

this void in the Bill. I acknowledge the Minister's acceptance of this amendment. It is ironic that the Green Party missed what we are told is one of its core values. The Green Party has no interest in proper planning and sustainable development. It is a bit like the shared risk proposal, whereby we were told there would be equality. We know the outcome of that issue. Aside from the Green Party being somewhere else mentally on this legislation, the lack of proper planning for jobs and matters such as broadband is telling. Whatever about NAMA, it will not get us out of this mess created by the Government. A number of reports were submitted to the Government by a number of Oireachtas committees and authored by two colleagues, Deputy Martin Ferris and Senator Pearse Doherty. These would have developed the western corridor but they are sitting on a shelf somewhere. The Government is not bothered with them and the House has given priority to this shoddy legislation that is causing substantial worry. I commend Deputy Burton on spotting this gap and submitting this amendment.

**Deputy Paul Gogarty:** I will try to stick to the amendment but if aspersions have been cast on my party in the House I presume I have a right to respond.

**An Leas-Cheann Comhairle:** I would not make any presumptions but I would motor ahead if I was Deputy Gogarty.

**Deputy Paul Gogarty:** I acknowledge and welcome the Minister's acceptance of this amendment. He pointed out that it was deliberated upon by Ministers from the Government parties. I welcome the fact that it is a Labour Party amendment and I know Deputy Burton had much to do with it being introduced at various stages of this debate. I thank her for acknowledging most graciously that the Green Party supports this and pushed for it.

I am surprised by Deputy Morgan's comments about the Green Party having no interest in this matter.

**Deputy Arthur Morgan:** Were my comments not factual?

**Deputy Paul Gogarty:** Regarding amendment No. 3, it is logical to have regard to proper planning and sustainable development as expressed in Government policy. In that context, we should remember that Government policy is becoming more sustainable. The Planning and Development (Amendment) Bill, published by Deputy Gormley, sets out a

*1 o'clock*

number of provisions to support economic renewal and sustainable development. This amendment reflects changes on the ground happening in Government policy. In order to make a variation to a development plan, the new Bill requires a two thirds majority of members rather than a simple majority. This is to ensure that proposals cannot be steamrolled. We remember the days when my colleague, Deputy Sargent, was trampled upon for waving a £100 cheque. We still have the cheque as a trophy in our office.

**Deputy Arthur Morgan:** It is a pity he was not examining the legislation, he might have spotted this issue.

**Deputy Paul Gogarty:** Further legislation will also be introduced. The new programme for Government will get rid of the situation where developers, bankers, speculators and trade unions can contribute to specific individuals and specific parties. I agree with Deputy Burton's comments about certain members of Fianna Fáil and other parties having their fingers in the till, being interested in speculation and supporting crony capitalism. Within six months, the incentive for supporting such crony capitalism will be gone and thanks be to God for that. Eventually, we may see proper planning for the sake of planning.



[Deputy Paul Gogarty.]

Without casting aspersions, once again Deputy Burton mentioned areas throughout the country where land is rezoned to 2083, one of which, as I mentioned in a contribution on Report Stage, is in Westmeath, home of the Mullingar accord. I am not trying to score points against the Labour Party. Rezoning happened throughout the country as councillors from various parties did not have regard to sustainable development. Including this section in the NAMA legislation will ensure that all future Governments in dealing with NAMA must have regard to Government policy. Unless a future Government changes the new planning Bill to be introduced and reintroduces corporate donations, we will have firm protection under the legislation. I hope that whoever is in government after this Government will maintain and enhance the provisions of the forthcoming planning legislation and the new systems to ensure that politicians and money are kept far away from each other. In that context, I can only welcome this amendment. I support it fully and credit where credit is due to Deputy Burton and her colleagues in the Labour Party.

**Deputy Michael Mulcahy:** I also strongly support the proposed amendment. It is very important that proper planning and sustainable development form part of the ethos of NAMA. In line with what I stated in my earlier contribution, we must always remember that the primary purpose of NAMA will be to repay the sum of €54 billion out of the proper assets back to the European Union because it remains a liability of the Irish people. I note that in the amendment it appears that sustainability in planning specifically applies to only paragraphs (s), (z), (ab) and (ac) of section 12(2). Why was it not directed towards paragraphs (u), (w) and (aa) of the section? Perhaps there is no need to do so.

I do not want to go too much further in my remarks on this but some of the more outrageous comments of Deputy Burton should not stand unanswered in the Chamber. She implied that every hotel built in rural Ireland in the past ten to 12 years was the result of Fianna Fáil cronyism. I presume she is not trying to cast aspersions on the planning authorities because I presume all of those hotels were properly built subject to local planning laws. If she has information to the contrary perhaps she will provide it to the relevant authorities.

Deputy Burton also implied that these hotels were not sustainable. Many of these hotels were excellent developments which radically transformed the tourism landscape in the country and helped to increase the number of tourists visiting the country. Although our tourist numbers have decreased this year, it is because of a worldwide tourism recession, which I hope we will get out of. To cast aspersions on the entire rural hotel industry and state it is a Fianna Fáil production is outrageous, cheap and has nothing to do with this amendment. In our contributions on these topics we should try to stick to the point and not engage in petty political speeches of the type we heard from Deputy Burton.

**Deputy Ciarán Cuffe:** I did not expect to be called so soon.

**Deputy Kieran O'Donnell:** Welcome.

**Deputy Terence Flanagan:** Welcome, 86 hours later.

**Deputy Ciarán Cuffe:** The amendment is very important and linking in proper planning and sustainable development should be at the heart of what we are doing with these loans. I see a strong commitment from the Minister to examine this about which I am pleased. In some cases, it is not expressed explicitly and in others it is contained in the legislation. There is scope in the composition of the board of NAMA and in the sub-committees that NAMA may establish to ensure that proper planning and sustainable development are at the heart of what NAMA will do.

The NAMA Bill, which is essentially a financial Bill, must be considered in the context of the significant changes that are coming through the Planning and Development (Amendment) Bill 2009 that my colleague, Deputy John Gormley, will bring through the Houses. Contained in that is a radical reshaping of how we address the issues of zoning and rezoning and what is proper planning and sustainable development. I am not convinced that on the other side of the Chamber there is a commitment to proper planning and sustainable development. Councillors on Dún Laoghaire Rathdown County Council are throwing out rezonings like snuff at a wake. In the foothills of the Dublin mountains adjoining Fernhill Gardens and Kiltarnan they are simply reproducing the mistakes that were made in the 1970s, 1980s and 1990s by Dublin County Council.

When we discuss sustainable development and proper planning, I ask Fine Gael in particular to examine what its elected representatives are doing at local level——

**Deputy Michael Mulcahy:** Hear, hear.

**Deputy Ciarán Cuffe:** ——and I ask the Fine Gael Members to look deep within their souls and decide whether——

**Deputy Terence Flanagan:** Deputy Cuffe should look at his own party. It is opposed to everything.

**Deputy Ciarán Cuffe:** ——they and their colleagues helped to create a large part of the problems that NAMA is attempting to solve. In considering the Bill before us, it is time for Fine Gael to think long and hard about how best to address the mistakes that were made during the boom years. To that end, I reiterate that the Minister for Finance, Deputy Brian Lenihan, and the Minister for the Environment, Heritage and Local Government, Deputy John Gormley, are producing significant measures that will help ensure that the mistakes of overzoning and housing estates in the middle of nowhere, that I suspect we will demolish over the coming years, will not be repeated.

There were faults and mistakes in what went on in the late 1990s and early 2000s. Blanket tax incentives in the upper Shannon area were a mistake because developers and investors threw money into schemes to reduce their taxes but did not think long and hard about whether the development was the right type of development in the right type of place. I would like to look forward to a day when Fine Gael will strongly commit itself to proper planning and sustainable development. The Labour Party is good on planning and many of the ideas it has brought to the public debate and its work in the Dublin area and elsewhere have been very positive. I recognise the intent of the amendment. It is worthy but it is covered in many of the measures which the Minister is bringing forward and which my colleague, Deputy Gormley, will bring to the House.

**Deputy Brian Lenihan:** I do not have much to add to what has been said. The amendment speaks for itself.

**Deputy Joan Burton:** Section 12(2)(ac) makes provision for carrying on “any business that NAMA considers can be conveniently carried on in connection with any of its functions or is calculated directly or indirectly to enhance the value of or facilitate the realisation of or render profitable any of NAMA’s property or rights”.

The Peter Bacon report on hotels found that up to 20,000 hotel rooms should be closed. The report notes that the banks which financed hotel developments were not foreclosing on the loans in order to avoid negative impacts on their balance sheets prior to their entry into the NAMA process. Dr. Bacon stated: “We cannot have a situation where zombie banks result in

[Deputy Joan Burton.]

a zombie hotels sector or zombie-other-sectors.” Although this issue was not mentioned in the draft business plan for NAMA, has further work been done on it?

Private hospitals have mushroomed thanks to widespread tax breaks. The HSE has informed us that a hospital needs 400 beds to remain viable but the country is dotted with small private hospitals as a result of tax breaks rather medical needs. If not for tax breaks and the National Treatment Purchase Fund, some of these hospitals would be in a perilous financial state.

NAMA will have available to it €5 billion in capital that can be used to complete projects. Has the Minister reached a conclusion on the hotels and private hospital projects which are now almost under water?

**Acting Chairman (Deputy Seán Ardagh):** Amendment No. 3 pertains to the planning of future hospitals rather than ones which are already in existence.

**Deputy Joan Burton:** No, the Acting Chairman should peruse paragraph (ac).

**Acting Chairman:** We are discussing the effect of the amendment.

**Deputy Joan Burton:** The amendment pertains to paragraph (ac).

**Acting Chairman:** Yes, but the amendment is concerned with the proper planning of future developments.

**Deputy Joan Burton:** No, it is not. As Deputies Gogarty and Cuffe have indicated, it ties in the approach advocated by the Minister for the Environment, Heritage and Local Government. What is the position on proper planning and development in respect of surplus hotels and private medical institutions which were constructed on the basis of tax breaks rather than medical considerations? The National Treatment Purchase Fund directs considerable volumes of money to private hospitals and the Bill provides that NAMA can inject capital funding of €5 billion into developments however it sees fit. I ask the Minister to comment on paragraph (ac) in that context.

**Deputy Kieran O'Donnell:** In respect of the €5 billion available to NAMA as development capital, how long will it take the Minister to develop and lay before the House a detailed business plan for the disbursement of this money?

I welcome the Green Party Members to the House. Deputy Cuffe is like a sunshine player in that he flits in and out. The Green Party Deputies remind me of *Animal Farm* in being more Fianna Fáil than Fianna Fáil itself. It is a bit rich for them to lecture us when they are propping up a Government which has brought the property market to the point where we have to bail out the banks through NAMA. If they were committed to the legislation, they would come into the House to debate it. I do not doubt that Deputy Cuffe's contribution contained an element of enthusiasm for speaking on the record but he did no justice to the debate.

This is a serious matter which involves €54 billion of taxpayers' money. We do not agree with the legislation but want to ensure that it is as effective as possible. The amendment proposed by Deputy Burton is welcome in that regard. NAMA's success will depend on planning and producing a business plan for the disbursement of the aforementioned €5 billion. This should only be the start of that process. When the board is formed, the Minister should revert to the House with proper plans for the money.

**Deputy Paul Gogarty:** I cannot do mock outrage well so I will not try. I intended to say I am shocked and astounded by Deputy O'Donnell's comments but I cannot keep a straight face. I am amused.

**Deputy Arthur Morgan:** Is the Deputy acknowledging them?

**Deputy Paul Gogarty:** I will not say I find them outrageous.

**Deputy Kieran O'Donnell:** This is a serious debate.

**Deputy Paul Gogarty:** It is a serious debate.

**Deputy Kieran O'Donnell:** It has been proven that humour improves creativity.

**Deputy Paul Gogarty:** A little bit of humour has already helped the Minister in amending the Bill. Deputy O'Donnell's *Animal Farm* analogy was previously used by Deputy Rabbitte.

**Deputy Kieran O'Donnell:** I was not aware of that but I defer to the Deputy.

**Deputy Paul Gogarty:** I am a great fan of George Orwell's slogan, "four legs good, two legs better!" I remind Deputy O'Donnell that the revised programme for Government shows that the Green Party is now running the farm. I am happy with that.

**Deputy Joan Burton:** I am not sure that is a compliment.

**Deputy Kieran O'Donnell:** Did Deputy Burton ever hear the story of the emperor's new clothes?

**Deputy Paul Gogarty:** Yes.

**Deputy Kieran O'Donnell:** It applies to our current situation. This is a serious debate and Deputy Cuffe should be in attendance.

**Deputy Paul Gogarty:** Deputy Cuffe is not here because, as our party's Whip, he has arranged for Green Party Members to discuss the forthcoming budget between 1 p.m. and 2 p.m.

**Deputy Pat Rabbitte:** How is that going?

**Deputy Kieran O'Donnell:** The debate on NAMA is still ongoing.

**Deputy Terence Flanagan:** Is the budget more important than NAMA?

**Deputy Paul Gogarty:** The two matters are of equal importance and I will have to make my apologies to attend that meeting. In fairness to Deputy Cuffe, at least 150 other Deputies are missing from the Chamber because, I assume, they have pressing business. Deputy Cuffe made his contribution against the clock and I thank the Chair for facilitating him.

This amendment is welcome in terms of requiring NAMA to have regard to changes in Government policy. Deputy Kenny will no longer be able to hold large fundraising events or take money from NTR or Treasury Holdings and Fianna Fáil and Fine Gael councillors will not be able to take money while rezoning lands to the benefit of developers and speculators. I prefer to be making a difference in Government than carping from the outside. A Fine Gael-led Government is bound to be elected at some point in the future but I hope the forthcoming legislation on planning and corporate donations will not be reversed by that party. We need to operate on a fair and transparent basis whereby decisions on land use and rezoning are made in the best interests of the country rather than because councillors' friends are offering money. In that context, having regard to Government policy is a key issue.

Deputies Burton and O'Donnell referred to matters not dealt with by the National Asset Management Agency, while the former referred to protection for mortgage holders. The banks

[Deputy Paul Gogarty.]

issued voluntary statements yesterday. As I stated on Report Stage, the programme for Government provides for measures to ensure that vulnerable mortgage holders who are in negative equity will not lose their homes.

**Deputy Terence Flanagan:** When will we see the relevant amendments?

**Deputy Paul Gogarty:** One cannot tie everything into NAMA.

**Acting Chairman:** We must focus on the amendments.

**Deputy Paul Gogarty:** I am trying to explain the reason the National Asset Management Agency cannot deal with everything. The agency will deal only with the banks and assets.

**Acting Chairman:** We are discussing a specific amendment.

**Deputy Paul Gogarty:** Yes, I am simply pointing out that there are measures for mortgage holders, to make planning more sustainable, on corporate donations and to deal with other issues.

**Deputy Terence Flanagan:** The Deputy is making a Second Stage speech because the Green Party was absent from the Second Stage debate.

**Deputy Paul Gogarty:** The National Asset Management Agency should deal with assets. Other matters are addressed elsewhere. The Labour Party amendment ties external matters into the NAMA legislation. I hope that rather than sniping constantly members of future Governments will adhere to the legislation to ensure planning is sustainable because planning in the past 20 years has not been sustainable.

**Deputy Terence Flanagan:** We are not sniping.

**Deputy Kieran O'Donnell:** Given Deputy Gogarty's dissatisfaction with developers and the type of building that took place in recent years, I suspect he will vote against the Bill.

**Deputy Paul Gogarty:** The Green Party is changing the legislation which is the reason we are in Government.

**Deputy Arthur Morgan:** I am pleased the Green Party has been given an opportunity to catch up and make Second Stage speeches. I appreciate the majority of its Deputies missed the Second Stage debate.

**Acting Chairman:** It is their right to speak.

**Deputy Paul Gogarty:** I spoke on Second Stage.

**Deputy Arthur Morgan:** To some extent, sustainable planning hinges on the national spatial strategy. The strategy is explicit on the critical importance of some of the other matters referred to by Deputy Burton, including health care. Despite this, there has been a failure to have regard to these issues. I hope greater diligence will be shown in this respect in future.

In the case of the Louth County Hospital in Dundalk, critical services have been transferred from the hospital to other facilities, leaving a population in excess of 100,000 without these services. While the Green Party made substantial pre-election promises on these matters, they forgot about them after the election, which is most unfortunate. Perhaps I was naive in

expecting more from the party. The allure of power was more attractive than looking after people on the ground and dealing with their critical needs——

**Deputy Paul Gogarty:** Deputy Kenny asked Deputy Sargent to speak to the leader of Sinn Féin but told porkies about it afterwards.

**Deputy Arthur Morgan:**——including acute health services, accident and emergency services and intensive care. The party is not bothered about such matters now that it has joined the bigwigs and is enjoying the paraphernalia of power and swanning around the place. I hope the amendment will ensure the relevant policy will be implemented.

**Acting Chairman:** I will put the amendment.

**Deputy Joan Burton:** I ask the Minister to respond to the issues I raised regarding paragraph (ac), including the ability to carry on business and whether there has been any advance on the draft plan. These are important matters.

**Acting Chairman:** The Minister may only respond on issues relevant to the amendment.

**Deputy Brian Lenihan:** The business plan will be drawn up by the board of NAMA. On the difficulties in the hotel sector, I have not yet had an opportunity to examine the report to which Deputy Burton referred. Clearly, the board of NAMA will have to take a commercial view on what is appropriate for the sector in the context of whatever banks assets it takes over in the sector. While I am aware that there are bank assets in connection with hotels, I am not clear on the question of private hospitals. I have not had a report to date that the bank assets to be transferred would include private hospitals. That is an issue which the board of NAMA will have to deal with in due course.

Seanad amendment agreed to.

**Acting Chairman:** Seanad amendments Nos. 4 to 6, inclusive, are related and may be discussed together by agreement.

Seanad amendment No. 4:

Section 32: In page 37, subsection (1), line 25, to delete “3” and substitute “4”.

**Deputy Kieran O'Donnell:** I ask the Minister of State to elaborate on the changes made by the amendments. What is the purpose of the finance committee? What will be its membership? I assume this ties in with the quarterly reports. What will be the precise functions of the finance committee?

**Minister of State at the Department of Finance (Deputy Martin Mansergh):** Amendment No. 5 proposes that the board of the National Asset Management Agency establish a fourth committee, the finance committee, along with the three committees already envisaged in the Bill, namely, the audit, credit and risk management committees, respectively. Amendments Nos. 4 and 6 are consequential amendments.

During the Seanad debates, the Minister listened to arguments that the finance committee should be put on a statutory basis and was convinced by the arguments made. The role of a finance committee is to oversee the financial affairs of a company and review and make recommendations to the board about the financial affairs and policies of the company in question. The finance committee should help the board focus on fiduciary duties, recommend financial policies, help develop and review the budget, take the first look at financial statements,

[Deputy Martin Mansergh.]

etc. Given the responsibility that will rest on the board of NAMA and the scale of the assets being transferred to the agency, it is a good idea that such a committee should be established by the board. For this reason, the Minister accepted the proposed amendments.

**Deputy Joan Burton:** A finance committee was not included in the original structure. The National Asset Management Agency will have to operate on commercial business grounds. Given that finance and budgetary plans are the core of a business, it would be highly unusual not to have the full board involved in these areas. Audit, credit and risk management have specific, defined functions in banking. However, given the centrality of the finance function to everything NAMA will do, I do not understand the reason it is to be hived off.

Credit and risk management committees in a bank are to provide oversight to ensure detailed decisions on specific developers or groups of assets are taken in a manner which minimises risk and is sensible in terms of the objectives of NAMA. Finance is so pervasive to the entire activities of the agency that it is difficult to understand the reason it will be shunted into a sub-committee.

In most organisations, the chief executive has a group of people who help with the draft business plan. Does this mean that when the business plan is finalised, it will not go before the full board but will be presented to a sub-committee of the board? That would be bad practice. We should have learned from FÁS that removing central functions, other than those referred to, from the main committee will make the function of members of the main committee akin to that of flower pots. They will admire and be admired because they are not involved in intrinsic activities.

The section provides that two staff and two board members will be appointed it to the committee. I do not believe it provides for external members. Will Minister of State confirm that is the case?

What was the thinking behind this change because I am worried, given that the NAMA board will consist of senior executives, that finance matters will be dealt with by a sub-committee? This does not sound right because finance risks in a bank are normally dealt with by the credit and risk management committees, both of which are necessary. The audit committee is a standing feature of corporate governance. However, I do not get the business of establishing a finance committee. I would be worried if it meant the members of the main board have finance matters such as the business plan shunted from them.

The worst of all worlds is where a chief executive or chairman says the finance committee has already seen the information and a decision is nodded through. We are trying to escape from the mistakes made in board structures in that area. In many ways one could say Anglo Irish Bank, which was a good idea initially in terms of a developer's bank, was an institution which failed because it had an over-powerful chief executive who dictated everything that happened and came to believe he was infallible.

People who audit banks have done studies on collapses and have found a megalomaniac chief executive who founded the company often comes to believe his or her power is incredible. It is not a good idea to shunt critical financial matters away from the main board and put them before a sub-committee. This is not a situation whereby the Government has committees of Ministers going to and fro to find issues. This is the biggest property company ever created in this country and, perhaps, the world and it is proposed that the finance element of it will be dealt with by a small sub-committee. I am interested in hearing the reasons for this.

**Deputy Arthur Morgan:** I share the concerns of Deputy Burton. The master SPV will operate on the sidelines and it is proposed that the board of NAMA will comprise much of the board

of the master SPV, which we need to distinguish from all the small SPVs which are likely to appear. One would expect every member of the board of NAMA to be very involved in finance matters, so why is there a need for a finance committee? It causes me some concerns because it seems as if the Government is making an excuse or providing an escape clause in advance for such people by allowing them to argue that a recommendation came from the finance committee. That is unacceptable and the board needs to be fully accountable for its decisions. The amendment would do harm to the Bill because it proposes to corral an issue of the utmost importance, namely, the €54 billion passing through the coffers of this organisation. It is critical that all of the board examine this matter and any financial issues be discussed fully in an open forum by the board and not corralled or diverted into a side committee which may not be fully accountable.

**Deputy Kieran O'Donnell:** The section states the members of the credit committee and the finance committee shall be members of the board or officers of NAMA and at least two members of each of those committees shall be members of the board. Normally reporting to the board is done through the financial controller, who would have his or her own team. In many cases the financial controller might also be a member of the board. Is a committee being established for the sake of it? Will the finance committee present a *fait accompli* to the board? Normally the financial controller would present the accounts to the board and they would be scrutinised and probed properly.

We have no idea what the membership of the finance committee will be. It is proposed that members of the board, officers of the board or officers of NAMA shall be members of the board. How many people will be on the committee? There are a large number of unanswered questions. My worry is that something unwieldy like the HSE will be created and the figures will not be properly scrutinised.

**Deputy Martin Mansergh:** I assure Deputy Burton that the only flowerpots in the boardroom will be in the centre of the table or in the windows and will not be around the table. The membership of the committee will be a matter for the board but will be confined to officers of NAMA and board members and, as has been said, at least two board members must be on the finance committee. I have been an unpaid member of enough voluntary organisations to know what are the functions of finance committees. I understand Deputy Burton's argument but it is misplaced in this instance and a very similar argument she made could be made about the risk management committee. One could argue risk management is a matter for the whole board and therefore a risk management committee is not needed.

An amendment tabled during the Seanad debate by Senator O'Toole proposed that detailed financial reports should be first examined by a sub-committee before they come to the board. The Senator argued that his experience had shown that unless a sub-committee examined the material before the board does the executives may be left with too much power. Many organisations have a first reading or look at financial statements at committee level and one can often iron out things so they do not detain the time of the full board.

However, given the huge national responsibilities of NAMA the board will have to have a hands-on approach to every aspect of its activities. The committees are there simply to help them. In organisations of an entirely different type, Deputy Burton may be correct in stating that finance committees sometimes assume a power and effectively take over the financial running of such organisations. In this instance the responsibilities and duties of the board are simply too great to permit that to happen. The addition of the finance committee, for which an argument was made and accepted, adds to rather than subtracts from it.



**Deputy Joan Burton:** I thank the Minister of State for his reply. It is intriguing that someone who was one of the architects of social partnership and would have great expertise in social partnership participation in various public boards would have made this proposal. From the material I have read about FÁS, one of its downfalls is that matters were shoved into sub-committees and because its executive was so powerful the kind of general scrutiny and oversight which was appropriate did not happen. Like many other people, in the past year and a half I have read about, met, seen and heard speak people who are on the boards of the various banks. I have scratched my head regarding some of them and have wondered what on God's earth were these people doing on the boards of the banks and why did they not shout "Stop".

The same is true of State boards such as that of FÁS. These are often people of significant reputation and experience, many of whom are professionally qualified. However, because information was shunted off somewhere else they were along for the ride, an approach which resulted in some of the disasters we have experienced.

At the commencement of Committee Stage, NAMA had a special purpose vehicle suddenly added with a week's notice. The financial structure of NAMA and the span of control, which is important from the perspective of it being a banking-type institution, is no longer what it was. We now have NAMA and the special purpose vehicle, which is the authorised decision maker; it is the holder of the loans and issuer of the €54 billion or so in bonds.

We know officers of NAMA are to be on the special purpose vehicle but the authority and control over big financial decisions is now located in the special purpose vehicle. We are now also having a finance committee which is to be a small and powerful sub-committee. The audit committee is standard for corporate governance and there are also the credit and risk management committees, which are essential in banking-type institutions. Now that we have the SPV of NAMA in control, we need to know a little more about this.

I would like to know more about Senator O'Toole's thinking and the Minister's ready agreement with the Senator on the hiving off of core critical information. We will talk about qualifications for dealing with NAMA later as they are in a later section. This is to be hived off entirely into sub-committees as there will be four such sub-committees by law. These committees will carry powers.

In a company one can set up as many sub-committees as one likes and, for example, a chief executive may put something new into a sub-committee. What is being reported as Senator O'Toole's view is that it may be better if some of this stuff could be discussed beforehand. In the context of the job that NAMA does, I would worry about this. I would like all those board members to be very seized of what it is that NAMA is proposing to do in monetary terms. We are talking about €54 billion in taxpayers' money and liability. The loans are, for the most part, damaged, distressed and limping loans and yet we are to divert all these issues to some cosy committee.

Much is riding on the officials in NAMA being sea-green incorruptibles. Given the history of the NTMA, I am hopeful about that but hiving this off to a sub-committee, which can deliver a one or two-page conclusion, could lead to difficulty. Somebody who was a member of a State board in the time of Charlie Haughey wrote to me recently. I think the person may have been friendly with Mr. Haughey and leading politicians of other parties at the time. That person was on the boards of an important national institution but because the person asked questions, he became *persona non grata* and a pain to the head of the board. That person very quickly became isolated for asking reasonable questions as a board member.

I would like to hear an absolute undertaking from the Minister that the full NAMA board will deal with the financial decisions to be made, bearing in mind that the SPV and span of control introduced very late in the day by the Minister has changed the architecture of NAMA

significantly. I can foresee a position where the SPV would be the controlling decision maker but there would be a finance committee and general board as well. The interaction may be between the SPV and the finance committee and the issues could get to the board very late in the day.

**Deputy Kieran O'Donnell:** This relates to the establishment of a finance committee within NAMA. As Deputy Burton has stated, we have discussed the SPVs at length, and they will be for all intents and purposes the operational vehicle of NAMA. The SPVs will consider day to day activity and all the powers will effectively be delegated to the SPVs. There will be a master SPV and a number of subsidiaries, baby SPVs, satellites or whatever we call them.

Will the accounts of the SPV be reported to the board of the SPV, the board of NAMA or the finance committee in NAMA? Have the implications of the amendment been thought through with regard to the workings of the SPVs on a day to day level? What value will the finance committee bring to the operation of NAMA and particularly the SPV? Will the Minister of State expand on the relationship between the finance committee and the SPV because the SPV, for all intents and purposes, will be NAMA?

**Deputy Martin Mansergh:** There is no danger of NAMA becoming like FÁS, although I hasten to add that I have great respect for the activities of FÁS on the ground, notwithstanding what happened at board level. Deputy Burton has entirely legitimate concerns about the way corporate governance was carried out in many places, both public and private, in the past. People were sometimes put on boards because they enjoyed a high reputation and were therefore a good advertisement for the institution to which they belonged, or if they were high-profile public figures they could open doors and have contacts at home and abroad.

Many lessons will have been learned from the disastrous experiences of the past couple of years, and not alone for NAMA. People will be much more on guard and vigilant in future so that disasters of the type we have seen will not happen again. This is particularly likely to be the case in NAMA, which will become the highest profile public organisation in the country and on which so much will ride. The idea of any board members being passengers, neglecting their responsibilities or being flower pots, as Deputy Burton put it, can be excluded.

Senator O'Toole's concern was that without a finance sub-committee of the board, too much power would reside with the executive. A sub-committee of the board, which requires two NAMA board members to be present, ensures greater control. All important decisions will be referred to the NAMA board. It does not apply to the SPV but that will have to report to NAMA, including its finance committee.

Seanad amendment agreed to.

Seanad amendment No. 5:

Section 32: In page 37, between lines 29 and 30 to insert the following:

“(c) a finance committee.”.

Seanad amendment agreed to.

Seanad amendment No. 6:

Section 32: In page 37, subsection (4), line 39, after “committee” to insert “, the finance committee”.

Seanad amendment agreed to.

Seanad amendment No. 7:

Section 62: In page 52, subsection (6), line 20, after “consents,” to insert “in accordance with any applicable law”.

Seanad amendment agreed to.

Seanad amendment No. 8:

Section 63: In page 52, subsection (1), line 31, after “undertake” to insert the following:

“, subject to any prohibition in any applicable law,”.

Seanad amendment put and declared carried.

**Acting Chairman:** I understand that Deputy O’Donnell intends to move an amendment to Seanad amendment No. 9.

Seanad amendment No. 9:

Section 119: In page 88, between lines 42 and 43, to insert the following subsection:

“(4) Without prejudice to the generality of *subsection (3)*, a person has relevant expertise or specialist knowledge if he or she is qualified, or has experience at a senior level, in any one or more of the following:

- (a) finance and economics;
- (b) law;
- (c) accountancy and auditing;
- (d) public administration;
- (e) project finance;
- (f) construction and land development;
- (g) property management and sale;
- (h) valuation;
- (i) urban and land planning;
- (j) banking and investment;
- (k) insolvency and restructuring.”.

**Deputy Martin Mansergh:** This Seanad amendment arises from a commitment given by the Minister during the Committee Stage discussion in the Dáil to examine whether specific qualifications should be enumerated in this section of the Bill. The Bill, as passed by the Dáil, provides that in deciding whether a person is suitable for appointment to the valuation panel, the Minister must be satisfied “that the person has relevant expertise or specialist knowledge”. This Seanad amendment inserts a list of appropriate qualifications to which the Minister will have regard when assessing whether a person has “relevant expertise or specialist knowledge”, into the Bill. The list of areas in which a person should be qualified or have experience at senior level includes “property management and sale”, “valuation” and “construction and land

development". The Seanad amendment before the House sets out the full list of 11 qualifications.

**Deputy Kieran O'Donnell:** I move amendment No. 1 to Seanad amendment No. 9:

In line 2, subsection (4), after "knowledge if" to insert the following:

"following consultation with any Committee of the Houses of the Oireachtas established to monitor Acts done in the furtherance of this Act, the Minister is of the view that".

During the Committee Stage debate in this House, the Minister took on board the possibility that an Oireachtas committee should be involved in the process of making appointments to the valuation panel. It is regrettable that he did not see fit to include a statutory provision to that effect in this legislation. Given that €54 billion of taxpayers' money is at stake, Fine Gael strongly believes there is a compelling argument for the statutory establishment of a parliamentary committee to ensure there is Oireachtas oversight of the NAMA project. We feel that the Minister should appoint the members of the valuation panel following consultation with such an Oireachtas committee.

When I examined the various categories set out in the amendment before the House, it struck me that people with expertise in taxation should have been included as being essential to the expert group. Such people would have a knowledge base in the valuation area. We are keen to ensure there is proper oversight. It is interesting that the Minister agreed to make a worthwhile amendment to give the Joint Committee on Finance and the Public Service further oversight in terms of finance and the NAMA board. If I am correct in my interpretation, the Minister has clarified that the special purpose vehicle will report to that committee as well. Nevertheless, no new Oireachtas committee is to be established by way of statute. Such a committee would provide oversight in all financial areas and make an input into the appointment of experts and members of the valuation panel. It would reassure the general public that its interests are being looked after by its elected representatives. That is why I have proposed amendment No. 1 to Seanad amendment No. 9.

I am extremely disappointed that the Minister has not agreed to provide for the establishment of an Oireachtas committee under this legislation. I am dissatisfied with his decision not to include details regarding credit guidelines in the Bill. I am disappointed that he is not taking action in this legislation to protect mortgage holders, in terms of repossessions, in their dealings with the banks. This should feed into a change in the regulation of the banking system. The banks appear to be resisting the necessary change from a principles-based system of regulation to a rules-based system of regulation. At all times, we need to protect the people living in this country. This measure would not hamstring the banks in their operations. The Oireachtas committee would not inhibit the operations of NAMA. It would bring about proper reporting structures and legislative protections for mortgage holders. When mortgage holders go into a court of law, the judge should have a legal basis on which to make rulings that ensure they do not lose their homes. We need to include a mechanism in the NAMA legislation that will ensure people benefit from better governance, better legislation and better oversight of NAMA. I hope the Minister for Finance will take this amendment on board. Although he has given an assurance that an Oireachtas committee will be established, he should have gone further by properly assuring the general public that such a committee will have a legal basis.

**Deputy Joan Burton:** I am happy to support Deputy O'Donnell's amendment No. 1 to Seanad amendment No. 9. We have argued at great length that a vetting procedure should be provided for, preferably through an Oireachtas committee. The obvious candidates would be the Joint Committee on Finance and the Public Service and the Joint Committee on Economic

[Deputy Joan Burton.]

Regulatory Affairs, although it may be possible in certain circumstances to provide for a sub-committee of the Committee of Public Accounts. The structure of this legislation gives enormous direct and reserved powers to the Minister for Finance when disputes about valuation arise. A dispute may arise if the advisers of a person who has assets in the NAMA process believe those assets are worth €1 billion, but NAMA's view is that they are worth €500 million in light of the collapse of the property market. One party to the dispute might want to raise the value of the assets, but NAMA might want to set the takeover value at market value, or at a minimally increased long-term economic value. The valuation board panel of up to 12 people, all of whom will have been appointed by the Minister, will potentially come into play in such circumstances. They will form the essential core of the system of adjudication on disputes. Each member of the panel will be required to express his or her opinion on whether a property, basket of properties or basket of collateral for loans is actually worth €1 billion, when NAMA says it is worth €500 million. The Minister for Finance will have the tremendous power to appoint the members of the valuation panel.

Obviously, we are happy to support the first part of Seanad amendment No. 9, which sets out a range of areas in which people may have expertise. However, it does not change the core issue, which is that the valuation panel member appointed by the Minister, Deputy Lenihan, and thereby appointed by Fianna Fáil comes up with their suggested amendment to the valuation and then the Minister can either accept or reject that and send it back to NAMA if he agrees with the valuer to have it redone. The valuation panel is one of the most powerful and hidden provisions in the Bill. The Minister and the valuation panel have the power to reject the valuations set by NAMA and to opt, perhaps, for higher valuations. It must be remembered that the Minister is of a very optimistic view. I have heard people like Deputy Mulcahy say they were absolutely confident the property market would rise and rise very significantly over the next ten years. That argument would allow an optimistic property valuer to suggest that the NAMA valuation is too conservative and does not recognise that happy times are around the corner.

The Fine Gael amendment that the appointees to the valuation board should be subject to a very small level of scrutiny following consultation with a committee of the Houses is a very modest amendment and I strongly recommend it to the Minister for acceptance. The Minister for Finance is at some risk in this regard. One of the things that went wrong previously in the Department of Finance is that the former Minister, Charlie McCreevy, regarded himself as an authority on everything and he made his own decisions even if he was overruling his own officials. We do not know if they ever recommended against tax breaks. However, if they gave him advice he was not inclined to take he simply said: "I do what I do." He made designations like that in the upper Shannon. At one stage he said to me that he would make the upper Shannon like the Klondike. When I reminded him what the Klondike was like afterwards, he just waved his hands and walked off.

This section gives extraordinary powers to a Minister for Finance, who will not always be Deputy Brian Lenihan. In fact we hope that will not be so for too much longer. The Fine Gael amendment imposes a modest interaction with an appropriate Oireachtas committee in respect of these incredibly important appointments. The valuation panel is critical in setting values. If those valuers on the panel are Fianna Fáil cronies — because they will be appointed by the Minister — they might be property auctioneers and valuers, the people who built up the boom and encouraged people to keep buying at ever higher prices. They filled the back pages and property supplements of the newspapers week in and week out. These may well be the people who will dominate the valuation panel. Any of them I can think of would easily qualify under

most of the qualification criteria set out in the Bill. Most of them have qualifications in this day and age.

The amendment sets out to limit the profile of people who can be appointed to the valuation panel. A person wishing to become an auctioneer does not necessarily need a vast amount of qualifications. I understand such a person just applies for a licence and starts in business. Most auctioneers have completed studies in property management and so on. However, many of them have not done any. They could just be buddies of Fianna Fáil and the Minister, and they would get to sit on this incredibly important valuation panel. This profiling of people does nothing to alter the substance of the extraordinary and excessive powers of the Minister for Finance in personally appointing the valuation panel. The valuation panel reports and recommends to him in cases of dispute. The Minister then makes the decision and sends it back. Perhaps a Minister might keep sending it back to NAMA until it comes up with the answer that agrees with the crony who is on the valuation and who sets out an alternative value. There is scope within this structure for grotesque and gross abuse of a kind that people on all sides have regretted happened in this country before. It is wrong that we are inserting it into the Bill now and that the Minister did not accept the amendments from all the parties in Opposition and possibly even amendments from the Green Party. That party's Members seem to have felt that their stuff was being funnelled privately through Government to the Minister for Finance.

**Deputy Terence Flanagan:** Where are they now?

**Deputy Joan Burton:** This is one of the most critical sections of the Bill because it is through this mechanism that the amounts NAMA will pay for certain loans, assets and so on can be jacked up to any number one might think of given that the two valuation principles are economic value and long-term economic value. I listened to Deputy Mulcahy say how much he expected property values to rise and rise. There are Fianna Fáil optimistic valuers all saying: "Ah, sure it'll be all right in a couple of months time." We know that it is part of their political skills to sell a scenario like that. However, it is also part of why Fianna Fáil has once again ruined the country. Refusing to accept the Fine Gael amendment would be churlish in the extreme.

**Deputy Arthur Morgan:** I support the Fine Gael amendment which will add significantly to the Bill. It will provide for a committee of these Houses to examine in more detail these appointees, which is to be welcomed. The list of qualifications really represents a list of the great and the good, including finance and economics, law, accountancy and auditing — with all due respect to my two colleagues present. Why does it not provide for somebody with a competency in social policy or who had an involvement in social policy for some considerable time? Such a person with a social conscience might be to bear some of the needs of the real people. Rather than all these speculators and heavyweight bankers why do we not have someone who deals with this from the ordinary person's angle? I know we will not get NAMA for the ordinary people — goodness knows the Government made that plain from the very beginning. However, surely to goodness there could be some level of consciousness among this group of people that would at least take cognisance of the needs of real people.

For NAMA to succeed property prices will need to rise to bubble levels again. If property prices rise to bubble levels again, we will be back in the same mess we were in to begin with. Inevitably there will be a crash. The question of valuation is the main issue for most of us on this side of the House. Certainly for me and my party, Sinn Féin, that has been the single biggest problem with the valuation. It makes it almost impossible for NAMA to work. If it works we will be victims of the NAMA success. This is crazy stuff. Therefore I support the Fine Gael amendment.

**Deputy Kieran O'Donnell:** Our amendment is not dependent on the Government appointing an Oireachtas committee by statute; it could be any committee.

The amendment was purposely structured in that fashion. The reference is to “any Committee of the Houses of the Oireachtas established to monitor Acts done in the furtherance of this Act”. Nothing in this amendment would affect the workings of NAMA as envisaged by the Minister. When the Minister spoke about the valuation panel he seemed to suggest that he shared our concerns regarding the appointment of individuals to the panel. This is a reasonable and constructive amendment and I thank Deputies Burton and Morgan for supporting it. I hope the Minister will take it on board. It offers leverage and power to the Minister and is in line with what he indicated was his preference in this regard.

**Deputy Terence Flanagan:** I support this reasonable amendment. Section 119 is somewhat loose in its failure to specify the type and degree of expertise required by members of the valuation panel. This amendment will be helpful to the Minister in that regard. I note Deputy Morgan's argument that there be scope to appoint persons with experience in social policy. There should be a role for an Oireachtas committee to assist the Minister in ascertaining whether a potential appointee is suitable.

**Deputy Martin Mansergh:** I hope I am correct in my understanding of what Members have said when I thank the House for supporting Government amendment No. 9. Deputy O'Donnell referred to taxation — I do not see how one can be an accountant without having a knowledge of taxation, and the same is true for most of the qualifications listed.

**Deputy Kieran O'Donnell:** It is by way of observation.

**Deputy Martin Mansergh:** I understand. I do not mean to make a meal of this.

**Deputy Kieran O'Donnell:** I am sure there are tax experts who would not like to be referred to as accountants.

**Deputy Martin Mansergh:** The function of the valuation panel is to value assets, and the qualification requirements in respect of potential appointees reflect that. There is no reason that people with the qualifications listed cannot also have a social policy perspective. The valuation panel will be appointed by the Minister for Finance, not by Fianna Fáil, as Deputy Burton suggested. This endeavour is far too important for anybody to be appointed solely or mainly on the basis of political connections. I completely reject the charge of potential cronyism in that regard.

The issue of appointments to the valuation panel, including the question of a role for an Oireachtas committee in the appointment process, was debated extensively in the Dáil. Arising from those discussions, the Minister amended the provisions relating to the valuation panel in the Seanad in order to set out the qualifications required of appointees. It should be noted that the panel will act as an appeals board in the event that the participating institution and NAMA disagree on the value of the assets to be transferred. While there are several conditions surrounding such appeals, the essence is that an institution may appeal only if it considers that the total market value of its assets is greater than the value proposed by NAMA, including the long-term economic value. Appointments to this type of appeals panel are an executive rather than a legislative matter and, as such, it is proper for the Minister to make them. Moreover, appointments to the valuation panel are not conducive to a lengthy process. Consequently, I cannot accept the Deputy's proposed amendment to amendment No. 9.

It can be taken as given that NAMA's valuations will be cautious. The Minister has made it absolutely clear that the success of NAMA is not dependent on a return to bubble prices.

Based on provisional estimates and taking into account a risk-sharing mechanism, NAMA requires only a 10% increase in property prices over ten years to break even. Only the banks can dispute the valuation; debtors have no role in the matter. The transaction is between the bank or building society and NAMA. As I said, the institutions can only dispute the total valuation of their assets, not that of individual properties. This means the maximum number of appeals is the same as the number of institutions in the system. Only the market value can be disputed; the long-term economic value is not reassessed by the valuation tribunal. The Minister may ask the valuation panel to look again at a valuation only where the panel finds that the institution in question has been paid too little. Therefore, the Minister's role is very limited and should not be exaggerated.

**Deputy Kieran O'Donnell:** My amendment to amendment No. 9 proposes that the Minister will appoint the valuation panel in consultation with an Oireachtas committee. As such, the committee will function as a back-up for the Minister and will ensure the appointment process is above reproach. That is precisely what the public is seeking and it is necessary to restore trust in banking institutions.

The Minister of State reassures us that NAMA's valuations will be cautious but the reality is that we are looking at valuations of 15% above market value. Moreover, there must be significant doubt regarding the reliability of assigned market values. Deputy Morgan noted the irony that the success of NAMA will depend on valuations increasing significantly into the future, but we got into the current mess partly because the valuation of property was out of control. It is difficult to accept that valuations of 15% above imputed market value can be described as "cautious". We have a business plan that was put out on the basis that NAMA will make a profit of €5.48 billion, and we are given cash flow statements for ten years and profit and loss statements for only three years. We have no idea of the write-off of interest.

In the same breath, the Minister tells us that the €47 billion market value is only an estimate and that we do not know the value at which the assets will be acquired. The bottom line is that the valuation of assets is key to the entire enterprise. If we get the valuations wrong, the horse will have bolted. If the assets were going in at market value, NAMA might have some hope of making a return for the taxpayer. Instead they are being valued at €7 billion above market value, thus burdening NAMA with assets that are significantly overvalued. Moreover, this is being done, as I understand it, in order to ensure the banks do not have to be recapitalised. The irony is that they will have to be recapitalised in any case.

The structure the Minister has come up with will do nothing for their core tier 1 capital ratio. Instead of overvaluing the loans by €7 billion, putting this amount into the banks by way of ordinary share capital would enhance their core tier 1 capital ratio and it would probably increase their capacity to lend because they would not be burdened with capital ratios that do not meet market requirements. The minimum core tier 1 capital ratio requirement of 4% is long gone with the markets dictating ratios of between 8% and 10%. Banks such as Barclays that have weathered the storm have high core tier 1 capital ratios

**Acting Chairman:** The Deputy is straying from the amendment.

**Deputy Kieran O'Donnell:** I am following the Minister of State's audit trail regarding valuations.

**Acting Chairman:** That is outside the scope of the amendment.

**Deputy Terence Flanagan:** This is critical.

**Deputy Kieran O'Donnell:** This is related to the valuation.



**Acting Chairman:** The Deputy is going into what the committee will do.

**Deputy Kieran O'Donnell:** It is critical that the appointees to the valuation panel have the expertise to ensure grossly overvalued assets are not transferred to the agency. The Minister could have demonstrated to the public that he had deferred to an Oireachtas committee. His arguments do not stand up to scrutiny. He should appoint the panel in consultation with a committee to ensure the public is absolutely assured about the calibre of those appointed and that they have the expertise to properly adjudicate on the valuation of the assets, which should not be grossly overvalued at an alarming cost to the taxpayer.

**Deputy Joan Burton:** The powers provided to the Minister regarding the valuations and the valuation panel are seriously excessive and they constitute a significant threat that NAMA will overpay for assets. I was struck by the many contributions Deputy Fahey made on various Stages in which he expressed supreme confidence that the value of assets held in the US and the UK, for example, would increase rapidly. His view is that such assets are highly valuable and, according to him during his many interventions, they are increasing rapidly in value currently. There may well be a strong temptation on the part of participating institutions and individuals with an interest in what the institutions do to strongly contest values in cases. As the Minister said, the purpose of this is to deal with the parties affected by the valuation who feel it is too low and who want to bump it up to the long-term economic value. Two Fianna Fáil contributors to the debate, Deputies Fahey and Mulcahy, are incredibly optimistic about the increase in value.

I am worried about who will be members of the valuation panel and that we are setting ourselves up for round 2 of crony capitalism Fianna Fáil style. As Dr. Peter Bacon stated in his report, this was one of the factors in bringing the country to its knees. During the overnight debate on Committee Stage two weeks ago, the Minister was startled to read some of the powers he has under this section and he agreed that they ought to be tempered by more oversight. It is regrettable that the Bill will be completed without addressing that issue and it will probably turn out to be an expensive built in factor to bail out the bankers and the developers by Fianna Fáil. Green Party Members are not present and, therefore, they may not have been party to this.

**Deputy Martin Mansergh:** I am tired of the propagandist mantras introduced at regular intervals by Opposition spokespersons. I wish the discussion was a little more serious. This is not based on optimistic assessments by non-office holding Members. If anything, the opposite is the case. Assets will be valued at market value but the Minister has noted yields are well above average, indicating prices are likely to rise over time. That is the opinion of the market at least. This is not reflected, however, in the market valuation. The NAMA business plan assumes that rents have fallen by 20% and will fall by another 20%. The main valuation of the assets will be undertaken by the agency, which has tendered for valuers. This valuation will be supervised by the Financial Regulator, which will report to the EU Commission. It will not be undertaken by the valuation panel, which will only adjudicate on disputes at the end.

The core of the issue is whether the appointments to the appeal panel are an Executive matter, as the Minister contends, or whether they are an Executive and a legislative matter, as the Opposition is putting forward. This is the considered response of the Minister to the issues raised on various Stages and I am afraid I cannot accept the amendment.

Amendment No. 1 to Seanad amendment No. 9 put and declared lost.

Seanad amendment No. 9 agreed to.

Seanad amendment No. 10:

Section 210: In page 126, between lines 29 and 30, to insert the following subsection:

“(2) The Minister shall cause a copy of guidelines issued under *subsection (1)* to be laid before each House of the Oireachtas as soon as practicable.”.

**Deputy Kieran O’Donnell:** I move amendment No. 1 to Seanad amendment No. 10:

1. To delete subsection (2) and substitute the following:

“(2)(a) Guidelines made under this section may include but are not limited to:

- (i) credit for start-up enterprises;
- (ii) the frequency of declined cases and the criteria that has been used to decline cases;
- (iii) the renegotiation of existing credit lines and the terms that have been applied;
- (iv) limitations on the use of the new liquidity for purposes other than extending credit;
- (v) dealings with mortgages on principal private residences.

(b) The Minister shall cause a copy of guidelines issued under *subsection (1)* to be laid before each House of the Oireachtas as soon as practicable.”.

**Deputy Martin Mansergh:** Arising from the debate on Report Stage in the House on the need for transparency in the guidelines issued regarding lending practices of participating institutions, the Minister has introduced this amendment to require that guidelines issued under this section should be laid before both Houses of the Oireachtas.

**Deputy Kieran O’Donnell:** I welcome the Minister’s amendment. In the current circumstances, the amendment needs to be prescriptive.

The guidelines should be agreed with the financial institutions before their loans are transferred to NAMA. The guidelines will not work if they are agreed after the transfer of loans. During the debate on Report Stage, the Minister assured the House that the guidelines were not merely a threat but that they would be implemented. He subsequently confirmed that he would implement guidelines. I would like clarification on that matter. Guidelines must be agreed and implemented before loans are transferred.

The purpose of NAMA, and our objective since 29 September 2009, is to restore credit to the economy. If NAMA does not cause that to happen it will have failed. A sum of €54 billion is being provided, of which a maximum of €30 billion will be available to the economy. Approximately €24 billion will go into Anglo Irish Bank, Irish Nationwide and the Educational Building Society, which is, effectively, a black hole. It is unlikely that money will ever again be seen by small businesses or the taxpayers.

I wish to deal with the two issues of small and medium enterprises and owners of principal private residences. The forthcoming revised Mazars report on lending to small and medium enterprises must be able to distinguish new loan applications from applications for the continuation of existing loans. If it does not, we will not know the number of declined applications and the criteria for declining them. The previous Mazars report spoke about cases that had been declined but I suspect that many more credit inquiries were declined, perhaps before they reached the stage of actual application. I have no problem with laying out the various stages of loan applications so long as we have full transparent disclosure.

[Deputy Kieran O'Donnell.]

The guidelines must apply to the renegotiation of existing credit lines and the terms that have been applied. Fine Gael is going around the country at present meeting business people. The issue most frequently raised by them is that of credit to new and existing small businesses. Businesses are going to the wall because they cannot access their existing credit facilities. Small businesses employing fewer than ten people are the lifeblood of the economy. There is nearly a quarter of a million of them and they employ between 700,000 and 800,000 people. We must protect them. They are entitled to have that protection in legislative form.

My amendment proposes that there be guidelines for limitations on the use of the new liquidity for purposes other than extending credit. We cannot allow a situation where the banks are getting €54 billion from the taxpayers and using the money to expand their enterprises and pay off bond holders. NAMA must be used to ensure credit flows to small businesses.

There must be ongoing protocols between the banks and the Minister. I note that the Minister will issue guidelines relating to a review of decisions to refuse credit facilities. The Minister can do that on an ongoing basis. I welcome the Minister's amendment and section 127 but they do not go far enough.

The issue of home owners is critical. They are worried about repossession. They must be given legal assurances regarding mortgages. Two days ago the Irish Banking Federation, which represents 11 institutions, issued voluntary guidelines undertaking to review mortgages on a six monthly basis. FLAC, the free legal aid body, said this code was not worth the paper it was written on unless it had a legal basis. There must be protocols to prevent mortgage holders getting to a point where they face repossession. Sub-prime lenders fall outside the banks' voluntary code. We need an amendment to legislation to protect home owners so that if a mortgage holder is taken to court, the judge will have a legal basis on which to make a ruling. If a judge could make a legal ruling which is fair and reasonable the balance would shift in favour of the home owner. At present, that is not the case and people are losing their homes as well as their security and dignity.

We are here to legislate for the common good. My amendment to the Seanad amendment would allow that to happen. It would not encumber the banks in carrying out their day-to-day business but it would apply to sub-prime lenders, who are extremely aggressive in giving people loans at exorbitant rates and in repossessing their homes when they cannot keep up repayments. Many of these borrowers are young couples who have been given 100% mortgages. If there had been proper rules in place they would probably not have qualified for mortgages. These mortgages have become a noose around their necks and, what is more, they are now losing their homes.

The Seanad amendment says that guidelines should be laid before the Houses of the Oireachtas as soon as is practicable. The Minister has made reference to his own guidelines. If the flow of credit is not facilitated, the legislation will have failed. The banks and their representative body want to retain the *status quo*. We need to move from a principles based regulatory system to a rules based system. This amendment would be part of that process. If the banks are genuine in their determination to protect home owners and are committed to ensuring that credit flows through the economy, they should not fear this measure. They should give full disclosure of new and existing loans to the Mazars team as they compile their current report. The previous Mazars report stated that €32 billion had been provided to SMEs in February 2008 and that the same figure was provided in June 2009. Much of that may have been rolled up interest. We have no figures for overdraft facilities withdrawn or renegotiated. Credit for start-up businesses is critical.

The renegotiation of existing credit lines is placing enormous pressure on businesses. If a person must go to the bank for a review of his or her facilities, whether an overdraft or a term loan, the bank is upping the rate of interest and, in many cases, it is restricting the amount of credit available. For many businesses, interest payments on facilities from banks can be the third highest expense after labour and energy costs, which is frightening. It is incumbent on us to include prescriptive details in terms of the guidelines for lending to small and medium sized enterprises and to place the issue of banks' dealings with homeowners on a legislative basis.

I welcome the amendment on Report Stage in which the Minister included guidelines to facilitate the availability of credit for classes of borrowers or potential borrowers, including small and medium enterprise, and to the review of decisions of participating institutions to refuse credit facilities. However, it did not go far enough.

Our amendment would, in no way, inhibit the operation of the banks but it would ensure we get value for the €32 billion of the €54 billion going into the two main banks which will be available, although the figure might be as low as €25 billion. Effectively, NAMA, in terms of funds flowing to small business, is really about AIB and Bank of Ireland and none of the other institutions.

I was not surprised by the attitude of the Irish Banking Federation to the change in regulation. We can never go back to the way things were. We must go for a rules based system, which applies in the UK and the United States. France, England, Canada, Australia and New Zealand all have rules based systems and none of them have the same problems we have. Our banking institutions have the lowest core tier 1 ratio of capital in Europe. The reasons for that are reckless lending and lack of proper bank regulation by the Government and the Central Bank of Ireland. If proper regulation had been in place and if the banks had been required to keep higher capital ratios from 2003, I have no doubt we would not be here discussing this Bill. That is an indictment on regulation and the recklessness of banks in terms of lending.

Of the €54 billion we are putting into the banks, at least €25 billion or more of it which is going to the two main banks — it will probably be €28 billion — must be a fiscal stimulus for the economy and for small and medium sized enterprises. A legal protection must be put in place for mortgage holders. That is a major worry for ordinary people who risk losing their homes. Some 25,000 people have distressed loans with the financial institutions. Up to 200,000 mortgage holders potentially have negative equity. When they see €54 billion of their money going to the banks, they will ask what they are getting in return. They are getting nothing.

Of the €7 billion over market value, the banks will take €2.7 billion of that but they should take all of it. I understand the Green Party was looking for subordinated debt — the difference between the market value and the value of the assets being taken over. In this context a sum of €2.7 billion is a sop.

To go back to the core of my amendment, we have a duty to ensure we have a sound banking system. No one disagrees with that. However, we also have a responsibility to ensure that the €54 billion of our money going to the banks goes back into the economy and that it does not sit on the banks' balance sheets, go to pay off bondholders or be used for an acquisition trail. We have a responsibility to the hard-pressed mortgage holders who are paying interest to the banks. I have in mind the sub-prime lenders because the voluntary code produced by the Irish Banking Federation does not apply to them. They are forcing most of the repossessions.

If we put this on a legislative basis, it still allows the banks to function in terms of getting repayments on their loans. They can then put in place a six month cycle. If a case goes to a court of law, the judge will have a legal basis and a reference point to shift the balance towards the mortgage holder and to ensure everything possible is done to ensure people do not lose their homes.

[Deputy Kieran O'Donnell.]

On Committee Stage, we tabled an amendment that if NAMA takes over delinquent loans from developers, there should be a facility for a relatively small number of people who face repossessions. NAMA would step in and purchase what would probably be far better assets than those it will purchase from the banks. It would be like the shared ownership scheme operated by local authorities. A mechanism could be found whereby people could stay in their homes and buy them back from NAMA over a number of years. That is a reasonable proposition.

We want legislation for the common good and that ensures a sound banking system, that we look after the small and medium sized sector and homeowners and a viable economy in which the banks play their part.

The banks are getting all the gravy here without providing anything of substance in return. These guidelines must be put in place before the assets transfer. Mortgage holders must be dealt with before loans are transferred because the banks are resisting change. It is incumbent on us to set the benchmark.

If, over the past ten years, Fianna Fáil-led Governments had imposed regulation through the Governor of the Central Bank of Ireland in regard to proper, stringent capital ratio requirements, we would not be debating this Bill. I ask the Minister to accept this reasonable amendment which builds on his one and takes the small and medium sized sector and the hard-pressed home owners into account.

**Deputy Pat Rabbitte:** The more familiar I become with this Bill, and leaving aside its purpose, the scepticism that surrounds it and whether it will deliver on its objectives, the more I recognise that it is an extraordinary work of legislative architectural craftsmanship. It is amazing legislation. However, all of that will be for nothing if we do not address the issue to which Deputy O'Donnell has referred. If it does not get credit flowing again in the real economy, the whole purpose of this financial engineering and all the days and hours we spent on it will be for nothing. It may well be an innovative model of legislative craftsmanship but unless it is seen to work, it is of very little value.

There are all kinds of models for taking toxic assets out of the financial institutions but that is not the issue. From what I heard, nobody in this House opposed any methodology that would strip out the bad loans. This is not the issue. The issue is whether we have a functioning banking system at the end of this exercise. Have we fixed the banks as a prerequisite to trying to get economic growth back into the economy? In so far as this amendment proposed by the Minister goes, I welcome it and that Members of the Oireachtas will see these guidelines. However, I draw the Minister's attention to the fact that in the debate in the other House my colleagues, Senators Alex White and Ivana Bacik, raised the issue of what is now section 210 where it states that the Minister "may make guidelines". They argued that this should state that the Minister "shall make guidelines". Furthermore, the Minister said he was well disposed towards that in principle. He told the other House that he would consider tabling an amendment to achieve that purpose, but this is not what we have. I hope that what we have will work out in practice. It states that the Minister "may make guidelines". The view of this House is that we should admit that the Minister will have to make guidelines because the experience is that credit is frozen. Business is being strapped in some cases and sound business proposals are not being funded and so on.

Rarely has one seen a gulf so wide as between what small and medium-size enterprises are saying to us and what the banks are saying. The banks are saying: "No, we are lending. Look at our advertisements, look at our loan records." They say the economy has contracted and therefore there is less economic activity and less demand for loans. Demand is suppressed and

it is not that they are lending less. They say they are still lending but because of the contraction in the economy, it is less and it is not their fault. On the other hand, small companies, small and medium-size enterprises, are coming to Members on all sides of this House and saying they are being greatly constrained in what they can do by the fact that lending to them, whether in terms of overdraft facilities or normal loan facilities, is being restricted by the banks. This significant gulf exists.

I accept the Minister's argument on Committee Stage that it can be very difficult to stipulate how the Minister intervenes in this logjam. Nobody is asking the financial institutions covered by this legislation to loan recklessly to imprudent propositions. Nobody is making that argument. It is the fact that sound proposals are being rejected or being curtailed that is the cause of concern. I accept that it is difficult to tailor guidelines to allow the Minister to intervene beneficially. I do not know how it is broken down either by sector, by establishing targets, by saying there will be so much finance available for start-up companies, small innovation companies or a particular category. However, I do know that this House is not satisfied, unless the Minister for Finance of the day has that authority.

The Minister has gone some way with us but looking at the wider economic situation, one can only be struck by the absence of cohesion outside of this House. A great deal of this is due to the anger that people feel about what has happened. Colm McCarthy said that anger is not a policy and I accept that. However, anger to which we are not seen to respond to reasonably can obstruct a policy. There is serious anger outside this House. The plea one hears from the people who are outside protesting and marching is: "I did not do anything to bring this down on all of our heads." They are unable to understand why it is that the law enforcement agencies of the State do not seem to be able to respond to the situation. In the home of capitalism, the United States, they were swiftly able to show that they were at least on the job but nobody's collar has been felt in this economy and that is aggravating the divisions outside this House. The people have seen blatant wrongdoing and they have not seen anybody held to account.

In a past life I had the privilege of working with the man who is now the Director of Corporate Enforcement and I have a very high regard for him. However, it seems to take forever and a day for him to bring home conclusions. This is aggravating the mood outside the House. The Government is likely to come back in here within four weeks to ask those same people outside to accept further sacrifices, yet it is seen that the people who have plunged us into this crisis are neither being made amenable nor held accountable.

Deputy O'Donnell is right; we are here because of reckless lending and blind-eye regulation. It defies the experts and the commentators to say how it is that none of the watchdogs intervened. It presumably will take more than a decade for us to find out if there is a paper trail and if there were warnings issued by the people who should have been giving the warnings. As a result we are now in the circumstances in which we find ourselves.

We want to ensure the Minister has this power and that the guidelines in question are laid before the House. The Seanad debate had a slightly different tenor than is put on it in this House. I ask the Minister when replying to deal with the arguments advanced in the other House about the proposition that the Government might take on board the suggestion from my colleague, Senator Bacik, about a credit mediator. This was the idea that she advanced based on the French model where this credit mediator model has been established in France as a sort of ombudsman when dispute arises about lending policy where the financial institutions are saying one thing and business is saying another thing. I am advised that this model or credit mediator has worked very well in France. In the Seanad the Minister stated he was minded to consider it. I have no knowledge of whether the Minister intended to do so or whether it was simply an expression of the benign amicability with which

3 o'clock

[Deputy Pat Rabbitte.]

he approaches the world and the rest of us when he seeks to embrace us and tell us he is minded to take our proposals on board.

**Deputy Bernard J. Durkan:** It is simply a passing phase.

**Deputy Pat Rabbitte:** The Minister stated in the other House that he saw merit in the idea. When the Minister of State replies he might indicate the view of the Minister for Finance on the matter.

**Deputy Jim O’Keeffe:** One of the worst outcomes of the NAMA legislation could be a situation in which credit was being restricted or prevented from flowing by the banks. In essence I refer to the possibility of the banks using and abusing the NAMA legislation for their own purposes, strengthening their positions and ignoring the imperative to ensure credit is flowing. There is some evidence of this already. The banks have been using the time during which the debate has taken place for the purpose of restricting credit, of making new arrangements with their customers on more onerous terms and generally manoeuvring themselves into a situation in which they are the winners in all of this affair. However, the job needed for the country is not being implemented and this is why the guidelines will be essential.

I refer to one aspect of the guidelines and I call on the Minister to take it on board. This matter was referred to in the Seanad last night and I reiterate my support for it. NAMA holds or will hold a security on acquired performing bank assets. That is an essential point. If such bank assets are performing and not in arrears then the participating institutions should not be precluded from relying on that security to issue new or commercially sound loans to individuals or, more likely, to corporate bodies. It would be unjustly prejudicial to prevent participating institutions from relying on such a security.

I have strong reason to press this case because I am aware of a company which has operated in the south for the past 50 years. It has been a viable company and has paid its dues. Last year, it paid €14 million in taxes to the Revenue. It has an arrangement with a bank and the bank is now tossing the ball between it and NAMA. The bank states the preferred arrangements cannot go ahead without clearance from NAMA and without prior written consent. On the other hand, the NAMA position is that no such clearance is necessary from it, provided the money involved and the credit agreed is not for working capital. I foresee a danger in this case and this company may be caught in the crack between the banking institution and NAMA. It may find itself forced into a very difficult situation, possible liquidation, with 300 jobs at stake. This is a viable company. There is a danger because the banks may try to use this situation solely for their own benefit and to build up their capital. If that happens, NAMA will be a disaster.

This is why I support the points raised by my colleague, Deputy O’Donnell, and I highlight this particular case to the Minister. I do not intend to quote the detail in public but I seek for the details of this case to be examined by the Minister and NAMA to ensure the outcome to which I referred will not unfold. There is a danger this viable company will be left swing as a consequence of the legislation to establish NAMA, which will provide vast support for the banks. The banks may end up using the support for their own purposes.

**Deputy Paul Gogarty:** I will refer to the Minister’s amendment first and then to Deputy O’Donnell’s. Section 210, which is to be amended, was inserted as a recognition of the suffering to the small business sector because of the collapse of the banks. I am unsure if the fact that the Minister may issue guidelines has any relevance on the NAMA legislation, which aims to provide credit in any event. In so far as the Minister tabled an amendment to section 210, I

welcome that he will issue the guidelines to the Houses of the Oireachtas, so that we can see exactly what they are. However, as I mentioned in an earlier contribution, I welcome the statement yesterday from the major banks in respect of mortgage holders.

I take issue with what has been put down by Deputy O'Donnell in the Fine Gael amendment to the Minister's amendment. Deputy O'Donnell referred to previous amendments tabled in respect of a NAMA for mortgage holders or to adopt NAMA for mortgage holders. Unfortunately for the likes of Deputy Varadkar, that will not happen. While one may wish to have dealings with mortgages and principal private residences, the whole scope of NAMA leaves out smaller transactions, loans and assets. That is implicit in the legislation. NAMA does not cover everything, it covers the bigger picture.

I have no wish for this to be taken up the wrong way, because someone mischievous will invariably do so.

**Deputy Bernard J. Durkan:** They will?

**Deputy Paul Gogarty:** They will and, therefore, I wish to be specific. In terms of value, mortgages are small fry, as are the smaller loans not to be taken on by NAMA.

**Deputy Arthur Morgan:** That is not much use to mortgage holders.

**Deputy Paul Gogarty:** This is why I wish to clarify the matter because the Deputy has already begun to take me up wrongly.

**Deputy Bernard J. Durkan:** That is because the Deputy is wrong.

**Deputy Paul Gogarty:** It is not small fry for an individual earning the average industrial wage; it is an important issue. However, I do not believe the matter can be dealt with through this legislation. The programme for Government has committed to put in place firm and concrete measure to help mortgage holders who fall into negative equity.

I note Deputy Durkan is in the Chamber and I pay testament to his work in the matter of sub-prime lenders and his work to represent constituents and others who have fallen on hard times in this regard. However, I urge the Minister to consider the Finance Bill or other legislation for the guidelines he intends to issue. It may be more practicable to do that and these measures could be put in place very quickly.

To issue guidelines through the NAMA legislation or anywhere else will not make the banks change one iota. In this respect I agree with Deputy O'Donnell and he has made a valid and important point. If they can get away with it the banks will not be inclined to change. That is a fact. Why would institutions that have carried on in the same profligate way for years seek to change their systems? They got along very well and paid vast bonuses to the chairmen and directors when they were making losses. They would very much like to continue in that regard. I realise there will be a complete turnover of all the heads of all the banks covered by NAMA by the end of 2010.

**Deputy Kieran O'Donnell:** I wonder if Richie Boucher knows that.

**Deputy Paul Gogarty:** The Deputy makes a valid point and there are always exceptions to prove rules.

**Deputy Frank Feighan:** The Deputy is getting good.

**Deputy Paul Gogarty:** We will not know until the end of 2010.



**Deputy Bernard J. Durkan:** It proves other rules as well.

**Deputy Paul Gogarty:** I am simply expressing a confidence that it will happen but I also offer a realistic appraisal that sometimes it may not happen. The intent exists at the top of the banking system. As others have mentioned, people have concerns. Where are the gardaí going in and grabbing people by the scruff of the neck? Why are certain people not being put in handcuffs, as the Minister for the Environment, Heritage and Local Government, Deputy Gormley, stated? I support and echo the Deputy's comments in this regard. The Minister for Finance, Deputy Lenihan, and the Taoiseach should be aware that whatever powers need to be applied should be put in place. I acknowledge it is impossible to make arrests and to charge people without firm evidence and that is probably why it has taken so long. However, as Deputy Rabbitte stated, this is no consolation to people who are on the streets protesting in anger and outrage at the budget cutbacks that must be implemented primarily, but not totally, as a result of the collapse of the banking sector. One cannot strictly equate the two. We must implement a tough budget and then we have NAMA. We have had God knows how many days of debate on NAMA, different arguments have been put forward and we are nearing the end of the process. The measures needed to recapitalise the banking system and get it working properly are separate to the measures needed to eat into our deficit. There are so many elements we would like to see in NAMA but these cannot be in NAMA. In this section, the Minister issuing the guidelines is quite welcome to——

**An Ceann Comhairle:** I am loath to interrupt Deputy Gogarty but a number of Deputies are offering to contribute on this discussion of the amendment to the amendment. If we get back to Second Stage style contributions we will have a problem.

**Deputy Paul Gogarty:** I return to section 210. I welcome the fact that the guidelines will be issued by the Minister but I would like to see more than guidelines. I would like to see the spirit of Deputy O'Donnell's amendment taken on board so that we have proper legislation to protect private mortgage holders and legislation to provide much-needed funding for SMEs. This legislative protection should not be placed within NAMA legislation but must be provided soon. I hope the Minister of State can provide some guarantees in his summation speech.

**An Ceann Comhairle:** The Minister of State wishes to make a brief point.

**Deputy Peter Power:** I do not want to stifle discussion or cut across other Members but I want to make a brief intervention. For the information of the House, we are dealing with amendment No. 10 and discussing it in detail. Fine Gael has tabled an amendment to amendment number 11, which is important, and relates to whistleblowers and extending the definition in section 222 to incorporate directors and employees of a NAMA entity. This was not included in the original definition and clearly it should be. It would be unfortunate if that amendment could not be taken because we wind down the clock on this amendment. I am not proposing an extension of time but if we wind down the clock on this amendment we will not get to the next amendment. I am open to moving onto the next amendment.

**An Ceann Comhairle:** The order of the House says that we will put the closing motion to the House at 3:30 p.m.

**Deputy Kieran O'Donnell:** We may not get to this amendment and people have major concerns about credit.

**An Ceann Comhairle:** We need to deal with this amendment.

**Deputy Joan Burton:** Why not conclude this section now with the agreement of the House?

**An Ceann Comhairle:** I seek the agreement of the House to do this. We can move on.

**Deputy Joan Burton:** I support that, as I am sure Deputies Morgan and Gogarty do. I suggest dealing with Seanad amendment No. 10 now and we will move on to Seanad amendment No. 11 because it is important.

**An Ceann Comhairle:** Does the House agree to this proposal? Agreed.

**Deputy Peter Power:** I thank Members for their agreement on this point but I seek a moment to intervene to move the amendment.

**An Ceann Comhairle:** Will Deputy O'Donnell consider withdrawing his amendment? I refer to amendment No. 1 to Seanad amendment No. 10.

**Deputy Kieran O'Donnell:** Does this relate to guidelines? I will press the amendment.

Amendment No. 1 to Seanad amendment No. 10 put and declared lost.

Seanad amendment No. 10 agreed to.

**An Ceann Comhairle:** Seanad amendments Nos. 11, 12, 13 and 15 are related and will be discussed together.

Seanad amendment No. 11:

Section 222: In page 131, before section 222, to insert the following new section:

“222.—(1) Where a person who is an employee of a participating institution or an officer of NAMA communicates his or her opinion, whether in writing or otherwise, to a member of the Garda Síochána or a member of the Board that—

(a) an offence under this Act or any other enactment has been or is being committed,

(b) any provision of this Act or any other enactment or rule of law has been or is being contravened, or

(c) there has been other serious wrongdoing in relation to NAMA, then, unless the person acts in bad faith, he or she shall not be regarded as having committed any breach of duty towards any other person, and no person shall have a cause of action against the first-mentioned person in respect of that communication.

(2) Where a person who is an employee of a participating institution or an officer of NAMA communicates his or her opinion, whether in writing or otherwise, to the Minister that a direction given by the Minister under this Act has been or is being contravened, then, unless the person acts in bad faith, he or she shall not be regarded as having committed any breach of duty towards any other person, and no person shall have a cause of action against the first-mentioned person in respect of that communication.

(3) This section applies to a communication—

(a) that would, but for this section, constitute a breach of duty by the person who made it, or

[An Ceann Comhairle.]

(b) in respect of which another person would, but for this section, have a cause of action against the person who made it.”.

**Deputy Kieran O'Donnell:** I move amendment No. 1 to Seanad amendment No. 11:

In line 2, subsection (1), after “NAMA” to insert “or any group entity of NAMA”.

**Deputy Peter Power:** I will try to be much briefer than I intended to be. I know other Members had signalled their intention to contribute so I will try to be as brief as possible. Following discussions in this House, the Minister has decided to add specific provisions to the Bill in the Seanad to protect bona fide whistleblowers if they report wrongdoing. The whistleblower protection extends to officers of NAMA and participating institutions' employees regardless of the position within the organisation. Wrongdoing can take place in any organisation, regardless of whether it is in the public or private sector, and even where the proper internal financial control structures are put in place. Unfortunately, in recent times there have been several examples of this. Whistleblower protection can be difficult to legislate for. It is a matter Deputy Rabbitte has been very much engaged in over recent years but it is important to strike a balance between protection for the individual and deterring people from making false accusations. The proposed amendment is framed in such a manner to ensure this balance is struck. The proposed amendments are largely based on the amendments to the FÁS legislation recently introduced by the Tánaiste. I commend the amendment to the House and I understand that Fine Gael wishes to alter the amendment somewhat. The Government is prepared to allow this.

I wish to make two brief comments on the discussion we had on the previous amendment. I agree with most of the comments of Deputies O'Donnell and Rabbitte in that the test for this legislation is as follows. It must put in place a structure and a system that allows the banks to move away from their very distressed state at this point in order to get credit flowing to the economy. That is agreed by all parties. It should be noted that in the context of the discussion on guidelines or mandatory directions, the most important way to get lending flowing to the economy is to allow——

**Deputy Joan Burton:** Can the Minister not allow us to contribute? We know this.

**Deputy Peter Power:** I will be very brief.

**Deputy Joan Burton:** We know all this, the Minister of State does not have to say it.

**Deputy Peter Power:** We must allow the banks to access capital on the capital markets. When they have access to capital——

**Deputy Joan Burton:** We have moved on to the next amendment.

**Deputy Peter Power:** ——on the capital markets, they should lend it out. That is where guidelines become applicable.

**Deputy Joan Burton:** We are discussing the next amendment. The clock is winding down.

**Deputy Peter Power:** I said I would speak briefly on this point.

**Deputy Joan Burton:** We asked to move on to this amendment.

**Deputy Peter Power:** Deputy Rabbitte made the point that——

**Deputy Joan Burton:** The Minister of State has come into this debate for 20 minutes——

**Deputy Peter Power:** The last contribution took 30 minutes and I am entitled to three minutes.

**Deputy Joan Burton:** No, the Minister of State is not entitled to it. We are on the next amendment.

**An Ceann Comhairle:** We are grouping these amendments.

**Deputy Peter Power:** We are grouping these amendments by the agreement of the House. Deputy Rabbitte made the important point——

**An Ceann Comhairle:** We have limited time, we are due to finish at 3:30 p.m. Interruptions are curtailing the time.

**Deputy Joan Burton:** Deputy Power is playing out time. The Ceann Comhairle is a former footballer and is well aware of this tactic.

**Deputy Peter Power:** I am just addressing a simple and straightforward issue raised by Deputy Rabbitte. He made the point that the guidelines should be mandatory and that instead of using the term “may”, we should use “shall”. If we were to accept the amendment by Deputy Rabbitte and if we were to accept the amendment by Deputy O’Donnell, it would be mandatory on the Minister to make guidelines on the limited class of credit lines referred to in Deputy O’Donnell’s amendment. This would not enable the Minister to examine different categories of credit impairment that may evolve over the time of NAMA. Therefore, he would have no flexibility. That would be the net result of accepting both amendments.

**Deputy Joan Burton:** Regarding these amendments on whistleblowing, I am pleased that the Minister is prepared to examine this issue again. When the Minister for Finance, Deputy Lenihan, came into the House this morning he was not prepared to accept further amendments. This was to be the final stage. Is the Minister now happy to have the Bill go back to the Seanad and come back to this House one more time?

**Deputy Peter Power:** No, because the proposed amendment is from this House. It will go to the Seanad but does not need to return to this House.

**Deputy Joan Burton:** If the Minister were minded to accept amendments he should have told us so this morning. It is a pity that we do not have time to sort out the mess on whistleblowing and false statements. Correctly, a whistleblowing amendment has been included and there is also an amendment on making false statements. However, under section 221(5) if an officer, director, or employee of NAMA, and presumably of the special purpose vehicle, is communicated with in contravention of the Bill or, in other words, lobbied, he or she must go as soon as possible to the Garda to state that the communication was made, the details of the communication and the name of the person who communicated with him or her. If the person does not do so he or she commits an offence and is liable to a fine of €1,000 or imprisonment for up to six months.

Deputy Gogarty spoke about bankers in chains, which we will never see in this country — it is not the United States. Rather like the beef tribunal so long ago, it will be a poor unfortu-

[Deputy Joan Burton.]

nate employee of NAMA who is lobbied, who fails to understand the nature of the communication, and who fails to hotfoot it to the Garda who will be guilty of an indictable offence and will face up to six months in prison. Communication covers e-mail and receiving communication does not necessarily mean that one wanted to receive it.

**Deputy Paul Gogarty:** They have to believe it.

**Deputy Joan Burton:** We have to have proportionality in legislation and there is no proportionality in that. The individual junior clerk in the NAMA edifice who innocently receives and opens an e-mail which asks for a good price for a bit of land will be guilty of an offence.

**Deputy Paul Gogarty:** Does Deputy Burton not agree that the person has to believe they have been communicated with?

**Deputy Pat Rabbitte:** If one gets an e-mail one has to believe it.

**Deputy Joan Burton:** If one receives an e-mail it is an e-mail; it is an actual communication whether or not one believes its content.

**Deputy Paul Gogarty:** Section 221(5) clarifies that.

**Deputy Joan Burton:** We also have whistleblowing legislation.

**An Ceann Comhairle:** A number of amendments to amendments have been tabled by Deputy Kieran O'Donnell and I am anxious that he has an opportunity to speak to them. I would appreciate Deputy Burton's co-operation on this.

**Deputy Joan Burton:** I will but I want to clarify whether the Minister is prepared to consider this related group of amendments which are highly contradictory and in contention with each other. Why is there a provision on false statements when we already have the provision in section 221? This is like religious zealotry; it goes too far, is too complicated and will end up being able to do nothing to address this very important area.

**Deputy Kieran O'Donnell:** I agree with Deputy Burton on the issues. The amendments drafted by the Minister made no reference whatsoever to the SPVs so I tabled an amendment to relate to group entities because I expect that SPVs will do all the work of NAMA and effectively will be NAMA. We could have a situation where the legislation refers to NAMA but people could be employed by the SPVs; the legislation would be unworkable outside of the contradictions that Deputy Burton indicated.

I welcome and acknowledge that the Minister has accepted the amendments. We have debated NAMA for more than 100 hours and we still have people who were involved in the banking system walking around and appearing to be above the law. Apart from dealing with NAMA's structures we have to ensure that proper regulation is introduced and people are brought to book.

Has NAMA been approved by the EU? How long will that approval take? Will the legislation be signed into law by the President before it goes to the EU? That is up in the air. We could have spent the past 100 hours debating something which the EU may not approve. These are valid questions that need to be put.

**Deputy Edward O'Keefe:** Deputy O'Donnell is holding it up.

**Deputy Peter Power:** I thank Deputy O'Donnell and Fine Gael. This is an important amendment and it adds to the section. On the general point on whether the President will sign the legislation in advance of seeking EU approval they are separate matters entirely. Once the legislation is passed in this House and in the Seanad later this afternoon, it will go to the President. The matter of EU approval does not involve the President. I agree with the general discussion we are having as part of this grouping of amendments; the test of this legislation will be whether credit begins to flow in the economy once again. Only time will answer that question.

Deputy Rabbitte made a very important intervention in his contribution. He stated that we were agreed there were a number of options to deal with distressed assets on banks' balance sheets. There are very many options to deal with those. They can be dealt with over a period of time through nationalisation, a position with which we do not agree at this stage. There are other options, including that proposed by Fine Gael. The point is that this is the option we believe best allows the banks to acquire cash quickly with the support of the European Central Bank, which we have——

**Deputy Kieran O'Donnell:** Does the Government have approval?

**Deputy Peter Power:** ——and the agreement of European Union. That means we can get this up and running quickly. We have had long discussions on guidelines and whether they should be mandatory or optional and whether the Minister “may” or “shall” introduce them. We could have all the guidelines in the world directing the banks to do all types of wonderful things but if the banks do not have the capital on their balance sheets and cash——

**Deputy Terence Flanagan:** The Government is giving them the cash.

**Deputy Peter Power:** ——they will not be able to lend.

We have had more than 100 hours of debate but it comes down to one very simple thing.

**Deputy Edward O'Keeffe:** Common sense.

**Deputy Peter Power:** That is how we relieve the banks of their distressed assets and make the Irish banking system function again. The reason it became dysfunctional is a separate matter to be debated in another way in another forum. The question which this legislation puts before the House is how to relieve the banks of their distressed assets and how we put a structure in place which allows the banks to access cash either through bonds in the European Central Bank or, preferably in our view, in a reformed banking system properly regulated as proposed by Deputy O'Donnell so that the banks, properly reformed and functioning, are able once again to access capital on the capital markets in the normal way under a new regulatory regime. I accept Deputy O'Donnell's amendment and I commend the amended amendment to the House.

**Deputy Pat Rabbitte:** What are we sending back to the Seanad?

**Deputy Peter Power:** We are returning the Bill with one amendment to it and that is the amendment which Deputy O'Donnell just proposed.

**Deputy Kieran O'Donnell:** Three amendments are going back.

Amendment No. 1 to Seanad Amendment No. 11 agreed to.

Seanad Amendment No. 11, as amended, agreed to.

**An Ceann Comhairle:** I am now required to put the following question in accordance with an order of the Dáil of this day: “That the amendments set down to Seanad amendments Nos. 11, 12 and 13 on the second additional list are hereby agreed to in Committee and that in respect of each of the Seanad amendments not disposed of, the Seanad amendments or, as appropriate, the Seanad amendments as amended are hereby agreed to in Committee and agreement to the amendments is accordingly reported to the House.”

Question put.

The Dáil divided by electronic means.

**Deputy Paul Kehoe:** As a teller, under Standing Order 69 I propose that the vote be taken by other than electronic means.

**An Ceann Comhairle:** As Deputy Kehoe is a Whip, under Standing Order 69 he is entitled to call a vote through the lobby.

Question, “That the amendments set down to Seanad amendments Nos. 11, 12 and 13 on the second additional list are hereby agreed to in Committee and that in respect of each of the Seanad amendments not disposed of, the Seanad amendments or, as appropriate, the Seanad amendments as amended, are hereby agreed to in Committee and agreement to the amendments is accordingly reported to the House”, again put.

The Dáil divided: Tá, 81; Níl, 65.

Tá

Ahern, Bertie.  
 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.  
 Coughlan, Mary.  
 Cowen, Brian.  
 Cregan, John.  
 Cuffe, Ciarán.  
 Curran, John.  
 Dempsey, Noel.  
 Devins, Jimmy.  
 Dooley, Timmy.  
 Fahey, Frank.  
 Finneran, Michael.  
 Fitzpatrick, Michael.  
 Fleming, Seán.  
 Flynn, Beverley.  
 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.  
 Kitt, Michael P.  
 Kitt, Tom.  
 Lenihan, Brian.  
 Lenihan, Conor.  
 Lowry, Michael.  
 McEllistrim, Thomas.  
 McGrath, Mattie.  
 McGrath, Michael.  
 McGuinness, John.  
 Mansergh, Martin.  
 Martin, Micheál.  
 Moloney, John.  
 Mulcahy, Michael.  
 Nolan, M. J.  
 Ó Cuív, Éamon.  
 Ó Fearghaíl, Seán.  
 O’Brien, Darragh.  
 O’Connor, Charlie.  
 O’Dea, Willie.  
 O’Donoghue, John.  
 O’Flynn, Noel.  
 O’Hanlon, Rory.

Tá—*continued*

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

Allen, Bernard.  
 Bannon, James.  
 Behan, Joe.  
 Breen, Pat.  
 Broughan, Thomas P.  
 Bruton, Richard.  
 Burke, Ulick.  
 Burton, Joan.  
 Byrne, Catherine.  
 Carey, Joe.  
 Clune, Deirdre.  
 Connaughton, Paul.  
 Coonan, Noel J.  
 Costello, Joe.  
 Coveney, Simon.  
 Crawford, Seymour.  
 D'Arcy, Michael.  
 Deenihan, Jimmy.  
 Doyle, Andrew.  
 Durkan, Bernard J.  
 English, Damien.  
 Feighan, Frank.  
 Ferris, Martin.  
 Flanagan, Terence.  
 Gilmore, Eamon.  
 Hayes, Brian.  
 Hayes, Tom.  
 Higgins, Michael D.  
 Hogan, Phil.  
 Howlin, Brendan.  
 Kehoe, Paul.  
 Lynch, Ciarán.  
 McCormack, Pádraic.

McEntee, Shane.  
 McGinley, Dinny.  
 McHugh, Joe.  
 McManus, Liz.  
 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'Sullivan, Jan.  
 O'Sullivan, Maureen.  
 Penrose, Willie.  
 Perry, John.  
 Rabbitte, Pat.  
 Reilly, James.  
 Ring, Michael.  
 Sheahan, Tom.  
 Sheehan, P. J.  
 Sherlock, Seán.  
 Shortall, Róisín.  
 Stagg, Emmet.  
 Stanton, David.  
 Timmins, Billy.  
 Tuffy, Joanna.  
 Upton, Mary.  
 Varadkar, Leo.  
 Wall, Jack.

Tellers: Tá, Deputies Pat Carey and John Cregan; Níl, Deputies Paul Kehoe and Emmet Stagg.

Question declared carried.

### Ceisteanna — Questions.

#### Priority Questions.

---

#### Pension Provisions.

**An Leas-Cheann Comhairle:** Our time has been shortened. I advise Deputies that we will conclude at 4.45 p.m.

1. **Deputy Denis Naughten** asked the Tánaiste and Minister for Enterprise, Trade and Employment the deficit in the FÁS pension fund; and if she will make a statement on the matter. [41134/09]



**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The valuation figures for the FÁS closed superannuation scheme, which solely covers former AnCo staff, as at 31 December 2008 are the following; the market value of pension fund assets is €328 million; and the present value of pension liabilities is €631 million, which leaves a deficit in the FÁS pension fund of €303 million.

The valuation has been prepared by a qualified independent actuary under accounting standard FRS 17. This standard was issued by the Accounting Standards Board in November 2000. The standard deals with the treatment of pensions and other retirement benefits in company accounts, and its principal focus is to make reported accounts for pensions more transparent to ensure greater consistency between entities in the way pension costs are disclosed. It effectively provides a snapshot of assets at current value and the present value of liabilities into the future based on actuarial assumptions such as annuity rates, inflation, mortality rates, etc.

The current deficit in the fund reflects the collapse in equity values over 2008 and the early part of 2009, which has led to a significant fall in the total market value of pension scheme assets. Whereas the present value of funded pension liabilities has also dropped over the same period, it has done so to a lesser extent. The asset figures have improved in the interim but remain subject to market fluctuations.

In April 2008, following consideration by the Government of a proposal that the assets of the funds and the liabilities of a number of State pension schemes be taken over by the State, the Government decided in principle to authorise the Department of Finance to enter into discussion with the trustees and administrators of the respective pension funds with a view to winding up the funds. It has also decided to have the NPRF take over the assets of the pension funds and have the liabilities of the schemes taken over by the State. Once the transfer of the assets was effected, the schemes would be operated on a pay-as-you-go basis.

The pension funds in question included several non-commercial State body schemes under the aegis of my Department, including FÁS, SFADCO, IDA and the National Goods Council. The FÁS closed superannuation scheme provides benefits for pensionable staff of FÁS who were former AnCo staff.

Following the consultation with the trustees and administrators of the schemes concerned, legislation was prepared in order to enable the transfer of the assets and liabilities of the pension funds. The necessary powers were included in the Financial Measures (Miscellaneous Provisions) Act 2009. A transfer order must be made under the Act to give effect to the transfer of each fund.

In preparation for the transfer of assets from the FÁS superannuation fund to the National Pensions Reserve Fund, the superannuation scheme, which was set up under SI 515 of 1998, has recently been amended by SI 414 of 2009. Provisions in respect of the closed spouses' and children's contributory pension scheme are set out in SI 420 of 2009.

**Deputy Denis Naughten:** I thank the Tánaiste for her response. Many members of the public would be amazed to see a deficit of €303 million in the FÁS pension fund at a time when its chief executive got a pension benefit of €1.4 million in very questionable circumstances. What is the current deficit of the FÁS pension fund?

The Tánaiste also mentioned the Financial Measures (Miscellaneous Provisions) Act 2009, which transfers the assets from the various semi-State agencies to the NPRF. What is the total deficit in what is being transferred from those funds to the NPRF, and how will that deficit be made up?

**Deputy Mary Coughlan:** It is important to reiterate that this scheme only refers to former AnCo staff and not to the person referred to by the Deputy. The deficit in the FÁS pension fund is €303 million and that is made up of a market value of fund assets of €328 million and liabilities of €631 million.

We are all aware of difficulties in pension funds and it was on such a basis that the Department of Finance was asked to facilitate the transfer of pension funds of non-commercial State bodies to be administered by the National Pensions Reserve Fund. It would be the fund's responsibility to administer and work through the pension's deficit and the needs of that pension fund.

Legislation was introduced to facilitate that and a transfer order was prepared. I recall signing an SI in regard to the closure of the spouses' and children's contributory pension scheme. It is important to say that new schemes are on a pay-as-you-go basis, which is similar to those involving a number of other non-commercial semi-State bodies.

**Deputy Denis Naughten:** Is it correct to say that we are looking at approximately €1.3 billion of a deficit with these pension funds being transferred to the NPRF at the end of 2008 anyway? Will the Tánaiste give an indication of the total exposure of the taxpayer as of now, as the taxpayer will have to foot the bill for the pension fund deficits and liabilities? It will be galling for many members of the public to come up with an additional €1.3 billion to patch up these particular funds in organisations where the chief executives and other senior members have received large golden handshakes under questionable circumstances in the past.

**Deputy Mary Coughlan:** I appreciate that the Deputy is trying to introduce an element that has nothing to do with the question but that is beside the point. We are discussing AnCo.

**Deputy Denis Naughten:** What is the overall liability?

**Deputy Mary Coughlan:** More than 95% of the non-commercial semi-State pensions are now operating on a pay-as-you-go basis, which is very significant. It is appropriate to say that we had separate pension schemes and funds, as well as separate actuarial staff and fund managers looking after this. The Government decided that the best way to address those costs and centrally manage them was under the National Pensions Reserve Fund. That is the most appropriate way to deal with pension liabilities, although these will fluctuate depending on the needs of the fund.

I do not have the figure for the State liability of commercial non-State staff but I am sure we could get it through the Department of Finance.

### **Employment Levels.**

2. **Deputy Willie Penrose** asked the Tánaiste and Minister for Enterprise, Trade and Employment if her attention has been drawn to the findings of the FÁS quarterly commentary, published on 4 November 2009, which warned of an increase in the pattern of youth unemployment; the steps she will take to combat this trend; and if she will make a statement on the matter.

[41139/09]

**Deputy Mary Coughlan:** I note the publication of the latest FÁS quarterly labour market review for autumn 2009, published last Wednesday. It highlights the increase which has occurred in youth unemployment as evidenced by the latest quarterly national household survey, QNHS, and live register statistics.

According to the QNHS at the end of the second quarter the unemployment rate for the age group 20-24 years of age stood at 23%, an increase of 12.6% on 2008. The percentage and

[Deputy Mary Coughlan.]

the number of people in this cohort has increased but there has been a fall in the participation rate by 2.4%. The recent October live register statistics show that 84,948 people under 25 are signing on, which is a decrease of 4,862 from September.

The report suggested that many people of these age groups have continued to stay in education, as a fall in labour force participation rates has occurred. Whereas the creation of new sustainable employment opportunities for individuals through attracting investment to Ireland and supporting our indigenous enterprise base is the best way to tackle unemployment, my Department through FÁS is also actively working to ensure increased accessibility to the range of services and supports for all individual jobseekers, including those who are under 25 years of age. We have, for example, almost doubled the national employment action plan referral capacity of the FÁS and local employment services to 147,000 places.

In addition, the number of activation training and work experience places provided through FÁS has doubled to more than 130,000. This is clearly a substantial increase on the 66,000 places which were available at the end of last year. At the end of September, 104,000 unemployed were participating or had completed FÁS training or employment programmes. Those under 25 years of age are accessing both the job search services and training and work experience programmes in significant numbers.

The main specific FÁS provision for early school leavers continues to be training at community training centres under the Youthreach programme. There are 2,300 places on the programme, which is directed at unemployed early school leavers between the ages of 15 and 20. The programme provides basic skills and work experience and gives early school leavers an opportunity to acquire certification and progress to further training or employment.

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

Another initiative that strives to prepare the unemployed for future job opportunities is the work placement programme. This programme is aimed at providing 2,000 six-month work experience placements to young people, graduates and other unemployed people. The programme consists of two streams, each consisting of 1,000 places. The first stream is for graduates and the second stream is for all others, with 250 places ring-fenced for those under the age of 25. As uptake on the scheme has been slower than anticipated, we have just concluded a review of its operation. I intend to announce revised criteria for its application shortly. I can also confirm to the House that FÁS is developing a youth framework. The FÁS youth framework will succinctly draw together FÁS commitment to young people. The target group for the FÁS youth framework is young people, aged between 16 and 25 years. It will detail in a comprehensive way all programmes and initiatives available to this target group including access and progression options. Monitoring procedures and an evaluation process will form part of the framework to measure the effectiveness of services. A working group has been established and work is due to commence on the framework shortly.

**Deputy Willie Penrose:** I appeal to the Tánaiste not to write off our young people, who are seriously affected by having to bear the brunt of the downturn. There has been a 60% year-on-year increase in the number of graduates seeking employment or further training. It is clear from FÁS's commentary on today's quarterly returns that young men have been particularly affected by the downturn. Approximately 40% of those between the ages of 15 and 19 and 30% of those between the ages of 20 and 24 are unemployed. Figures released by third level institutions, including universities and institutes of technology, suggest that many young jobseekers are choosing to stay on in education. Does the Tánaiste agree that if they were not, there would be an even greater explosion or tsunami in the number of younger people who

are unemployed? Why are we not focusing on this important issue? Why are real measures not being introduced to address this problem?

The Labour Party has suggested a number of measures over the past 12 months. We proposed the introduction of an early learning scheme, which would play an important role in keeping people in formal education and learning. We also advocated the “bridge the gap” graduate and apprenticeship scheme, which would give first-time jobseekers an opportunity to develop their skills and enhance their job prospects. I suggest that we should eliminate all waiting periods for back to education and back to work allowances. We can get rid of them. We explored the possibility of enhancing eligibility for community employment schemes with the Tánaiste’s officials the other day — they are ready to do it. I propose that the cap on the number of post-leaving certificate courses should be lifted. We should get rid of every bureaucratic blockage that is identified. It is desperately important that we focus on flexibility, in the interests of addressing the most important issue of our time. We should massively expand the internship schemes by giving people an opportunity to acquire necessary and vital experience in Government agencies and semi-State bodies. Young unemployed Irish graduates should have more opportunities to work in the EU institutions. I ask the Tánaiste to tell the House whether any of these things will be done to give hope to our young people and send them a signal that they are not being forgotten.

**Deputy Mary Coughlan:** None of us disagrees with the absolute necessity to ensure that young people are interfacing with the labour market, which is hugely important. That is why our investment and activation programmes have a specific focus on young people. The youth framework that has been developed following consultation with the Minister of State, Deputy Dara Calleary, is distinctly looking at the needs of vulnerable young people. Deputy Penrose knows from the recent OECD visit that we have a particular exposure in the construction and retail sectors, where there is a low skills base. That is where the target needs to be. According to our policy perspective, there should be investment in education and training. Training should not be organised on the basis of any old thing, but on the basis of convergence technology or the conversion of existing people.

I have to say we are not happy with how the graduate programme has worked out. We are distinctly unhappy with the graduate and the non-graduate programmes. They should have worked out much easier. I have reviewed them with the Minister of State, Deputy Calleary. It is our clear intention to change them. I believe there is huge potential to create what Deputy Penrose described as an “internship”, which is more or less what it is, to allow people to garner experience. Those who are looking for jobs need to get experience. Such a scheme would provide a wealth of experience in the public and private sectors. There is a huge enthusiasm to allow that to happen. The Minister, Deputy Mary Hanafin, has done considerable work to that end. We are undertaking a structural examination of the new programmes that are available to us. I refer to pathways to progression and to new training initiatives that would be specifically targeted at young and vulnerable people. The House is aware that resources will have to be targeted carefully. The considered view of everyone, which has been supported by the OECD, is that people under the age of 25 are the most vulnerable.

**Deputy Willie Penrose:** I concur with the Tánaiste’s views. I do not wish to be argumentative in this regard. She has been very fair. I suggest it is time to remove the obstacles, hurdles and impediments that prevent the implementation and application of the Tánaiste’s policies. We need to expand the apprenticeship programme. She is right to suggest that many unskilled people suffer from forms of educational disadvantage, including literacy problems. They are important. I understand that the programme being implemented by Bord Bia is going very well. That is one of the areas that has done very well. There is a two-year waiting list for the

[Deputy Willie Penrose.]

services of the Free Legal Advice Centres, even though 800 young solicitors are unemployed. Why can something not be tried in that area to get rid of the backlog? If we recognise the caring sector as a real employer, we will give young people an opportunity to get experience and training, to contribute and to feel they are participating positively. All of those areas should be explored.

We have to wash away the cobwebs of old thinking in this area. We have to start thinking afresh. I am worried that we are too staid. A kind of institutionalisation of thought may be preventing us from going the extra yard to embrace new ideas and make a positive contribution. We need to cater for our young people as real people, rather than as statistics.

**Deputy Mary Coughlan:** We agree with what the Deputy has said. It is on that basis that we will change the scheme. The Minister, Deputy Hanafin, has facilitated us in the context of volunteerism, for example. She has changed the rules so that one no longer has to be continually available for and genuinely seeking work, which is an issue raised by the voluntary sector. The Deputy was right in what he said about other sectors. We have had a number of representations from people in the caring sector and other sectors who would like to participate in the scheme, but are restricted because they have ten employees. We are examining how we can change those restrictions to allow these things to happen. It will not be perfect because some people will say it will cost them to go to work. Most people are anxious to go to work. It is by interfacing with the labour market that one can find out if there is a job available. We are cognisant of that. Very valuable work can be done. I hope we will take a national perspective on this and that we will not create other impediments as a consequence.

#### **Live Register.**

3. **Deputy Denis Naughten** asked the Tánaiste and Minister for Enterprise, Trade and Employment the reason for the differential between the redundancy figures and the live register figures; and if she will make a statement on the matter. [41135/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Conor Lenihan):** The redundancy payment scheme, which is administered by the Department of Enterprise, Trade and Employment on behalf of the Department of Social and Family Affairs, makes payments in respect of eligible employees who qualify for statutory redundancy entitlement. Redundancy payments are paid from the social insurance fund. Under the scheme, all eligible employees are entitled to a statutory redundancy lump sum payment on being made redundant. Generally, a redundancy situation arises when an employee's job no longer exists and he or she is not replaced. To qualify for redundancy, the employee must have at least two years, or 104 weeks, of continuous service; the employee must be in employment which is insurable under the Social Welfare Acts; full-time employees must be in employment which is insurable for all benefits under the Social Welfare Acts but this does not apply to part-time employees; the employee must be 16 years or older; and the employee must have been made redundant as a result of a genuine redundancy situation. The redundancy payment statistics compiled by my Department measure the number of people in employment with a minimum of two years of continuous service, who meet the other criteria I have mentioned in order to obtain redundancy entitlements. By definition, this excludes people in employment who do not qualify under the terms of the redundancy payments.

It should be noted that the live register is not designed to measure unemployment. It includes part-time, seasonal and casual workers who are entitled to unemployment benefit. At the end of October 2009, there were 412,400 people on the live register claiming unemployment benefits, some 7,440, or 1.8%, fewer than in September 2009. The live register is 161,700, or

64.5%, higher than it was this time last year. The year-on-year increase, measured from October 2008 to October 2009, is continuing to decline from a peak of 197,800 recorded in June 2009. The seasonally adjusted figure for October is 422,500, which is a monthly decrease of 3,000 from September. As the Deputy may know, the quarterly household survey that is collated and published by the Central Statistics Office measures employment and unemployment. According to the most recent survey, some 264,600 people were unemployed in the second quarter of 2009, which was an increase of 137,900, or 109%, on the corresponding period in the previous year. The Government continues to support jobs through the enterprise stabilisation and job subsidy schemes. It has doubled the number training and work experience places that are available to over 13,000 this year.

**Deputy Denis Naughten:** Is the Minister of State saying that the redundancy figures, the trend of which is far worse than the trend of the live register figures, indicate that more stable employment is being lost? That, in itself, is a very worrying trend. I would like to ask about those figures. Would a person who has been in a part-time role with a company for a considerable period of time, over the two-year threshold, be covered under the calculations for redundancy figures? Given that the Tánaiste has now reviewed the scheme of supports for businesses and has now admitted the focus was to narrow initially — it has proven the criticisms we had of the employment subsidy scheme in the first instance — is it not the case that we have now lost valuable time in supporting the type of business we need to support which is struggling at the moment? What are the current delays in processing the employers' refunds for redundancy payments? There is an appalling delay of seven or eight months for employers who are struggling to cope with their cash flows at present.

**Deputy Conor Lenihan:** It three to four months for individuals and seven to eight months for employers, which is a significant delay. While we are widening the eligibility for the employment subsidy scheme, we are doing so because of the experience we have had to date. It would have been foolish and very dangerous for the Government to put in place an employment subsidy scheme which from the outset was open to abuse or could be constructed in such a fashion that the wrong types of employers were drawing down the benefit to the exclusion of those.

**Deputy Denis Naughten:** The Government is putting jobs at risk for fear that the wrong types of employers might get it. It is good to know that.

**Deputy Conor Lenihan:** It is a rather good practice in public policy——

**Deputy Denis Naughten:** Jobs are being lost in the meantime.

**Deputy Conor Lenihan:** ——to introduce a scheme that is minimalist to begin with and learns from the experience and the demand for such a scheme so that it can develop from there.

**Deputy Damien English:** Does the Minister of State hope to save money?

**Deputy Conor Lenihan:** I do not quite understand the issue with the redundancy figures. I can give the Deputy details of the redundancy claims lodged between 2002 and 2009. I am not sure whether the Deputy is interested in them from a statistical point of view. Clearly a person who was in part-time employment does not get redundancy. While I know what the Deputy is asking, he might want to reframe that question. Clearly part-time employees are able to make social welfare claims. I know we are not taking questions for the Minister for Social and Family Affairs, but I would have thought that was understood. The Deputy's question is framed on the difference between the live register and the unemployment——

**An Leas-Cheann Comhairle:** We shall have a brief supplementary question from Deputy Naughten.

**Deputy Conor Lenihan:** May I finish? The live register is a measure of unemployment and underemployment.

**An Leas-Cheann Comhairle:** The Chair would be obliged if the Minister of State would also have regard to the Chair.

**Deputy Denis Naughten:** Does the Minister of State believe it is acceptable that employers need to wait for seven or eight months to get a refund? Many of them are struggling with cash flow difficulties. Regarding the issue of part-time and full-time employees, there is an anomaly regarding how the readings and calculations are done for redundancy and for the live register, which also adds to the discrepancy. Is it not the case that the real reason for the discrepancy is that people are either going into education or more likely emigrating from the country? That is why we are seeing redundancy figures increasing and live register figures reducing.

**Deputy Conor Lenihan:** On the final question about resources, of course in an ideal world we would prefer if these payments could be done pretty well immediately. However, as the Deputy knows considerable pressures have been added to staff working in the redundancy section precisely because of the jump in the number of redundancies.

**Deputy Denis Naughten:** There are huge pressures on businesses also.

**Deputy Conor Lenihan:** Of course there are huge pressures on businesses. We would hope to reduce the delays over a period. For the moment we have reassigned 26 additional full-time people into the redundancy payments area to process these payments more quickly. The level of redundancy claims does not bear much relationship to the level of unemployment. That is an important point. In 2002 there were 24,000; in 2003 there were 25,000. Skipping ahead to 2008 and 2009 the figures were 40,000 and 67,000. While it is reflective of the performance of the economy, it does not correlate exactly with the levels of unemployment.

The simplest way to explain the difference to the Deputy between the live register and unemployment is to state that the live register captures unemployment and underemployment at the same time.

#### **County and City Enterprise Boards.**

4. **Deputy Damien English** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on reforming county and city enterprise boards in order that they can meet the needs of all small and medium-sized enterprises during the current economic climate; and if she will make a statement on the matter. [41200/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Billy Kelleher):** Our industrial policy is based on maintaining a positive business environment allied with specific targeted supports for enterprises through the enterprise development agencies. The positive business environment benefits all enterprises including all small and medium-sized enterprises referred to by the Deputy.

The supports through the enterprise development agencies are targeted at enterprises in manufacturing and internationally traded services in order to maximise export potential and foreign earnings. The availability of resources to support enterprises is limited and must therefore be targeted at those sectors that provide the best opportunity for growth. SMEs account for 99% of all enterprises in Ireland. While many of these are eligible for and receive assistance

from development agencies such as Enterprise Ireland, FÁS, and the county and city enterprise boards, it would not be appropriate or financially feasible to grant aid all small and medium-sized enterprises in the country.

There are 35 county and city enterprise boards located throughout the country. The boards are the primary reference point for enterprise advice and support at local level for start-up and expanding businesses. In addition to providing financial support to local businesses the boards also provide a range of non-financial supports such as training, mentoring, information and advisory services as well as networking opportunities and enterprise promotion activities. In providing financial support the boards must give priority to manufacturing and internationally traded services, must always take account of potential deadweight and displacement, and must primarily focus on the micro-enterprise sector, which comprises businesses employing ten staff or fewer.

The overall priority for capital expenditure by the boards is on the development of sustainable growth-orientated micro-enterprises, which over time can develop into strong export entities and graduate to the Enterprise Ireland portfolio. This is a carefully balanced and structured approach to the provision of State support to indigenous industry. Eligible SMEs above the micro-enterprise level can be assisted by Enterprise Ireland where they match that agency's operating requirements.

The county and city enterprise boards have played a pivotal role in developing, sustaining and growing micro enterprise at a local level since their inception in 1993 and this sector will be crucial to Ireland's economic recovery through employment creation and the creation of new businesses. The majority of the boards are currently experiencing an increase in the volume of their activities from their current client base. With increasing numbers of people seeking advice on starting their own businesses, many boards are providing additional "start your business" courses and increased levels of mentoring for owner-managers who are experiencing trading difficulties. In addition the boards are rolling out a revised and more flexible range of financial supports for the micro-enterprise sector.

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

I am confident that the work of the boards is appropriately focused on the micro-enterprise sector for the time being and that the funds available can be used in an effective and efficient manner by the targeting of this specific sector.

As the Deputy will be aware the recent report of the special group on public sector numbers and expenditure made certain recommendations about structural reform of the county and city enterprise boards specifically that all indigenous enterprise support and sector marketing functions should be consolidated into Enterprise Ireland. However, the desirability of supporting micro-enterprise was not challenged nor did the report make any recommendation on the current eligibility criteria which applies to assistance from the county and city enterprise boards.

A Government decision on these recommendations will be made in due course.

**Deputy Damien English:** While I thank the Minister of State for the reply, it is not exactly what I wanted. I believe he missed the point of my question, which I have asked repeatedly in the past 18 months. What different instructions has he given to our enterprise development agencies and bodies to cater for the problems we have now? I accept the county and city enterprise boards have done wonderful work, but there is now a change of circumstances. We need to move to protect jobs and help many of these companies to survive. The county and city enterprise boards can only help a small number of companies. Enterprise Ireland deals with approximately 3,500 companies a year and I accept that over five years that could be



[Deputy Damien English.]

15,000 companies. However, many companies are not getting help. We had a good discussion about this at a committee meeting during the week. I believe everyone agrees a large number of companies do not get help. What is the Government prepared to do differently to help those who need help? I accept that an excellent job was done in the past, but at present businesses are closing and jobs are being lost because we do not have a job-sustaining strategy. Many businesses cannot get help from anybody. What is to be done for them?

**Deputy Billy Kelleher:** I do not believe the Deputy can pick out the county and city enterprise boards as the only solution to address the issues in the current economic climate. We have many other proposals that have been highlighted in the previous replies to other Deputies' questions. We have the employment subsidy scheme which is being expanded and will, I am sure, show a marked improvement in the uptake. The county and city enterprise boards are very flexible as it is. They can respond to the existing needs.

**Deputy Damien English:** No they cannot.

**Deputy Billy Kelleher:** For example, they provide considerably more mentoring and advice to start-up companies. They are engaging with a broader group of people than heretofore. The purpose of the county and city enterprise boards is to assist in start-ups to the stage of viability and after that they expand and can come under the scope of Enterprise Ireland if they exceed ten employees. In general the county and city enterprise boards have responded quite quickly to the difficulties. There has been a marked increase in the demand for the services of the county and city enterprise boards through mentoring, advice and seminars on start-ups and the grants available. Údarás na Gaeltachta, Leader and many other agencies are also equipped to give assistance and advice to small and medium-sized enterprises.

**Deputy Damien English:** To clarify, I am not asking why county and city enterprise boards were set up. I was a member of my local enterprise board and am very much aware of the great work they do. What I am asking is that the Minister of State and his colleagues give consideration, before the budget, to the need to expand the remit of enterprise boards and other bodies in order to cater for the thousands of businesses which cannot, under the current guidelines, access help or which are falling between stools. Will the Minister of State seek to develop other means by which such companies can be supported and the jobs they provide be protected? The two existing employment support schemes are insufficient to meet the need that exists. We must have new ideas and new momentum in this area. I propose that we amend the remit of the enterprise boards to include job protection in all the various sectors.

**Deputy Billy Kelleher:** We have introduced changes to the employment subsidy scheme in terms of eligibility criteria, and we have moved from a focus on manufacturing to a broader remit across industry.

**Deputy Damien English:** As of when?

**An Leas-Cheann Comhairle:** The Minister of State should be allowed to speak without interruption.

**Deputy Damien English:** This is important.

**An Leas-Cheann Comhairle:** It is important enough that the Deputy should listen to the answer.

**Deputy Billy Kelleher:** I am trying to be as helpful as possible in giving information to the Deputy. If he wanted that specific information, he should have put down a question to that effect. I am attempting to answer as broadly as I can. Regarding the county enterprise boards, it is important to recognise that their focus is to assist start-ups——

**Deputy Damien English:** I know that.

**Deputy Billy Kelleher:** ——and their focus is export-orientated. There is little point in us offering grant aid to a company which would have got off the ground in any case or which would displace an existing company. As I said, start-ups are the remit of the county and city enterprise boards. There are other agencies dealing with the issues raised by the Deputy and, in particular, the employment subsidy scheme has been amended to address those concerns.

**Deputy Damien English:** May I make a final point?

**An Leas-Cheann Comhairle:** No, I am moving on to Question No. 5, which is another of Deputy English's questions. We are well over time on this question.

### **Employment Support Services.**

5. **Deputy Damien English** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of notified redundancies made to date in 2009; her plans to expand the terms of reference of the work placement scheme to include companies that employ less than ten people; and if she will make a statement on the matter. [41201/09]

**Deputy Dara Calleary:** To date in 2009, 67,207 redundancy claims have been lodged with my Department, a very significant increase on the levels of claims lodged in earlier years. My Department and its agencies are actively trying to stem this unwelcome increase in job losses through initiatives such as the employment subsidy scheme. Earlier this week we announced that 7,478 jobs in 453 enterprises are to receive direct support under the first round of the scheme. Companies have now committed, as part of their application to the scheme, to retaining 35,283 jobs. In addition, we announced that a second broader call for applications with extended eligibility criteria, open to both exporting and non-exporting firms, will be launched next week.

The Government has enacted several measures in response to the increasing number of redundancies. We have doubled the provision of training and work experience places managed by FÁS to more than 130,000. In addition, we have increased the national employment action plan referral capacity of FÁS employment services to 147,000 places, almost double the 2008 provision. We are determined and committed to keeping the unemployed as close to the labour market as possible during these challenging times.

That is why the Government introduced the work placement programme which is providing an initial 2,000 six-month work experience places to unemployed individuals, including graduates. We are open to taking on board some of Deputy Penrose's suggestions in this regard. The work experience participants receive under the scheme will provide portable and transferable skills in a range of areas and will increase their employability. There are currently 102 participants on the programme and a further 2,019 have registered their interest with FÁS employment services. FÁS is currently advertising 527 positions and will continue to promote the programme at local, regional and national levels.

In view of the level of interest expressed by several stakeholders in the programme, a review of eligibility criteria is currently being conducted. That review will conclude shortly and we

[Deputy Dara Calleary.]

expect it to make the work placement programme more accessible to both participants and providers.

**Deputy Damien English:** I welcome the announcement that there will be changes both to the employment subsidy scheme and the work placement scheme. It is interesting how a week of questions at committee meetings can bring about those types of changes. While there have been more than 2,000 graduate applications, there is a shortage of companies applying to participate in the graduate employment scheme. We have been debating labour activation schemes and related issues for a year and a half but of the two schemes put in place by the Government, one has been only moderately successful and the other is clearly a failure, with only a few hundred places on offer. What types of changes are envisaged in order to attract more companies? We had a useful discussion at Tuesday's meeting of the Joint Committee on Enterprise, Trade and Employment which was attended by officials from the Department and from Enterprise Ireland. There was general agreement that changes are required to allow a greater number of social welfare recipients to take up places on such schemes. I acknowledge that the Department has undertaken to introduce changes but am interested to know precisely what those changes comprise.

Is there any proposal to lift the cap of 2,000 on the number of positions available under the work placement programme? There would be no significant cost in such an expansion. Will the Minister of State indicate whether his Department is in negotiations with the Department of Social and Family Affairs with a view to changing the rules to allow persons currently drawing down social welfare benefits to work? A change was made in respect of volunteers and the same should be done to allow more people to participate in new community schemes.

**Deputy Dara Calleary:** On the first question, there is a commitment in the revised programme for Government to keep the number of places under review. On the second point, we are engaged in discussions with the Department of Social and Family Affairs and the Cabinet sub-committee on economic renewal. This week FÁS commenced a promotional campaign for the work placement programmes across local newspapers and radio stations in order to encourage providers and potential participants to register their interest in the scheme.

**Deputy Damien English:** The departmental officials indicated at this week's meeting of the Joint Committee on Enterprise, Trade and Employment that it may be open to public bodies to avail of work placement schemes. Are there openings for local authorities to start up new community employment schemes for people on social welfare? If not, will that proposal be given serious consideration? The schemes we are discussing cater for a few thousands but there are hundreds of thousands of people in need of support.

The requirement that persons must be unemployed for an unbroken period of six months is causing problems for potential applicants to the schemes. For example, a person who is out of the country for some weeks within a six-month period or who secures employment for several weeks will not be eligible. That makes no sense. A person's application should not be hindered if his or her six-month period of unemployment is broken up for one reason or another. I understand this is a matter for the Department of Social and Family Affairs but it has a knock-on effect for the schemes administered by the Department of Enterprise, Trade and Employment. Perhaps the Minister of State will convey that message to the Minister for Social and Family Affairs.

**Deputy Dara Calleary:** We are considering all the issues the Deputy has raised but there are also issues relevant to this matter to be considered by the Department of Finance.

## Other Questions.

---

### Smart Economy.

6. **Deputy Terence Flanagan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to support the smart economy outside the major urban centres; and if she will make a statement on the matter. [40927/09]

86. **Deputy Charles Flanagan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to support the smart economy; and if she will make a statement on the matter. [40924/09]

**Deputy Conor Lenihan:** I propose to take Questions Nos. 6 and 86 together.

My Department has made significant progress in several aspects of the smart economy framework since it was published last December. Our priorities under that initiative have been activation, support for enterprise and credit supply, while continuing our focus on strategic issues such as research and development, skills and venture capital. In addition, the report of the high level action group on green enterprise was finalised in October 2009 and submitted to Government on 3 November. The secretariat is in the process of having the report printed and it will be published shortly.

The renewed Programme for Government recognises the importance of productive public and private investment in research and development and sets a target of achieving a national investment in this area of 3% of GDP. The significant infrastructure investment underpinning the strategy for science, technology and innovation in the period to 2013 is central to economic recovery. The commercialisation of our research investment and the generation of a strong reputation for higher education and research, as well as output of quality graduates at both undergraduate and postgraduate levels, will allow us to build a sustainable enterprise base underpinned by productive innovation activity across the economy.

My Department is also actively working on issues such as the merger of the Competition Authority and the National Consumer Agency and publishing whole-of-Government responses to Competition Authority reports. The business regulation group continues to clock up achievements and has processed 50% of all business suggestions for “red tape” reduction.

There are also issues that are important in the medium and longer term on which we continue to work and which are important for the move to an export-led knowledge economy. These include the continuation of downward pressure on business costs, while ensuring that world class, competitively priced infrastructure continues to be made available, including the roll-out of next generation broadband, completion of the major inter-urban road network and upgrade of the energy networks. In the context of the Government’s framework for smart economy renewal, we are also committed to ensuring that the development and use of knowledge, through investment in skills, education and research and development, are at the heart of our drive to improve productivity and competitiveness levels.

Ireland retains a broad range of competitive strengths, including a young and comparatively well educated workforce, growing levels of research and development activity, a modern internationally-traded enterprise base and a long track record as an attractive location for overseas investment. Our exports have held up in certain major sectors, despite the slump in global demand, particularly in the chemicals, pharmaceutical and life science sectors. We have wit-

[Deputy Conor Lenihan.]

nessed modest overall export growth in these sectors that contrasts with the double digit export declines of some of our trading partners.

Balanced regional development in all parts of Ireland is fundamental to the country's economic growth and recovery. Strong, balanced regional development and a thriving culture of entrepreneurship in all parts of Ireland are key strategic objectives both for Government and my Department. This is being delivered by the enterprise development agencies, through the regional focus of Enterprise Ireland, Shannon Development and IDA Ireland, as well as the more localised focus of the city and county enterprise boards. The Department of the Environment, Heritage and Local Government is finalising an national spatial strategy review and outlook report which will take stock of spatial strategy achievements to date and will outline remaining challenges and actions to enable the NSS to contribute to national economic renewal and enhanced competitiveness through, for example, better alignment and prioritisation of sectoral infrastructure investment, especially in the gateway cities which act as economic drivers for their wider regions.

**Deputy Denis Naughten:** I thank the Minister of State for his long-winded reply.

**Deputy Billy Kelleher:** It is factual.

**Deputy Denis Naughten:** He did not mention the mid-west task force, which will be important in the context of the expansion of the smart economy outside Dublin.

Will he comment on the national skills bulletin? It has again highlighted this year that specialised focus is needed on IT, science, sales, marketing, health, accountancy, engineering and so on. However, a good understanding of basic maths is fundamental to this. In light of the Minister of State's role, which straddles a number of Departments, what is his view of the newspaper headline regarding a bid to sabotage Project Maths and the implications that has for our economy and the Government's proposals for a smart economy?

**Deputy Conor Lenihan:** I am not aware of an effort to sabotage Project Maths. I am a Minister of State at the Department of Education and Science with responsibility for the third level spend on research and development and I am an enthusiastic supporter of this project. However, it is only one of a range of complementary measures needed to increase the take up of maths, particularly at higher level for the leaving certificate.

**Deputy Denis Naughten:** Maths is the key building block.

**Deputy Conor Lenihan:** Only 16% of those who take the leaving certificate do higher level maths and while that is the average, according to the Pisa comparative study of uptake in higher level maths across Europe, we are not content with that. It must be leveraged much higher to increase the pipelines of qualified people to take up jobs in the smart economy of the future. We are anxious to implement further complementary measures and a robust debate is ongoing within government and industry about the concept of incentivising students to take up higher level maths. Some people favour bonus points for those who do maths while others argue robustly against that.

**Deputy Denis Naughten:** How about a decent syllabus?

**Deputy Conor Lenihan:** A number of key issues must be addressed. This is Maths Week 2009 during which we are encouraging citizens and students to be enthusiastic about, and to

understand, maths. Teaching inputs for this subject need to improve. It is a disappointment that a significant number of maths teachers do not have a qualification for doing so. They did not do maths as part of their degree and that is another challenge. The solution for maths must begin at primary level and be carried through to third level. It is a source of disappointment, for example, that some overseas investors say graduates who have done higher level maths are not fit for purpose.

I do not mean to be long winded in my reply and, for that reason, I did not mention the mid-west task force earlier. I would appreciate it if the Deputy tabled more focused questions.

*Written Answers follow Adjournment Debate.*

### **Adjournment Debate Matters.**

**An Leas-Cheann Comhairle:** I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 21 and the name of the Member in each case: (1) Deputy James Reilly — the provision of funding in respect of a site for a second level school at Lusk, County Dublin; (2) Deputy Willie Penrose — the reduction being effected on Mullingar regional hospital, County Westmeath; (3) Deputy John O'Mahony — the delays in making payments of third level grants to students; (4) Deputy Leo Varadkar — the provision of adequate permanent school buildings for Tyrrelstown Educate Together and Mulhuddart national school, Dublin 15; (5) Deputy Aengus Ó Snodaigh — the payment of the Christmas bonus to recipients of social welfare payments; (6) Deputy David Stanton — job losses in Youghal, County Cork; (7) Deputy Ulick Burke — the continuation of maternity services at Portiuncula Hospital, County Galway; (8) Deputy Joe Costello — the maintaining of jobs in the aviation engineering sector in north Dublin; (9) Deputy John Perry — the proposed closure of the Stiefel plant in Sligo; (10) Deputy Eamon Scanlon — the proposed closure of the Stiefel plant in Sligo; (11) Deputy Damien English — the provision of embalming services at hospitals operated by the Health Service Executive and, in particular, the withdrawal of these services at Our Lady's Hospital, Navan, County Meath; (12) Deputy Frank Feighan — the transfer of services provided by the Health Service Executive and, in particular, the impact this will have on the offices in counties Leitrim and Roscommon; and (13) Deputy Thomas P. Broughan — the urgent need for the Minister for Transport to make a statement on the critical need to protect aviation jobs in north and west Dublin and the mid-west and to maintain vital national strategic aviation links to the United States given the reported cost cutting plans of Aer Lingus, including the devastating loss of 676 jobs at the company in Dublin, Cork and Shannon and the greenfield proposal to transfer Aer Lingus to the UK aviation register which would entail the employment of non-Aer Lingus UK staff and resources at UK airports.

The matters raised by Deputies Willie Penrose, Frank Feighan, James Reilly and John O'Mahony have been selected for discussion.

### **Adjournment Debate.**

---

### **Hospital Services.**

**Deputy Willie Penrose:** I thank the Ceann Comhairle for selecting this important matter and allowing me to address this important issue. The status of the Midland Regional Hospital, Mullingar, is a major cause of concern and angst among the public, staff and elected representatives. The HSE is a bureaucratic monster and it is engaging in a surreptitious campaign to

[Deputy Willie Penrose.]

downgrade the status of the hospital, which is centrally located to serve the citizens of counties Longford and Westmeath on foot of a commitment given in the mid-1980s. At 5 p.m., 41 acute beds or 20% of the bed complement at the hospital will close. I can anticipate the HSE's reply through the Minister of State. It will say 13 beds will be transferred to the day care unit but that is a different scenario. I am sick and tired of the HSE engaging in obfuscation in the House and putting Members off pursuing health issues.

The closure of beds will happen without formally discussing this step with consultant physicians who are concerned that the number of beds being closed is grossly excessive and disproportionate. Such a decision will cause problems for them from the perspective of safety and acceptability. I am astounded that, prior to a decision of this magnitude being made, discussions were not held with the consultant physicians, nurses and other relevant staff, and that an impact analysis was not carried out. Furthermore, a significant number of acute admissions usually occur during winter and it beggars belief that 41 acute beds will be lost to Mullingar hospital which has regional status. This is an important issue because HSE staff are intent on disregarding that designation, especially where such beds are used to accommodate acutely sick patients who attend the hospital daily. I am concerned that this is part of a discernible trend in the way the HSE treats the hospital.

Last August, I indicated that I was fearful for the long-term future of this hospital and that my confidence had been dented by a series of decisions made by the HSE in this regard. In 2008, Mullingar hospital broke even with a budget of €65 million and it has consistently been one of the top performing acute hospitals in Ireland over the past five years. The length of in-hospital stay is one of the shortest in the State. The HSE likes to refer to such achievements. Mullingar has achieved this standard frequently but it has received no payback for doing so. This efficiency has been acknowledged by the Minister for Health and Children, the HSE and others. The hospital was due €2 million because of its case mix efficiency but it only received €500,000. Why did the HSE divert money due to Mullingar Hospital elsewhere and fail to reward the hospital as promised? Where did that money go? Was a less efficient hospital given the money? It is time straight answers were given. Is it the HSE's agenda to reduce this important, centrally located and pivotal hospital to the status of a "cottage hospital"? Does the executive want to centralise everything in a flagship hospital in Tullamore with Mullingar hospital as a corollary?

Vital leadership is being given in Mullingar hospital. We are lucky to have consultant physicians of the status of Professor Sean Murphy, Dr. Aidan O'Brien, Dr. Shu Hoashi, Dr. John Cosgrave, Dr. Clare Fallen and an excellent clinical director, Dr. Ron Charles. They set up the stroke unit and they have a flagship ambulatory medical assessment unit, which processes 180 people per month. It is visited by staff of other hospitals from all over the country and our consultants are working hard to establish an intervention cardiology unit and CAT laboratory where angiograms can be performed and stents inserted without having to go to Dublin.

I have lost all faith in the HSE, as I personally have been fooled by them once too often. I do not want to hear nonsense about 13 additional day beds being available from Monday to Friday for elective procedures, as these are no use for facilitating emergency admissions. As far as I am concerned Fianna Fáil and this Government have failed the people of Longford and Westmeath in relation to hospital provision and services for the people. I was always suspicious that when Phase 2A was virtually completed in May 1997, that ways were devised, invented, formulated and found to delay the follow-on construction and establishment of an

expanded Phase 2B, which was promised. It would have made eminent economic sense to follow on, but for naked political reasons this important project and the completion of same for the people of Mullingar and the wider midlands was sacrificed for political reasons.

This Government stands indicted for its failure to deliver to Mullingar what was promised, and no amount of mealy mouthed excuses from Fianna Fáil politicians, either at local or national level can disguise this irrefutable fact. It is time that people power told these Government politicians what they think. They have let us down, and there should be consequences for this blatant renegeing on solemn promises given to the people over the years.

I am calling upon the HSE management and relevant authorities to enter talks with the physicians and others, to discuss a safer and fairer reduction in acute bed numbers, although my own view is that this expanding geographical area needs all its acute bed complement to accommodate its citizens.

I do not want any mealy-mouthed answers from the Health Service Executive. I want real action to secure Mullingar's long-term future.

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Billy Kelleher):** I would be amazed if anyone could fool Deputy Penrose. I do not believe that could happen.

**Deputy Frank Feighan:** It only happened once.

**Deputy Billy Kelleher:** I will be taking this Adjournment matter on behalf of my colleague, the Minister for Health and Children, Deputy Mary Harney.

The Midland Regional Hospital at Mullingar provides an extensive range of quality driven acute services to the population of Dublin and the Midlands and in particular to people in the Longford-Westmeath area. The hospital has been recognised as being one of the most efficient in the country in the context of the annual casemix adjustment. Last year the hospital was the highest in the country with a positive casemix adjustment of €1.977 million. The hospital also had one of the lowest average lengths of stay in the country at 3.3 days in 2008 and this year to the end of September the average length of stay was 3.1 days. The transfer of patients to the upgraded ward areas, which are part of phase 2B of the capital development at Mullingar, is due to take place today. The bed complement is now 158 in-patient beds, 24 day beds, six medical assessment unit beds and 11 observation unit beds, a total of 199 beds.

It is important to note that this is a reduction of 21 beds and not 41 as quoted by the Deputy.

**Deputy Willie Penrose:** This is chalk and cheese.

**Deputy Billy Kelleher:** The reduction of 34 in-patient beds is balanced by a significant increase of 13 extra day beds.

The measures referred to have been taken in the interest of moving patients from the four old nightingale wards in the 1930s building to the recently completed strategy for the control of antimicrobial resistance in Ireland, SARI, compliant wards. These wards are a major improvement in terms of the standard of care that can be afforded to the patients.

The rationale behind the reconfiguration of in-patient beds to day beds is in line with encouraging a greater emphasis on the practice of day care medicine which is part of the HSE's transformation programme. The reconfiguration of the bed complement in the new hospital, including a significant increase in the number of day ward beds, aims to reduce the cancellation of the in-patient elective surgical work at the hospital. This will be done through the ringfencing



[Deputy Billy Kelleher.]

of day beds in the surgical ward for surgical procedures to facilitate the treatment of gynaecology patients at the hospital on a day basis. The provision of additional day ward beds for these procedures will also help to reduce the level of cancellation of in-patient gynaecology procedures at the hospital and increase the availability of medical day ward procedures in the area of cardiac interventions and colonoscopies among others. This in turn will reduce the need for in-patient admissions to the hospital. The existing medical assessment unit, which has received much favourable comment, will also increase its throughput.

It is important to note that the revised bed complement has been fully endorsed by the consultant surgeons and consultant obstetricians at the hospital. In addition, the focus for the hospital, by agreement with all relevant consultant staff, is to increase the throughput of surgical and gynaecology work at the hospital. The provision of additional day ward beds as detailed will facilitate this increase in the workload.

It should be noted that in-patient activity at Mullingar to the end of September was 0.2% ahead of last year, while day case activity was up by 6.2% year on year. While the actual bed complement of 21 beds is a reduction in the overall capacity, the increase in the provision of day beds will ensure that Midland Regional Hospital Mullingar treats more patients in 2010 than 2009. This is in line with the proposals nationally to increase the usage of the day beds in our hospital setting. It is important to note that the current usage of day beds in Mullingar Hospital is still behind the international norms for such bed utilisation. The adjustment in beds taking place will help to improve the situation thus making the hospital even more effective in providing care and treatment in the future. I am confident that the hospital will continue to provide the best possible quality of care for all its patients.

### **Health Services.**

**Deputy Frank Feighan:** This is a very serious issue. The transfer of services from HSE offices throughout the country, including Roscommon and Leitrim will have an impact on local HSE services and staff.

The drugs payment, hardship medication, long-term illness and dental treatment schemes and the blind welfare and mobility allowances will be processed in the primary care reimbursement services offices in Dublin. We are all well aware of the confusion and disarray caused by the transfer of the over 70s GMS cards to these offices.

Decentralisation worked very well in this case. I cannot believe the Minister is undermining an excellent service and a source of employment in provincial towns. The staff of these offices are critically aware of the needs of the people in their counties. I am sick and tired of telephoning centralised Departments, being asked to press buttons 1, 2 and 3 and having to listen to songs on the telephone, which I do not have time for. Sometimes one's call is not even answered by these offices. A colleague of mine complained to me today about this very situation. The staff in centralised offices have no affinity with local areas and are far too busy.

Offices should be situated in the counties and constituencies they serve. I would like to hear the Minister's response on this matter.

**Deputy Billy Kelleher:** I will be taking this Adjournment matter on behalf of my colleague, the Minister for Health and Children, Deputy Mary Harney.

The administration of the GMS scheme and the other primary care schemes is a matter for the Health Service Executive but I will answer Deputy Feighan with as much detail as possible.

The HSE has embarked on a major programme to transform health service delivery. In the recent past various reports have clearly pointed to a lack of clarity in relation to roles, responsibilities and accountability in the delivery of the primary care schemes, including the drug payment scheme, long term illness scheme, dental treatment services scheme, blind welfare allowance, mobility allowance and others.

These reports have in particular highlighted the following: the need for standardisation, streamlining and rationalising organisation arrangements; the need to integrate all local scheme systems with an national scheme index; duplication of effort and siloing of expertise across the country; and data integrity issues leading to incorrect payments to GPs. The Committee of Public Accounts has also considered these matters in some detail.

In this context, the HSE has decided that these issues could be best addressed if all of the primary care schemes were operated centrally. Up to the start of this year, primary care schemes were processed in the 32 local health areas. However, under the HSE's 2009 service plan, the administration of these schemes will be centralised and will transfer to the executive's primary care reimbursement service, PCRS, in Dublin. Local health offices continue to provide local assistance and advice to the public as normal.

The effect of this decision is that approval, review and reimbursement of all claims for services and refunds, under all of the primary care schemes will be under central governance through the primary care reimbursement service, PCRS. The change is being implemented on a phased basis. This phased implementation will allow the HSE to continually monitor the situation and if required, modify it to address any issues arising.

The decision by the HSE to centralise the administration of these schemes has been made in the context of the requirement to realise savings in this very challenging economic environment. The change will provide an enhanced standardised service to the client population. It will deliver services for the public within sustainable levels of expenditure and with the aim of achieving efficiencies by the greater usage of shared services. The proposed changes are intended to address the concerns set out above and enhance service delivery to the client. There will be no impact on patient care or the quality of service provided and there will be no effect on the assessment of people whose income exceeds the guidelines but have a case to be considered on medical or hardship grounds, as is the norm at present. Since all applications, reviews and associated tasks will be processed centrally, this will result in a more consistent and transparent approach being applied and will not have an adverse impact on patient care or the quality of service provided.

The HSE has advised the Department of Health and Children that there are no plans to close any of the local health offices and these offices will continue to deal with queries of a general nature about the GMS and primary care schemes and will provide any assistance needed with the administration process and, along with the HSE's national helpline, will deal with inquiries from clients in respect of their entitlements and completion of forms. However, the process will involve a reassignment of existing human resources within the HSE.

This is a good example of the type of innovation signalled in the transforming public services programme announced by the Taoiseach last November. It demonstrates how improved services can be delivered within the more limited resources available in a way which meets the needs of citizens in a modern society.

I fully support the HSE's decision to centralise these administration processes to one location as the HSE has advised that when fully implemented the measure will ensure the following — improved turnaround time for the processing of applications; equitable application of eligibility

[Deputy Billy Kelleher.]

across the country; consistency of service provision to customers; clearer lines of governance and accountability; and improved unified data.

### **Schools Building Projects.**

**Deputy James Reilly:** I raise this matter in regard to funding for the purchase of a site, under the award winning Fingal schools initiative scheme, for the first secondary school in Lusk which is badly needed. Lusk is a small village that has transformed itself into a town of 7,000 people. According to a recent Lusk local area plan, it is projected that the population will reach 10,000 plus. I appreciate the Minister of State, Deputy Kelleher, coming to the House to respond on his colleague's behalf.

There is no secondary school in Lusk and the secondary school situation in Dublin North is at breaking point. The secondary schools in Swords are completely full and can no longer take referrals from Lusk. The same applies to Balbriggan. Skerries is bursting at the seams with more than 1,000 pupils while Rush is the same. The capacity of the other secondary schools in the area to take up the slack is gone. There are also the outlying areas of Garristown, Naul, Ballyboughal and Oldtown. I do not know from where they will get a secondary school.

What is really bothering people in Dublin North and in Fingal is that this initiative won an award. The council approached local landlords, in conjunction with the overall development plan, and got land at extremely attractive prices. So successful was it that the former Taoiseach, Deputy Bertie Ahern, gave an award to Fingal County Council for its schools initiative.

There are four primary schools in Lusk. There is Lusk national school, which has 649 pupils, Hedgestown school, which has 86 pupils and is to rise to 106 to 111 in the next couple of years, Corduff, which has 92 pupils, and Educate Together, which has more than 100 pupils and the number is rising. There is a glaring need for a secondary school and I know this is one of the priority areas and a priority school.

Fingal County Council has identified a site which it got at very good value even by today's depressed standards and it is anxious to move ahead. It is waiting for direction from the Department to do so.

Like Fingal, Lusk would like to keep its identity and its residents would like the children of Lusk to keep their identity and not to have to travel to other secondary schools and leave many of the friends they made during their primary school years. Fingal County Council has been very successful in supporting Sporting Fingal soccer club which, in its first two years, has managed to get to the cup final which will be on 22 November. It is also playing in the play-offs to get to the premier league. It sees the value in giving Fingal an identity. Likewise, I see the value in the people of Lusk identifying with Lusk and not having to travel, not to mention the environmental impact and the impact on our trains and infrastructure, which are already under serious pressure.

I plead with the Minister of State to give us some good news on behalf of his colleague and to give some hope to the people of Lusk who wonder to where their children will go to secondary school. Lusk is a lovely place to live but it needs the other ancillaries like schools. We fought hard to get our primary schools and we need a secondary school. There is no other place for our children to go in Lusk.

**Deputy Billy Kelleher:** The Minister for Education and Science, Deputy Batt O'Keeffe, sends his apologies. He was anxious to take this matter but unfortunately, he was called away. I

would look forward to Sporting Fingal travelling to Turner's Cross if it managed to get into the premier league, although it is a tough place to be.

I thank the Deputy for raising the matter as it affords me the opportunity to outline the process being utilised to ensure there will be adequate accommodation in schools at primary and post-primary level in all parts of the country.

In response to the rapid pace of social and demographic change in Ireland, a forward planning section was established in the Department. This section utilises the latest in GIS technology to help in planning the location of schools in the future. The section has carried out a study of the country to identify the areas where, due to demographic changes, there may be a requirement for significant additional school provision at both primary and post-primary levels over the coming years.

This study has been conducted using data from the Central Statistics Office, the General Register Office and the Department of Social and Family Affairs in addition to recent schools' enrolment data. The study indicates that the requirement for additional primary provision in years 2010, 2011 and 2012 is likely to be greatest in more than 40 identified locations across the country, including the area referred to by the Deputy, based on significant changes to the demographics of those areas. This information has been circulated to all existing school patrons who have been invited to bring forward proposals for the expansion of existing schools or to put themselves forward as patron for any new primary school should it be required. The requirement for the establishment of new schools will be lessened where it is possible to expand and extend existing schools in those areas.

The forward planning section is in the process of carrying out detailed analysis of each of these locations in order to identify the school accommodation requirements up to and including the school year 2014-15. Following on from this analysis of the primary needs, the forward planning section will be in a position to determine the accommodation need at post-primary level.

The forward planning section is in the process of implementing this technology for the entire country and when this has been completed, a full set of data on priority areas will be available. As a matter of course, there is ongoing liaison between the Department and local authorities to establish the location, scale and pace of any major proposed developments and their possible implications for the provision of school infrastructure.

I point out that an extensive study on educational requirements for the Rush-Lusk area in the medium term to long-term was undertaken by the Commission on School Accommodation. This study was formalised and included in the draft area development plan for north Dublin, east Meath and south Louth which was published in January 2007.

**Deputy James Reilly:** That was two and a half years ago.

**Deputy Billy Kelleher:** The Commission on School Accommodation completed a public consultation process on foot of this draft plan and its final report was published in September 2007 in regard to north Dublin. The recommendations in the report, together with the information obtained from the GIS analysis will be used to inform capital investment decisions in the Lusk area for the foreseeable future.

The Commission on School Accommodation report and the GIS data indicates that up to between 800 and 1,000 additional post-primary pupil places may well be required in the coming years in the area concerned. The Department is already taking action to ensure that these places will be delivered commensurate with the need. The progression of the acquisition of a

[Deputy Billy Kelleher.]

site and the accompanying building project will be considered in the context of the capital budget available to the Department for school buildings generally.

I assure the Deputy we are taking all the views into account and I am delighted to outline where we are in the context of future plans for the first secondary school in Lusk.

**Deputy James Reilly:** The need is there; action is required.

### **Higher Education Grants.**

**Deputy John O'Mahony:** I thank the Ceann Comhairle for selecting this urgent matter. It is no reflection on the Minister of State, Deputy Kelleher, because he needs answers as badly as I do, but I am disappointed not to see the Minister here. He was in the House one hour ago to cast a vote. The only thing that will excuse him is if he has gone to the bank to get the money to pay to these students.

I said this is an urgent matter but to be honest, it is a crisis. Thousands of students applied for maintenance grants in August but many of their applications have not been processed. Those whose applications have been processed have not got any money yet. This is intolerable and it relates to every constituency. Deputy Brian Hayes, our party spokesman on education, attempted to raise this matter this morning on the Order of Business. The Minister, or somebody on his behalf, needs to give answers to the students and the parents of Ireland who are waiting out there this evening. The delays being experienced right around the country are completely unacceptable. That many students will have to wait until 2010 is a farce. Yesterday's papers noted that there are now more students in Ireland than farmers. This perfectly illustrates my point. Many of the parents of these students are farmers who have seen their incomes slashed or else are people who have lost their jobs in the construction industry or the service industry. They need to have these grants paid out immediately.

Many county councils are advising students to get the money to bridge the gap either from their parents or to take out loans. The banks are not giving money to anyone and particularly not to students. If students could get the money from their parents in the first place, they would not be eligible for grants. This situation would be funny if it was not so serious and it needs to be addressed immediately by the Government.

I hope I will not be given the usual platitudes and spin that are used in replies from Ministers. Students have enough stress and trauma coming up to their exams. Many of them have been told they will not be allowed sit their exams or to attend lectures in some cases if they have not registered or do not pay the registration fee immediately. Payment of grants has been slow in other years but, at this stage of the year, students would have received the first portion of their grant and would be awaiting the second portion. This situation cannot be defended.

The Student Support Bill was introduced in this House in 2008 and it has not been progressed by the Minister or the Government since then. This Bill was published over a year ago but has not yet reached Committee Stage and this is a disgrace. This mess with the grants could have been averted if that Bill had been passed. We need action today on these grants and we need action immediately on the Student Support Bill.

**Deputy Billy Kelleher:** The Minister sends his apologies for his absence. As a practising politician, I understand the seriousness of the situation and I assure the Deputy that I will not give him any spin or PR in my reply, just the facts of the situation we are trying to address.

I thank the Deputy for giving me this opportunity to outline the position of the Department of Education and Science regarding applications by students for funding under the student support schemes. I am pleased to inform the House that the Department of Education and Science funds four maintenance grant schemes for third level and further education students. These are the higher education grants scheme, the vocational education committees' scholarship scheme, the third level maintenance grants scheme for trainees and the maintenance grant scheme for students attending post-leaving certificate courses. The higher education grants scheme is administered by the local authorities. The other three schemes are administered by the vocational education committees.

Under the terms of the maintenance grant schemes, grant assistance is awarded to students who meet the prescribed condition of funding including those which relate to nationality, residency, means and previous academic attainment. The Local Authorities (Higher Education Grants) Acts 1968 to 1992 provide for the making of grants by local authorities to enable persons to attend approved courses of higher education. The process whereby local authorities assess eligibility and make grant payments under the higher education grants scheme is provided for under these Acts. The organisation and management of student support scheme grants is a matter for individual vocational educational committees and local authorities. These bodies seek to ensure that students are given decisions on their grant applications and are paid as soon as possible. It is acknowledged that some students are experiencing delays in the processing of their grant applications. Every effort is being made by local authorities and VECs to ensure that students are given decisions on their grant applications and are paid as soon as possible. It is understood that the awarding bodies received an unprecedented number of applications this year and that they are still getting late applications daily.

The Deputy will appreciate that in the context of the current economic circumstances, difficult choices had to be made by Government in order to control public expenditure and to ensure sustainability in the long run. In that regard, the Deputy will be aware of the Government decision to implement a recruitment and promotion moratorium in the public sector. The Minister acknowledges the difficulties which VECs and local authorities are experiencing because of the moratorium which may in some instances be affecting the processing of grants. Our difficult economic circumstances mean that tough choices had to be made to control public expenditure and to ensure sustainability in the long run.

It is inevitable that staffing constraints on public bodies will lead to certain pressures on services. The bodies are endeavouring to ensure that the work associated with the processing of grants will be prioritised. I understand the significant pressures on the staff of the VECs and local authorities and I know they are doing everything possible to process the applications as quickly as possible. The moratorium on public sector recruitment will have an impact on the availability of staff to process these applications. The staff are making every effort——

**Deputy John O'Mahony:** The students are suffering.

**Deputy Billy Kelleher:** ——within the resources available. We are very conscious of the pressures on students.

The efforts of the VECs and local authorities have to be acknowledged in these challenging circumstances. Apart from the pressures associated with the volume of applications, a significant number of outstanding grant applications have not been processed in full because they are incomplete. I remind students and their parents to return all necessary supporting documentation as early as possible to help the awarding bodies make prompt decisions on entitlement.

[Deputy Billy Kelleher.]

The Higher Education Authority has asked institutions to be flexible in respect of the payment of the student services charge for those still awaiting a decision on their grant application. We are very conscious of the situation for students. I am a public representative and people have been in touch with my office and clinic in this regard. I must acknowledge the pressure under which the staff in the VECs and local authorities as well as students are operating.

The Dáil adjourned at 5.20 p.m. until 2.30 p.m. on Tuesday, 17 November 2009.

## Written Answers.

---

**The following are questions tabled by Members for written response and the ministerial replies as received on the day from the Departments [unrevised].**

---

*Questions Nos. 1 to 6, inclusive, answered orally.*

### **Departmental Agencies.**

7. **Deputy Frank Feighan** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she is satisfied with the resources available to the National Employment Rights Authority; and if she will make a statement on the matter. [40922/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** NERA's activities can be divided into three major areas: Information services including to members of the public, employers and employees; Inspection services and, Legal services including enforcement and prosecution services.

Overall, NERA's staffing complement is down from the level of 132 which obtained at the end of December 2008 to 122 at the current time. The number of inspectors currently stands at 73 which is down from 80 at the beginning of 2009. In common with all public bodies, NERA are expected to show a reduction in costs for 2009 mainly as a result of efficiencies and lower staff costs. The introduction of a moratorium on recruitment and promotions in the public service by the Minister for Finance on 27 March 2009 has made it very unlikely that NERA will be able to increase staff levels for the foreseeable future.

In relation to its information activities, NERA provides a wide range of information in relation to employment rights to employers and employees through its website and Information Centre and also through publications, email and responses to written queries. Additionally, it has replied to over 10,000 emails, distributed over 18,000 employment rights publications and participated in 22 presentations and exhibitions.

In its Information Centre, there are currently 13.5 full-time staff taking calls and answering queries from members of the public. This is supplemented by 11 other trained staff who provide support at peak periods and other periods where extra resources are required. So far this year, NERA has answered over 127,000 telephone calls or an average of 560 per day on employment rights issues, which represents an increase of almost 37% on the same period in 2008.

Additionally, since April 2009 NERA took over responsibility for answering calls relating to redundancy claims on behalf of the Redundancy Payments Section of the Department and



[Deputy Dara Calleary.]

answered an estimated 76,000 redundancy related calls so far in 2009. This additional work undertaken on behalf of the Department now accounts for 60% of calls received.

The number of inspections visits and calls made for the year so far is 22,136 compared to 25,530 for the same period last year. This difference is mainly accounted for by the lower number of Inspectors operating in 2009. The figures also reflect the fact that there has been less of a focus on targeted sectoral campaigns this year as compared with 2008. In addition, in 2009 NERA commenced inspection activities in relation to compliance with the Employment Permits Acts 2003 and 2006. So far this year, a total of 708 Employment Permit inspections have been undertaken under this legislation.

In relation to its enforcement and prosecution activities, NERA has so far this year initiated court proceedings in 66 cases as compared with 44 in 2008 and proceedings have so far been concluded in 72.

In line with Government policy on advertising spend, NERA no longer has a budget for advertising and awareness campaigns. However, it has engaged in awareness-raising activity in cooperation with key stakeholders such as the Small Firms Association, IMPACT, IBEC, ICTU, the Migrant Rights Centre of Ireland, Chambers of Commerce, Enterprise Boards and Citizens Information Centres.

### **FÁS Training Programmes.**

8. **Deputy Arthur Morgan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the progress being made with the approved funding of €10 million by the FÁS board to provide training for small and medium enterprise managers or supervisors under the strategic alliance programme, agreed in the Social Partnership Programme Towards 2016, which was to be rolled out more than two years ago; and if she will make a statement on the matter. [40764/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** The importance of upskilling the Irish workforce to meet present and future economic and social goals is well established. Upskilling improves competitiveness and hence business success and economic growth. It also significantly contributes to ensuring the future employability of the workforce. The remit of FÁS in this respect is to contribute to such upskilling through encouraging and supporting the training, re-training and upskilling of the workforce.

Management training and development has been identified as a key national priority for maintaining and increasing the competitiveness of Irish businesses in a series of relevant reports including the Expert Group on Future Skills Needs report *SME Management Competence in Ireland* (2006), the Small Business Forum report *Small Business is Big Business* (2006) and the Enterprise Strategy Group report *Ahead of the Curve* (2004).

In order to address this priority, training programmes were provided under the FÁS SME Management Development Initiative as part of its Strategic Alliance Programme. Training began in September 2007 and will conclude on 31st March 2010. An evaluation of the initiative will take place after that.

Under the Initiative training courses are being delivered in key areas such as: -

- Business Performance and Capacity-building,
- Sales & Marketing,

- Finance,
- Personal Professional Development,
- Employment Law, and
- Human Resources.

Initially some €10 million was budgeted for the Initiative to train some 8,000 participants. It is currently estimated that approximately €5 million will have been expended on the initiative upon completion, providing training to some 5,000 participants at a cost to the state of c. €1,000 per participant. Over €4 million has been spent to date on this initiative to the benefit of almost 3,800 participants.

This projected underspend is due to a variety of factors including the need to design and deliver new training programmes adapted to meet the new business realities.

### **Departmental Expenditure.**

9. **Deputy Thomas P. Broughan** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on the recommendations of the Special Group on Public Service Numbers and Expenditure Programme regarding her Department and agencies under her remit; and if she will make a statement on the matter. [41053/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The Special Group on Public Service Numbers and Expenditure Programmes presented its report to the Government in July of this year. In its report, the Group outlined options to achieve savings in public expenditure across all Departmental Vote groups.

In relation to my own Department, the Group made proposals for the rationalisation of some services provided by my Department's agencies, and for reductions in certain programme and staffing costs. Some of the proposals made by the Special Group in relation to my Department cut across a number of other Departments and agencies.

Implementation of the Groups proposals is being considered in the context of current discussions at Government on Estimates 2010.

### **Legislative Programme.**

10. **Deputy Phil Hogan** asked the Tánaiste and Minister for Enterprise, Trade and Employment her plans to update the current partnership law; and if she will make a statement on the matter. [40932/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Billy Kelleher):** The Company Law Review Group (CLRG) was asked, as part of its Work Programme for 2007, to examine the issue of 'Limited Liability Partnerships' (LLPs). This follows from concerns, particularly of the legal and auditing professions, about the consequences of unlimited liability on partners in a firm.

The Report of the CLRG on its 2007 Work Programme has been presented to me and laid before the Houses of the Oireachtas.

In its Report, the CLRG outlined the problems which current partnership law is perceived to cause for certain types of business organisation in Ireland and concludes that the problems are real and substantial. The CLRG explored how the introduction of LLP legislation could address these problems and the types of safeguards which might need to be put in place to protect clients, customers and third parties generally in their dealings with LLPs. The CLRG

[Deputy Billy Kelleher.]

also considered whether the problems raised by current partnership law could be resolved by other means, without the need to amend the law of partnership.

The CLRG came to the conclusion that a final decision on whether legislation on LLPs should be introduced, and the shape and form LLP legislation should take, can only be reached after a full consultation process involving all of those affected by the issues arising. Such consultation should also include consideration of whether the general statutory limitation on twenty members should be maintained. The consultation process took place during the Autumn 2008-Spring 2009 period as part of the CLRG's 2008-2009 Work Programme and the Group are reconsidering the matter based on the responses received. I await the CLRG's recommendations in relation to this issue.

### **EU Directives.**

11. **Deputy Emmet Stagg** asked the Tánaiste and Minister for Enterprise, Trade and Employment the progress made with regard to the implementation of the Temporary Agency Workers Directive agreed at the Council of Ministers meeting on 23 May 2009; and if she will make a statement on the matter. [41069/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** Under the terms of the Directive Temporary Agency Work, there is a three-year period in which Member States are required to transpose the Directive into national legislation i.e. by 5 December 2011.

While the Directive provides for equal treatment for agency workers from the first day of employment, there is provision for a derogation within limits by way of collective agreement or by agreement between the national social partners. In effect the derogation would set out an agreed time limit, or qualifying period, after which the agency worker would qualify for equal treatment.

Earlier this year, the Minister for Labour Affairs invited the Social Partners to discussions with my Department, with the aim of agreeing a framework within which agency workers in Ireland would achieve equal treatment within an agreed timeframe having regard also to the need for flexibility in enterprises. The Towards 2016 Review and Transitional Agreement 2008-2009 concluded by the Social Partners and the Government contains a commitment to developing such a framework.

My Department has already facilitated an initial meeting between the Social Partners to help them to develop a national framework within the parameters established in the EU Directive. The successful conclusion of a Framework Agreement will enable the Government to consider transposing the terms of the Directive, including the terms of the Framework Agreement, at a date in advance of the maximum period allowed under the Directive i.e. end 2011.

In the meantime my Department is liaising with the European Commission and other Member States in anticipation of the transposition of the Directive into national law.

### **Employment Support Services.**

12. **Deputy Lucinda Creighton** asked the Tánaiste and Minister for Enterprise, Trade and Employment the action she is taking to facilitate the recently unemployed to start their own businesses; and if she will make a statement on the matter. [41081/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** Enterprise Ireland is the lead government agency responsible for the development of Irish enterprise. Its mission is to accelerate the development of world-class Irish companies to

achieve strong positions in world markets resulting in increased national and regional prosperity. While Enterprise Ireland does not have a specific mandate in relation to addressing unemployment, the agency is focused on the creation of new jobs through supporting entrepreneurs setting up new High Potential Start-Up Companies, the retention and creation of new jobs in existing companies and in enhancing the innovation capability of Ireland at a national and regional level through support of research in companies and third level institutions.

Promoting entrepreneurship and facilitating the key infrastructural needs of Irish enterprise is vital to ensuring a vigorous pipeline of new business leaders, new business ideas and stability in employment numbers in Irish industry. To support the development of high potential start up companies, Enterprise Ireland offers the Innovative High Potential Start-up Offer where a financial contribution towards the company's business plan is provided to develop products, services or processes which are technologically new or substantially improved. In this way the overall development of the company is likely to lead to increases in sales, exports and employment.

In addition to the Innovative HPSU offer, Enterprise Ireland has other supports aimed at supporting entrepreneurs who wish to set up their own business, these include: Entrepreneurship programmes; Regional Fora; Going for Growth; Community Enterprise Centres; Seed and Venture Capital Funding; Investment in Research and Development; Innovation Vouchers; Industry Led networks and Investment in third level institutions.

Enterprise Ireland also works closely with the County and City Enterprise Boards (CEBs) to support entrepreneurs. The role of the CEBs is to provide support for small businesses with 10 employees or fewer in the start-up and expansion phases, to promote and develop indigenous micro-enterprise potential and to stimulate economic activity and entrepreneurship at local level, with priority being given to manufacturing and internationally traded services. CEBs recognise that business growth and job creation are inherent considerations in their activities. CEBs can support individuals, firms and community groups provided that they have the capacity to achieve commercial viability which is vital to job creation.

The CEBs deliver a series of Programmes to underpin this role and they can provide assistance through both financial and non-financial means, in the form of grants and/or a wide range of business advice such as Programmes covering Business Management, Mentoring, E-commerce, Enterprise Education and Women in Business networks to a project promoter.

The CEBs will continue to support enterprise development in their local areas throughout the country through the provision of both direct and indirect assistance and will ensure that available funds are targeted to maximise entrepreneurial development at county level. I would therefore encourage any persons who are contemplating the idea of setting up in business to contact their local Enterprise Board to discuss what options may be available to them.

### **Labour Inspectorate.**

13. **Deputy Catherine Byrne** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of fully trained and deployed labour inspectors with the National Employment Rights Authority; the number of inspectors in training; and if she will make a statement on the matter. [40895/09]

24. **Deputy Enda Kenny** asked the Tánaiste and Minister for Enterprise, Trade and Employment when cross departmental joint labour investigation teams will be operational; and if she will make a statement on the matter. [40937/09]

73. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment when the cross-departmental joint labour investigation teams will be operational; the

[Deputy George Lee.]

number of labour inspectors actively performing inspections; and if she will make a statement on the matter. [40943/09]

75. **Deputy Seán Sherlock** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of labour inspectors employed by the National Employment Rights Authority; the number of labour inspectors available for assignment on normal duties; the number of labour inspectors in training following recruitment; the status of the recruitment campaign to increase the labour inspectorate to 90 inspectors; and if she will make a statement on the matter. [41075/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** I propose to take Questions Nos. 13, 24, 73 and 75 together.

Joint investigation arrangements between the National Employment Rights Authority (NERA), the Department of Social and Family Affairs and the Office of the Revenue Commissioners have been operational since 2007.

The Social Partnership Agreement, ‘Towards 2016’, provided for greater co-ordination between organisations concerned with employment rights compliance, with a view to realising the considerable potential for synergy that exists in this area. In particular, the Agreement provides that authorised officers of the National Employment Rights Authority (NERA) will join with officers of the Department of Social and Family Affairs and the Revenue Commissioners to work together in Joint Investigation Units. The role of these Joint Investigation Units, is to address areas where evidence suggests that non-compliance with employment rights legislation exists.

The Social Welfare and Pensions Act, 2007, which came into operation on 30th March, 2007, provides for the disclosure of relevant employment data between the Office of the Revenue Commissioners, the Minister for Social and Family Affairs and the Minister for Enterprise, Trade and Employment/NERA. This legislation effectively enables the agencies in question to work jointly in a more targeted, co-ordinated way.

Since the enactment of the Social Welfare and Pensions Act, 2007, exchange of information activity has taken place between the bodies in a number of specific cases. In 2007, joint investigation activity, involving NERA for the first time, took place during the Construction Industry Campaign in May-July 2007. In 2008, 12 joint investigations were undertaken in a number of sectors including the catering, hotel and haulage sectors. In 2009, joint investigation activity has continued both through exchanges of information and through joint inspections. NERA has undertaken a total of 38 joint inspections with Revenue and/or Social and Family Affairs to date this year.

The three bodies are proactively promoting and encouraging joint activity at a central and local level.

I believe that the effective operation of Joint Investigations provides a key opportunity to maximise the impact of the three inspectorates and to deal with employees in a co-ordinated way.

With regard to current levels of Labour inspectors, the position is as follows — NERA currently has a team of 73 inspectors in place. Recruitment competitions have been held to bring the number of Inspectors from the original level of 31 Inspectors up to the level of 90 committed to under *Towards 2016*. 60 inspectors were assigned to NERA from these competitions. 18 Inspectors have left NERA over the past two years as a result of promotion or internal and external Departmental transfers and re-assignments. As a result, the total number of NERA Inspectors currently stands at 73.

All new inspectors completed the NERA Inspection Services Introductory Training Programme and have undertaken further training, including on-the-job training with experienced inspectors. This involves working with experienced Inspectors in carrying out inspections and other associated enquiries at places of work with a view to determining compliance with different employment rights legislation. Sixty inspectors have completed the Introductory Training Programme to date. The knowledge and skills of NERA Inspectors are continuously being developed through the provision of targeted training programmes and on-the-job training. All of these Inspectors are currently available for normal duties.

The moratorium on recruitment and promotions in the Public Service introduced by the Minister for Finance on the 27th March has made it very unlikely that NERA will be able to increase the number of inspectors for the foreseeable future.

### **Cross-Border Trade.**

14. **Deputy P. J. Sheehan** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on the gravity model study by the Economic and Social Research Institute, which shows that trade between the Republic of Ireland and Northern Ireland is 81.7% below expected levels; her views on the fact that trade between the Republic of Ireland and Northern Ireland has not increased since 1998; if she is satisfied that only 28% of Republic of Ireland manufacturing firms export to the only contiguous trading partner; her plans to stimulate south north and north south trade; and if she will make a statement on the matter. [40972/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** InterTradeIreland commissioned the Economic and Social Research Institute to undertake the Report “A Gravity Model Approach to estimating the expected volume of North/South Trade”. The Report aims to assess whether aggregate and sectoral cross-border trade between Ireland and Northern Ireland is at, above or below the expected level.

The deviations of actual trade from the expected level is estimated using a “gravity” model which accounts for the key factors that determine the level of trade flows between trading partners. The key finding, once important economic and geographic factors are taken into account, is that the level of both aggregate and sectoral trade between the two jurisdictions is below the expected level. The analysis in the Report focused on manufactured goods. For total manufacturing from 1998 to 2007, the gap between expected and actual North to South trade was 82%, while for South to North trade it was 77%.

While the analysis was focused on the level of trade, the findings may be explained, in part, by structural differences in the economies of the two jurisdictions; Ireland, for example, having multinationals dominating a number of sectors which would impact trade flows.

The Report concludes that the gap between expected and actual levels of trade highlights that there are potential gains from trade to be exploited on the island of Ireland. InterTradeIreland consider that the Report will help in targeting policy interventions as part of its trade and business development programmes.

According to a survey undertaken for the InterTradeIreland Business Monitor (October 2009), while 28% of Irish firms are engaged in trading with Northern Ireland, 52% of Irish manufacturing firms are trading with Northern Ireland.

Contrary to what the Deputy has stated, total cross-border trade, in fact, increased since 1998. Indeed, from 1998 to 2007 total cross-border trade rose by 20% to €3.1bn, and in spite of the economic downturn in 2008 cross-border trade levels are 8.8% higher than in 1998, at €2.8bn.

[Deputy Mary Coughlan.]

InterTradeIreland, the all-island trade and business development body, has a range of trade and business development programmes designed to provide opportunities for businesses across the island of Ireland to improve their competitive performance, and these include technology transfer, sales and marketing, sectoral business networks and promoting equity finance to accelerate business growth. It also undertakes vital research, provides information and offers advice to companies.

InterTradeIreland is exploring the scope for further trading opportunities with a view to the optimisation of the levels of trade on the island of Ireland.

### **Labour Inspectorate.**

15. **Deputy Seán Sherlock** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of workplace inspections carried out by the labour inspectorate to date in 2009; the way this compares with the same period in 2008; and if she will make a statement on the matter. [41076/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** The National Employment Rights Authority (NERA) has carried out a total of 22,136 calls, visits and inspections up to the 6th of November 2009. This compares with 25,530 for the corresponding period in 2008. The number of actual inspections decreased by 1,419 while the number of calls and interviews decreased by 1,040 and 935, respectively.

The decreased level of inspection activity in 2009 is mainly reflective of the decrease in the number of Inspectors available to NERA. In the course of 2009, the number of inspectors has fallen from 80 to the current level of 73. It also reflects the fact that there has been less focus on targeted sector specific campaigns organised by NERA in 2008 as compared with 2009. In 2009, the focus of NERA has been on a wide range of inspection activities including for the first time, a focus on carrying out inspections in relation to compliance with the Employment Permit Acts 2003 and 2006. To date 708 inspections have been carried out under this legislation.

Since it commenced operations on an interim basis in 2007, NERA has had considerable success in raising awareness of employment rights. Early in 2008, NERA undertook a nationwide information and awareness campaign, which has been instrumental in bringing about a much greater level of awareness both by employers and by employees of their respective rights and obligations under employment law.

### **Enterprise Development.**

16. **Deputy Seán Barrett** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she has taken to implement the recommendations in the Forfás report of the overview of the main infrastructure issues for enterprise; and if she will make a statement on the matter. [40941/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** Forfás provide policy advice to my Department on a range of issues including infrastructure priorities for enterprise. Their most recent Statement on Infrastructure Priorities was published in January 2009.

This Report identified priorities in the areas of transport, energy, telecommunications, waste and water infrastructure. The views and advice in the Forfás Report are taken into consideration in the context of Cabinet deliberations on the Budget and in the context of the Cabinet Committee on Economic Renewal. This Cabinet Committee is leading implementation of the

Government's Framework for Sustainable Economic Renewal which recognises the importance of continued investment in critical infrastructure to improve the environment for enterprise.

### **Unemployment Levels.**

17. **Deputy Jim O'Keeffe** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on the high level of unemployment among persons aged 20 to 25 years; the measures she proposes to introduce in order to address this problem; and if she will make a statement on the matter. [40785/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** According to the QNHS at the end of Quarter 2 the unemployment rate for the age group 20-24 years of age stood at 23% (51,700 unemployed) an increase of 12.6% (25,400) from 2008. While the percentage and the number of people in this cohort has increased, there has been a fall in the participation rate by 2.4%. The recent October Live Register statistics show that 84,948 under 25s are signing on which is a decrease of 4,862 from September.

In addition, the FÁS Quarterly Labour Market Review confirmed that young males have been particularly affected with the unemployment rate reaching 40% for 15-19 year-olds and 30% for 20-24 year-olds. However, it did suggest that many people of these age groups have continued to stay on in education, as a fall in labour force participation rates has occurred.

The Government are acutely aware of the challenge of providing suitable opportunities for young people in the current economic situation. The Government decided in the October 2008 Budget that unemployment benefit would be reduced to €100 per week for those unemployed under 20 unless they participate in education/training programmes when they will receive the normal weekly rate of €204. Along with this decision an initiative was put in place to immediately activate 18/19 year olds by the Department of Social and Family Affairs referring them to FÁS Employment services for job search support, instead of waiting the usual 3 months for this automatic activation.

My Department through FÁS is also actively working to ensure increased accessibility to the range of services and supports for all jobseekers including those who are under 25 years of age. We have almost doubled the National Employment Action Plan referral capacity of the FÁS and Local Employment Services to 147,000 places.

In addition, the number of activation training and work experience places provided by FÁS has doubled to over 130,000. This is clearly a substantial increase on the 66,000 places, which were available at the end of last year. At the end of September 104,000 unemployed were currently participating or had completed FÁS training or employment programmes. Those under 25 years of age are accessing both the job search services and training and work experience programmes in significant numbers.

Under the Youthreach Programme FÁS also delivers 2,300 places through its Community Training Centres. The programme is directed at unemployed young early school leavers aged 15-20 who are offered the opportunity to identify and pursue viable options within adult life, and provides them with opportunities to acquire certification.

The main specific FÁS provision for early school leavers continues to be training at Community Training Centres under the Youthreach Programme and there are currently 2,300 places on the programme. The programme is directed at unemployed young early school leavers aged 15-20. The programme provides basic skills and work experience and facilitates early school leavers with opportunities to acquire certification and progress to further training or employment. However, FÁS also provides other training programmes for school leavers through



[Deputy Mary Coughlan.]

Bridging/Foundation and other 'mainstream' programmes through its network of Training Centres.

Another initiative, which is a way of preparing the unemployed for future job opportunities, is the Work Placement Programme. This Programme is aimed at providing 2,000 six-month work experience placements for young people, graduates and other unemployed persons. The programme consists of two streams each consisting of 1,000 places. The first stream is for graduates, the second stream is for all others with 250 places ring-fenced for those under 25 years of age. Participants on the programme will retain their existing social welfare entitlements for the duration of their placement.

The Government are determined to assist redundant apprentices complete their apprenticeships, many of whom are under 25 years of age. We have introduced a range of measures that will enable 4,000 redundant apprentices progress their apprenticeship. These measures include the Employer based redundant apprentice programme, the agreement between FÁS and ESB Networks to provide on-the-job training for 400 redundant apprentices and the new Institutes of Technology training programme for 700 redundant apprentices.

The Minister for Education and Science also announced an additional 2,500 third level places for the unemployed in the Budget in April. My Department are jointly funding with the Department of Education and Science 1,500 third level places on a part time basis for the unemployed so that they may pursue a third level qualification. The Higher Education Authority also earmarked funding from within existing resources to create an additional 1,000 places at marginal additional cost for unemployed graduates who have been unemployed for a minimum of six months prior to the starting of the course.

### **Export Sector.**

18. **Deputy Michael D'Arcy** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to support exports; and if she will make a statement on the matter. [40910/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** Notwithstanding the challenging trading environment, global opportunities for Irish businesses remain significant. My Department, through Enterprise Ireland, is active both in assisting Irish indigenous companies to find new markets for their products and services and to increase their existing level of market share. Encouraging companies to re-orientate towards the Eurozone in the first instance and, for those which are most capable, into areas such as the Gulf, Brazil, India and China, where economies are still growing is a priority. I have been active in leading trade missions to develop new opportunities for Irish exporters and will continue to do so, to both existing long-established markets, to the new EU Member States and also to other emerging high-growth markets, with a view to increasing the share of exports by Irish companies worldwide.

Continuous productivity improvements are essential if Irish companies are to increase their export potential and reach the world-class standards necessary to meet the challenges of the international market place. Sustainable economic recovery will be driven by enterprises focused on increasing their exports of innovative products and services in global markets. To support this, I launched the Enterprise Stabilisation Fund earlier this year, which enables internationally trading companies survive the current global downturn by supporting their drive to reduce costs and, through increased competitiveness, gain sales in overseas markets.

Enterprise Ireland has identified new opportunities for clients emerging from the stimulus packages announced by Governments particularly in the UK, US, Germany and France, and

directed its dedicated units to work with Irish companies to take advantage of opportunities such as the 2012 London Olympics build programmes. The agency has also established a specialised unit to help companies drive down costs and focus on lean processes. Other Enterprise Ireland supports available to exporting companies include the Going Global Fund, the International Selling Programme, the Growth Fund and the Research and Development Fund.

This week I announced that 7,478 jobs are to receive direct support under the first round of the Employment Subsidy Scheme (ESS). A total of 453 companies engaged in manufacturing and/or internationally traded services are being informed of their successful applications. The Scheme provides a subsidy of €9,100 over fifteen months per qualifying employee in vulnerable but viable firms. Due to a lower than anticipated take-up, I will be announcing details of a second broader call for ESS applications with extended eligibility criteria open to both exporting and non-exporting firms next week.

### **Redundancy Payments.**

19. **Deputy Liz McManus** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of claims waiting to be processed within her Department at the latest date for which figures are available; the average time taken to process a claim; the steps taken to speed up this process; and if she will make a statement on the matter. [41068/09]

33. **Deputy Kieran O'Donnell** asked the Tánaiste and Minister for Enterprise, Trade and Employment the time delay in refunding redundancy payments; and if she will make a statement on the matter. [40958/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** I propose to take Questions Nos. 19 and 33 together.

The latest figures available to end October 2009 indicate that the number of redundancy claims awaiting processing stands at 43,826.

The Redundancy Payments Section of my Department is currently processing applications filed online from March 2009 and those submitted by post from February 2009 but expects shortly to be processing online claims submitted from April 2009 and manual claims from March 2009. In respect of lump sum payments paid directly to employees in instances where employers are unable to pay the statutory redundancy entitlements, the Section is, in general, processing claims dating from June 2009.

Given the unprecedented increase in Redundancy Payment claims lodged with my Department since late 2008 it has proved impossible to maintain the customer service targets that previously obtained. The scale of the challenge is evident from the statistics that show incoming redundancy claims with a cumulative figure for the first ten months of 2009 at 67,346. This figure exceeds the claims lodged for the full year 2008 (40,607) and 2008 was, of itself, an exceptional year as compared with earlier years when claims received were of the order of 25,000.

Efforts continue to be made by my Department to deliver more acceptable turnaround processing times for redundancy payments given the difficulties that this gives rise to for both individual employees and the business community. Measures already taken include:

- the reassignment of 26.7 additional staff (full time equivalents) from other areas of the Department to the Redundancy Payments area since early 2009 with ongoing review of trends and demands. The current number of staff serving in the Redundancy Payments

[Deputy Dara Calleary.]

Section in terms of full time equivalents is 51.5 although the Section is currently carrying two vacant positions which are due to be filled;

- the prioritisation of the Department's overtime budget towards staff in the Redundancy Payments Section to tackle the backlog outside normal hours;
- the establishment of a special call handling facility to deal with the huge volume of telephone calls from people and businesses who are naturally concerned about their payments, using the facilities and cooperation of the National Employment Rights Authority (NERA). This centre has received an average of 12,500 calls per month this year with an estimated 60% relating to redundancy payments;
- The provision of better quality information relating to current processing times on the Department's website;
- Engagement with the Revenue Commissioners to facilitate the offset of redundancy rebate payments by employers against outstanding tax liabilities with the Revenue Commissioners.

The Tánaiste and I continue to monitor closely the impact of these changes against the continuing influx of redundancy claims and will consider further measures to deal with the situation should current measures prove to be inadequate.

#### **Work Permits.**

20. **Deputy Denis Naughten** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to streamline the issuing of work permits; and if she will make a statement on the matter. [40938/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** The introduction of the Employment Permits Act 2006 entailed a radical overhaul of the administrative arrangements and work practices of the Employment Permits Section. Employment permits are now issued on the basis of different permit types with dedicated staff trained in decision making on specific types. This system has streamlined the work of the section allowing faster times for issuing and maximising use of resources. During 2008, fully completed applications for all employment permit types were processed within our business target of 15 working days.

In the priority high skills area of Green Cards and Intra Company Transfers, applications are currently being processed within 15 working days. In relation to Work Permits and Spousal applications, measures have been put in place to address the current 12 week wait-time. I can report that significant progress has been made in reducing the backlog in these areas.

The Employment Permits Section is also currently developing a back office IT system to reduce the administrative burden on all applicants for Employment Permits and to further streamline the process. As a result, a number of documents currently required with each application (as set down in the Employment Permits Act 2006) will be directly verified with the appropriate authority avoiding the need for paper submission.

In addition, An Tánaiste, in conjunction with the Minister for Justice, Equality and Law Reform, announced on 28th August 2009 that it will not be necessary for those who have been working lawfully and who have held an employment permit for 5 consecutive years to have an employment permit to remain in employment. On presentation of the relevant documentation

to the Immigration Authorities they will now be facilitated with a Stamp 4. This has streamlined the process for all concerned.

### **Departmental Agencies.**

21. **Deputy Pádraic McCormack** asked the Tánaiste and Minister for Enterprise, Trade and Employment when she will publish the Comptroller and Auditor General's report on misappropriation and misuse of public money by FÁS; if she will act on its findings; and if she will make a statement on the matter. [40944/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The Comptroller and Auditor General (C&AG) is carrying out an investigation into certain matters within FÁS. A copy of the report that deals with the examination of advertising and promotion in FÁS, which forms part of the investigation, was laid before the House on 9 September. I understand that a further report from the C&AG will be issued in the coming months. This report will focus on the arrangements for internal control and governance that pertained in FÁS.

In the meantime a number of measures have been taken by FÁS to improve financial control and governance across the organisation including the following:

- The Corporate Affairs function, which is at the centre of the C&AG's investigation, has been restructured and controls in this area have been tightened.
- The Board of FÁS has approved a revised structure for its Internal Audit including resources for additional staff and external co-sourced audits. An external quality review of its Internal Audit has also been completed and a number of recommendations have been made that identify how the function can develop in line with best practice.
- A full audit of all procurement locations has been scheduled by FÁS Internal Audit for completion by the end of the year.
- All executive credit cards have been cancelled. The one credit card retained by FÁS has a maximum credit limit of €7,000 and is used primarily to purchase research material, textbooks, and other support material to assist the work of the organisation.
- The FÁS advertising budget has been reduced to a minimum and a new communications strategy will be developed to ensure efficient customer communications.

In addition to these measures my Department has carried out an internal review of the FÁS Science Challenge Initiative following publicly aired expenditure concerns last year. The review was completed in April 2009 and on the basis of its findings I directed that Science Challenge be closed down once all its existing commitments for the academic year 2008/9 had been met. This has now been completed.

Finally, legislation to amend the Labour Services Act in order to improve the effectiveness and governance of the Board of FÁS and strengthen the accountability of the Director General of FÁS to the Oireachtas is currently being considered by the Oireachtas. The Amendment Act takes account of the recommendations made by the Public Accounts Committee in its fourth interim report and the work of the Comptroller and Auditor General, as well as the debate in this House when the Bill was being presented.

### **Small and Medium Enterprises.**

22. **Deputy Willie Penrose** asked the Tánaiste and Minister for Enterprise, Trade and

[Deputy Willie Penrose.]

Employment if her attention has been drawn to the continuing problems facing small and medium sized enterprises as a result of difficulty in securing credit; the steps she is taking to deal with this situation in view of the implications for employment and job creation; and if she will make a statement on the matter. [41046/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** As previously outlined to the House, in supporting small and medium enterprises, Government focus has been on actions to sustain a positive business environment, including the proper functioning of the banking system, allied with specific targeted supports for SMEs through the enterprise development agencies.

Developments in the financial sector and wider economy during the last year have broadened the concerns for SMEs in relation to gaining access to finance and bank credit.

My Department and I have held regular meetings with the representative bodies of the SME sector and other stakeholders in relation to issues impacting on the sector and have established the Roundtable on Access to Bank Credit and subsequently the Credit Supply Clearing Group with a dedicated e-mail contact point to specifically deal with access to bank credit issues.

The Government has focused on creating a fit for purpose banking system and taken actions to sustain the banks and facilitate the flow of credit to the wider economy. The Bank Guarantee Scheme, the Banks' Recapitalisation Scheme, the nationalisation of Anglo Irish Bank and the NAMA Bill currently before the Oireachtas are all aimed at this. This has been further strengthened by the Government amendment to that Bill providing the Minister for Finance with a power to issue guidelines to the participating institutions in the NAMA process on lending practices and procedures to improve the flow of credit to small and medium-sized enterprises and, if necessary, to other sectors.

Under the Recapitalisation Scheme additional measures were introduced to support SMEs including a commitment to increase lending capacity to SMEs by 10%, the establishment of a €100m environmental and clean energy innovation fund by each bank, the contribution of a further €15m by each bank to new or existing seed capital funds, the introduction of the banks' Code of Conduct on Business Lending to SMEs, and the undertaking of an Independent Review of Bank Credit.

In the context of access to finance, Irish Banks have drawn down European Investment Bank (EIB) funding for loans for SMEs. In 2009, the EIB made €300m available to Bank of Ireland, Allied Irish Banks and Ulster Bank for onward lending to SMEs carrying out investment projects. This was additional to €50m previously made available to Bank of Scotland Ireland through its UK parent.

Within my own Department, the enterprise development agencies such as Enterprise Ireland, FÁS and the County and City Enterprise Boards have continued to assist enterprises through their grant and advisory schemes. Significant allocations were made in my Department's Estimates for 2009 to sustain the work of the development agencies. The €100m Enterprise Stabilisation Fund and the €250m Employment Subsidy Scheme are additional measures to make funding available to assist SMEs through the current difficulties. I announced a broadening out of the Employment Subsidy Scheme earlier this week.

Government has also introduced formal arrangements to reduce the payment period by central Government Departments to their business suppliers from 30 to 15 calendar days. This commitment has an effect on all valid invoices received on and from 15 June 2009 and is helping cash flow difficulties for enterprises.

I recently announced my intention to reconvene the Small Business Forum to gain its assessment and views on the impact of the current economic situation on the needs of the SME sector as it positions itself for recovery. The SBF will also consider the new arrangements now necessary for ongoing structured dialogue between policy makers and stakeholders in the sector to ensure a continued common understanding of all the issues and the potential means of address. This meeting of the Small Business Forum will take place in the coming weeks.

SMEs are central to our economic development and the range of measures and supports in place will continue to help the sector adapt to the current economic climate.

### **Work Permits.**

23. **Deputy Pat Breen** asked the Tánaiste and Minister for Enterprise, Trade and Employment her plans to review the work permit rules; and if she will make a statement on the matter. [40890/09]

39. **Deputy Ulick Burke** asked the Tánaiste and Minister for Enterprise, Trade and Employment her plans to review the green card rules; and if she will make a statement on the matter. [40892/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I propose to take Questions Nos. 23 and 39 together.

Earlier this year my Department completed a review of employment permit arrangements, the purpose of which was to ensure that such arrangements continued to be appropriate to the needs of our changing labour market. Following the outcome of consultations with the Social Partners and other interest groups, a number of changes were implemented for non-EEA nationals applying to enter the Irish labour market under the Work Permit and Green Card and schemes from 1 June 2009.

In recognition of the fact that skills and labour shortages no longer exist in various sectors of employment, a number of occupations were added to the list of those ineligible for work permits, and a significant number of job categories have been removed from the Green Card eligible list where the salary payable for the job is in the range €30,000-€59,999 per annum.

It has been, and continues to be, Government policy to require that employers make a meaningful effort to give preference to Irish and EEA nationals in filling job vacancies. The labour market needs test now requires advertisement of the job vacancy for eight weeks with FÁS/EURES plus six days advertising in the national media, so as to allow the maximum opportunity for the position to be filled from within the Irish labour market and wider EEA. Other changes were introduced for non-EEA nationals entering the labour market from 1 June including revised provisions for the renewal of permits and the requirement for spouses and dependants of principal work permit holders to apply for permits in their own right subject to the standard eligibility criteria and fees for work permits.

However, such changes to our system were not unmindful of the impact on immigrant workers here, nor of the views of groups representing their interests. Government recognises the fact that permit holders who have been living in Ireland for several years have made a real contribution to the economy, and that they too are potentially impacted by adverse labour market conditions, including redundancy situations. Therefore, subject to satisfactory presentation of documents to the Department of Justice, Equality and Law Reform, foreign nationals who have held a permit for more than five years and have been working lawfully during that time are now entitled to an immigration permission that enables them to reside in Ireland and to work without the need for an employment permit. Foreign nationals working on a permit prior to 1 June 2009 and who have held a permit for less than five years may remain, for a six

[Deputy Mary Coughlan.]

month period following redundancy, in order to seek work in an ineligible as well as an eligible category. The labour market needs test has also been removed for current and future work permit holders who have been made redundant.

My Department will continue to keep employment permit arrangements under review to ensure they remain suitable and relevant to current labour market conditions. As before, the views of relevant stakeholders and interest groups will be taken into account in this ongoing review process.

*Question No. 24 answered with Question No. 13.*

### **Departmental Agencies.**

25. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment if, in the interests of clarity and accountability she will in future ensure that all parliamentary questions relating to the day to day expenditure at FÁS or other bodies, groups or agencies under her aegis are answered by her in the Houses of the Oireachtas; and if she will make a statement on the matter. [41080/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** As Minister for Enterprise, Trade and Employment, I am directly accountable to the Oireachtas for the activities of my Department and my Department's own expenditure decisions. In that regard, together with the Ministers of State assigned to the Department, I answer parliamentary questions, adjournment debates, etc, on our departmental policies and strategies. I also present my Department's Annual Output Statement to the Joint Committee on Enterprise, Trade and Employment each year.

Consistent with the duties and responsibilities assigned under the Ministers and Secretaries Acts, the Comptroller and Auditor General Acts and the Public Service Management Act, the Secretary General of the Department is the Accounting Officer and appears before the Public Accounts Committee to answer questions on the detail of the Department's expenditures. Furthermore, those expenditures are examined each year by the Comptroller and Auditor General, who publishes his findings, and whose report informs the annual PAC consideration of the Department's Appropriation Account.

In addition, a number of agencies operate under the aegis of my Department in supporting the development and delivery of our enterprise and labour market programmes in particular. The roles and responsibilities of these agencies are set out in their establishment legislation, as amended from time to time. The chief officer of each agency, and the chairman of each agency board, is directly accountable to the Oireachtas through our committee system where they can be called to account for individual elements of agency expenditures. It would, therefore, be inappropriate for me to answer for the day-to-day decisions and expenditures of the individual agencies when Oireachtas members have such a direct facility to call to account the heads of each agency in relation to their stewardship of the agency and the day-to-day expenditure decisions they take.

I believe that these systems, which are well-established over a long period of time, operate in a manner that strikes the appropriate balance between the principle of democratic accountability by me as Minister and the demands on the agencies to perform efficiently and effectively the functions for which they were established in their own right. They ensure that the Oireachtas can access all pertinent information on "day to day expenditure" directly from those who are immediately responsible for taking such decisions, while also holding Ministers directly accountable for overall policy decision or directions.

### Pension Provisions.

26. **Deputy John O'Mahony** asked the Tánaiste and Minister for Enterprise, Trade and Employment the deficit in the Industrial Development Authority's pension fund; and if she will make a statement on the matter. [40962/09]

44. **Deputy James Reilly** asked the Tánaiste and Minister for Enterprise, Trade and Employment the deficit in the pension fund of each semi-State agency under the aegis of her Department; and if she will make a statement on the matter. [40967/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I propose to take Questions Nos. 26 and 44 together.

Four of the 14 agencies in my Department have pension funds. Based on returns from the bodies in question, the following tabular statement below lists the assets and liabilities of the relevant pension funds at 31 December 2008.

Agency	2008 Assets	2008 Liabilities
FÁS	328,193,000	631,428,000
IDA (Forfás)	182,800,000	209,340,000
Irish Goods Council (Forfás)	2,081,000	3,529,000
SFADCo	48,000,000	64,900,000

I understand that Asset figures have improved in the interim, but are subject to market fluctuations.

### Departmental Reports.

27. **Deputy James Bannon** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on publication of the research report entitled Issues and Challenges in the Recruitment and Selection of Immigrant Workers in Ireland; and if she will make a statement on the matter. [40888/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The report "Issues and Challenges in the Recruitment and Selection of Immigrant Workers in Ireland", published in July 2009, was prepared by the WRC, Social and Economic Consultants, for the Employers' Diversity Network of the Public Appointments Service. Part-funded by the Office of the Minister for Integration, the research report recounted the experiences of job seekers from different ethnic groups in seeking employment in Ireland and identified particular difficulties that they encountered. The report also examined and commented on the practices and experiences of employers in relation to the recruitment of non-Irish nationals. Set against the background of current difficult labour market conditions, the report offers a valuable insight into the challenges facing immigrant workers and underscores the necessity for employers to ensure that their recruitment processes are fair, diversity friendly and based on equality of opportunity. I would consequently urge employers to make themselves aware of the findings of the report and, where recruitment procedures are found wanting, to act on the guidance it provides.

The Government is determined to manage economic migration in a way that protects the rights of all workers, maintains unemployment at the lowest level possible and ensures successful integration of migrants into Irish society. I welcome the report's recognition of the managed approach to labour migration policy that has been achieved in recent years.



[Deputy Mary Coughlan.]

My Department has been concerned to ensure that policies in this area can respond quickly and effectively to changes in Ireland's economic performance. The Employment Permits Act 2006 enabled the implementation of economic migration and employment permits arrangements designed to ensure flexible, responsive and co-ordinated measures for facilitating migrants' entry to the country for the purposes of employment. The granting of an employment permit for a non-EEA national now requires a job offer from a prospective Irish employer who has made every effort to recruit an Irish or EEA national for the post. Through the development of this vacancy-driven policy, Ireland's employment permits system has become more efficient at meeting the needs of the labour market, while at the same time ensuring that those workers who are subject to an employment permit are afforded the protection of the full range of employment rights legislation on a par with Irish and EU nationals.

### **Export Sector.**

28. **Deputy Jimmy Deenihan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to support indigenous exporters; and if she will make a statement on the matter. [40915/09]

49. **Deputy John Deasy** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to support small business to export; and if she will make a statement on the matter. [40913/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I propose to take Questions Nos. 28 and 49 together.

Notwithstanding the challenging trading environment, global opportunities for Irish businesses remain significant. My Department, through Enterprise Ireland, is active both in assisting Irish indigenous companies to find new markets for their products and services and to increase their existing level of market share. Encouraging companies to re-orientate towards the Eurozone in the first instance and, for those which are most capable, into areas such as the Gulf, Brazil, India and China, where economies are still growing is a priority. I have been active in leading trade missions to develop new opportunities for Irish exporters and will continue to do so, to both existing long-established markets, to the new EU member states and also to other emerging high-growth markets, with a view to increasing the share of exports by Irish companies worldwide.

Continuous productivity improvements are essential if Irish companies are to increase their export potential and reach the world-class standards necessary to meet the challenges of the international market place. Sustainable economic recovery will be driven by enterprises focused on increasing their exports of innovative products and services in global markets. To support this, I launched the enterprise stabilisation fund earlier this year, which enables internationally trading companies survive the current global downturn by supporting their drive to reduce costs and, through increased competitiveness, gain sales in overseas markets.

Enterprise Ireland has identified new opportunities for clients emerging from the stimulus packages announced by Governments particularly in the UK, US, Germany and France, and directed its dedicated units to work with Irish companies to take advantage of opportunities such as the 2012 London Olympics build programmes. The agency has also established a specialised unit to help companies drive down costs and focus on lean processes. Other Enterprise Ireland supports available to exporting companies include the Going Global Fund, the International Selling Programme, the Growth Fund and the Research and Development Fund.

This week I announced that 7,478 jobs are to receive direct support under the first round of the employment subsidy scheme (ESS). A total of 453 companies engaged in manufacturing and/or internationally traded services are being informed of their successful applications. The scheme provides a subsidy of €9,100 over 15 months per qualifying employee in vulnerable but viable firms. Due to a lower than anticipated take-up, I will be announcing details of a second broader call for ESS applications with extended eligibility criteria open to both exporting and non-exporting firms next week.

### **Small and Medium Enterprises.**

29. **Deputy Lucinda Creighton** asked the Tánaiste and Minister for Enterprise, Trade and Employment if her attention has been drawn to the burden on small and medium sized companies of local authority rates; if she will take some responsibility for ensuring that this burden is lightened; and if she will make a statement on the matter. [41082/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The Minister for the Environment, Heritage and Local Government, Deputy Gormley and I have met with the county managers, to discuss local authority charges in the context of easing cost pressures on business at local level and promoting economic activity. We have made the concerns of businesses very clear to the county managers and I would like to assure the Deputy that local authorities are fully aware of the financial realities facing businesses across the country.

In addition, the Minister, Deputy Gormley, has issued a letter to all county/city managers asking them to consider “whether there are any measures open to the local authority to support new or existing enterprises in their area by, for example, reduced development contribution rates, deferral of payments, etc”.

I have been assured by the County and City Managers’ Association that, in engaging with elected members in the run up to and adoption of the Annual Rate on Valuation for Budgets for 2010, managers will continue to take a balanced and prudent view and will continue to bear in mind the concerns of business at this difficult time.

The average increase on local authority rates in 2009 was 1.15% with many rating authorities introducing no increase this year.

### **Departmental Bodies.**

30. **Deputy Deirdre Clune** asked the Tánaiste and Minister for Enterprise, Trade and Employment when she last held a meeting with the Director of Corporate Enforcement; the issues discussed; and if she will make a statement on the matter. [40899/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I last met with the Director of Corporate Enforcement on 19 of February this year. Among the matters discussed were a general outline of the director’s functions and powers, a general briefing in relation to the ongoing work of his office and current resources.

### **Grocery Industry.**

31. **Deputy Thomas P. Broughan** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will make a statement on her proposed code of conduct for the grocery sector. [41052/09]

59. **Deputy Jim O’Keeffe** asked the Tánaiste and Minister for Enterprise, Trade and Employment the progress being made on the establishment of a code of practice for doing business in

[Deputy Jim O’Keeffe.]

the grocery goods sector; the proposed timeframe for its completion; and if she will make a statement on the matter. [40786/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I propose to take Questions Nos. 31 and 59 together.

The renewed programme for Government contains a specific commitment to “implement a Code of Practice for doing business in the grocery goods sector to develop a fair trading relationship between retailers and their suppliers” and “to review progress of the code and if necessary to put in place a mandatory code”.

The House will be aware that I launched a public consultation process seeking the views of all stakeholders in relation to the introduction of a code of practice for grocery goods undertakings earlier this year. A total of 29 responses were received to the consultation process. These responses are currently being analysed by my Department. It is intended that this analysis will inform how best to give effect to the commitment in the programme for Government.

The Government’s efforts in this area are essentially based on the need to ensure that Ireland continues to have vibrant and successful food and retail sectors, given the important role these sectors play in the national economy. In this regard, the Government fully recognises the importance of achieving a balance in the relationships between the various players in the grocery goods sector, which takes account of the interests of all the various parties, including the consumer’s interests and the need to ensure that there is no impediment to the passing-on of lower prices to consumers.

#### **Pension Provisions.**

32. **Deputy John Perry** asked the Tánaiste and Minister for Enterprise, Trade and Employment the deficit in the FÁS pension fund; and if she will make a statement on the matter. [40964/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The valuation figures for the FÁS Closed Superannuation Scheme, which solely covers former AnCO staff, as at 31 December 2008 are the following:

- the market value of pension fund assets is €328 million;
- the present value of pension liabilities is €631million. This leaves a deficit in the FÁS pension fund of €303 million.

The valuation has been prepared by a qualified independent actuary under accounting standard FRS17. This standard was issued by the Accounting Standards Board in November 2000. The standard deals with the treatment of pensions and other retirement benefits in company accounts. Its principal focus is to make reported accounts for pensions more transparent to ensure greater consistency between entities in the way pension costs are disclosed. It effectively provides a snapshot of assets at current value and the present value of liabilities into the future based on actuarial assumptions e.g. annuity rates, inflation, mortality rates, etc.

The current deficit in the fund reflects the collapse in equity values over 2008 and the early part of 2009, which has led to a significant fall in the total market value of pension scheme assets. While the present value of funded pension liabilities has also dropped over the same period, it has done so to a lesser extent. The asset figures have improved in the interim but remain subject to market fluctuations.

In April 2008 following consideration by the Government of a proposal that the assets of the funds and the liabilities of a number of State pension schemes be taken over by the State, the Government decided in principle to:

- authorise the Department of Finance to enter into discussion with the trustees and administrators of the respective Pension Funds with a view to winding up the funds;
- have the NPRF take over the assets of the Pension Funds and
- have the liabilities of the schemes taken over by the State and
- once the transfer of the assets was effected, the schemes would be operated on a pay-as-you-go basis.

The Pension Funds in question included several non-commercial State bodies schemes under the aegis of my Department: FÁS, SFADCO, IDA and the National Goods Council. The FÁS Closed Superannuation Scheme provides benefits for pensionable staff of FÁS who were former AnCO staff.

Following the consultation with the trustees and administrators of the schemes concerned, legislation was prepared in order to enable the transfer of the assets and liabilities of the pension funds. The necessary powers were included in the Financial Measures (Miscellaneous Provisions) Act, 2009. A transfer order must be made under the Act to give effect to the transfer of each fund.

In preparation for the transfer of assets from the FÁS superannuation fund to the National Pension Reserve Fund, the superannuation scheme, which was set up under Statutory Instrument 515 of 1998, has recently been amended by Statutory Instrument 414 of 2009. Provisions in respect of the Closed Spouses' and Children's Contributory Pension Scheme are set out in Statutory Instrument 420 of 2009.

*Question No. 33 answered with Question No. 19.*

### **Industrial Development.**

34. **Deputy Seymour Crawford** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of foreign investors she has, through the Industrial Development Authority, brought to each of the counties of Louth, Monaghan, Cavan, Leitrim and Donegal to date in 2009; if she is satisfied that an effort is being made to find foreign investors for the Border region; and if she will make a statement on the matter. [40773/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I have been informed by IDA Ireland that to date in 2009 the agency hosted 29 itineraries by potential investors to Louth and three to Donegal. The agency has also informed me that in the same period there have been no such site visits to Monaghan, Cavan or Leitrim. While IDA Ireland can and does encourage clients to visit particular locations, the final decision on where to visit or locate is taken in all cases by the clients.

Through its network of overseas offices, IDA Ireland is actively marketing the counties of Louth, Monaghan, Cavan Leitrim and Donegal for new and expansion investments across a wide range of sectors. In line with the National Spatial Strategy, the agency is concentrating its efforts in this area on the Gateway and Hub locations. This strategy involves matching investor requirements with the competencies, infrastructure and critical mass of the Gateway and Hub locations to secure the maximum number of investments for Ireland.

[Deputy Mary Coughlan.]

In the present competitive global market, as Ireland competes for new investments at the highest end of the value chain, the concept of scale is crucial to our ability to win FDI projects. Leading corporations require a significant population of highly qualified talent, effective physical and digital infrastructure, coupled with availability of sophisticated professional support services. If we are to continue being successful in realising a large proportion of FDI investments outside of the larger cities, we must adhere to the framework on which the NSS is constructed. IDA has in recent years set a high level target to deliver in excess of 60% of investments outside the Greater Dublin Area. In 2008 this target was achieved and in these five counties mentioned here the area total of 51 IDA supported companies employing a total of 6,117 people. Enterprise Ireland and the county enterprise boards continue to play a critical role in nurturing indigenous industry across the Border region. Important infrastructural investment in roads and broadband are taking place to increase the attractiveness of the region for start ups and companies wishing to expand.

### **Departmental Reports.**

35. **Deputy Michael Creed** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she has taken to implement the recommendations of the report entitled *Towards a Framework for Research Careers*; and if she will make a statement on the matter. [40907/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Conor Lenihan):** As a key support for leveraging growth and productivity Ireland has substantially increased the public investment in R&D in recent years and therefore substantially increased the size of its research community.

The development of sustainable career paths is vital if we are to continue to attract talented young people into research, as our human and intellectual capital is an important draw for attracting and embedding innovative FDI companies here and stimulating indigenous companies to grow their R&D capacity.

The Advisory Science Council produced its report, *“Towards a Framework for Researcher Careers”*, at end-2008. The Council recommended a career path with distinct stages and with a rigorous competitive selection process at each stage. A national programme that provides advice to researchers on career planning is also recommended.

The task of progression of a framework along those lines has been entrusted to the Higher Education Research Group (HERG), an implementing mechanism of the strategy for science, technology and innovation chaired by the Department of Education and Science and representative of all the key stakeholders. The progression of this framework will have to take account of the developing budgetary position and any associated developments with regard to public sector employment.

In the interim research funding agencies have sought to align their approach consistent with the broad general principles to be addressed in the researcher career framework. A notable example is the SFI Starting Investigator Research Grant (SIRG) which addresses a significant issue that currently exists in the Irish researcher community, namely, the transition from a post-doctorate researcher to being an independent, self-funded investigator.

The SIRG award provides the support and infrastructure to enable early career researchers to carry out novel research in areas that underpin biotechnology, information and communications technology, and sustainable energy and energy-efficient technologies. The awards offer funding opportunities that help third-level institutions attract and develop researchers. The first

SIRG awards were made in October 2009, with 15 awardees from seven institutions, with a total value of €7.9 million including overheads.

### **Smart Economy.**

36. **Deputy Olivia Mitchell** asked the Tánaiste and Minister for Enterprise, Trade and Employment her intention to appoint an advisory council of business leaders as outlined in her smart economy document; and if she will make a statement on the matter. [40951/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I receive ongoing advice from my Department and the heads of the enterprise development agencies that report to my Department, as well as from business leaders and representative groups around the country. This has assisted in framing the Government's response to the current economic situation. I should also acknowledge the public spirited response from many individuals and groups who have written to me and other members of Government with their ideas and proposals.

The business sector is regularly invited to feed expert knowledge into the policy making system and to join with Departments and Government in evaluating and implementing enterprise policies. For example, the recent Global Irish Economic Forum held at Farmleigh captured the ideas and advice of key business leaders in the diaspora. I have received reports from the services strategy group and the high level group on manufacturing, both chaired by business leaders and recommendations contained in these reports are being advanced within the Framework for Economic Renewal. Furthermore, the R&D enterprise feedback group and the high level group on business regulation bring forward proposals and identify specific measures to support the enterprise sector and improve the regulatory environment on a regular basis.

More recently we have established the high level group on green enterprise and also the innovation task force to support the development of the smart economy. The considerable knowledge and expertise of the various members of these groups will contribute substantially to future enterprise policy.

Furthermore, I will shortly be re-convening the small business forum to gain its assessment and views on the impact of the current economic situation on the needs of the sector as it positions for recovery. In light of the range of advice available to me and the work of these groups, I have no proposals at this point to establish a business advisory council as outlined in the smart economy document.

### **Economic Competitiveness.**

37. **Deputy Dan Neville** asked the Tánaiste and Minister for Enterprise, Trade and Employment her plans to lower the business cost base here in view of the assertion of the Competition Authority that the problem of the Republic of Ireland's higher cost base is a much more long term threat to the competitiveness of retailers, suppliers and all businesses here; her further plans to tackle energy costs to business; and if she will make a statement on the matter. [40952/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** This Government recognises the critical importance of reducing business costs at this time, when all sources of efficiency are in focus and when jobs are at stake in all sectors of the economy. Restoring cost competitiveness is a vital part of driving export led growth.

[Deputy Mary Coughlan.]

Under the Framework for Economic Renewal we are taking a number of measures across Government to improve our competitiveness. Cost competitiveness has been a particular focus of attention and we are already seeing results. Firstly, Irish inflation reached minus 6.5% in the year to September 2009 — the sharpest fall in Ireland since the 1920s. We have also seen a decline in unit labour costs, which has a direct effect on competitiveness. We continue to exert further downward pressure on costs, including reviewing those recommendations of the Competition Authority that have most effect on competitiveness. We are working to ease costs to enterprise in administered sectors of the economy under State control such as local authority charges. We are also easing the administrative burden that regulations can create.

The Government recognises that the cost of energy in Ireland is a serious competitiveness issue facing the enterprise sector during this difficult period for the economy. The provision of secure, sustainable and competitive energy supplies is critical for the economy. Ireland's high energy costs, by comparison with much of Europe, are primarily due to significant dependence on imported fossil fuels, particularly gas, as well as a requirement for very significant investment in energy infrastructure. Recognising the concerns of business, the Government has put in place a number of measures to mitigate the cost of energy for business.

The trend of energy prices for business has been downward in recent months. Following the double-digit energy price reductions in May 2009, from this October there has been a further significant reduction in gas prices and a modest reduction in electricity prices for medium business customers. Overall, all categories of business, including SMEs, have benefited from significant energy price decreases in 2009. These reductions will result in a further easing on cost pressures for businesses.

The CER has also recently announced that the PSO levy will be zero for 2009/2010. The level of capacity payments, that compensate electricity generators for their long run costs, will also be 15% lower in 2010 compared with 2009. This represents a direct saving to all electricity consumers in 2010. Working with the CER, the Government is also investigating the scope for further permanent structural changes to our electricity markets that will benefit business. These changes include some re-balancing of network tariffs, as well as recovering carbon windfall gains from electricity generators. The CER is also about to commence work on a five-year review of network expenditure.

The Government remains firmly committed to increasing competition as the best means of exerting downward pressure on electricity prices, and also towards ensuring diversity of energy supply to reduce our exposure to high and volatile external energy prices. Significant progress has been made to date, most notably with the all-island Single Electricity Market now in place, the sale of ESB generation capacity, entry of new players and new generation capacity coming on-stream in the Irish market.

### **Employment Statistics.**

38. **Deputy Billy Timmins** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of jobs created and lost by the Industrial Development Authority to date in 2009 on a county basis in tabular form; the way in which this compares to the same period in 2008; and if she will make a statement on the matter. [40977/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The Forfás Annual Employment Survey reports on job gains and losses in companies that are supported by the industrial development agencies. Data is compiled on an annualised basis and is aggregated at county level. The latest date for which figures are available is 2008. Data in

respect of 2009 will not be available until early in 2010. Details of the number of jobs lost and new jobs created in IDA supported companies in 2008 is set out in the following tabular statement.

Table showing the number of jobs lost and the number of new jobs created, on a county-by-county basis, in IDA supported companies in 2008.

County	Number of new jobs created	Number of jobs lost
Carlow	39	28
Cavan	32	26
Clare	139	14
Cork	2,036	1,487
Donegal	67	49
Dublin	4,041	4,060
Galway	688	712
Kerry	86	108
Kildare	109	634
Kilkenny	1	9
Laois	0	20
Leitrim	35	43
Limerick	286	694
Longford	30	88
Louth	121	433
Mayo	132	128
Meath	83	83
Monaghan	15	14
Offaly	24	47
Roscommon	41	0
Sligo	103	64
Tipperary North	13	46
Tipperary South	262	26
Waterford	176	600
Westmeath	134	265
Wexford	91	73
Wicklow	53	293

*Question No. 39 answered with Question No. 23.*

### **Services Sector.**

40. **Deputy Simon Coveney** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she has taken to implement the recommendations of the services strategy group; and if she will make a statement on the matter. [40905/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The report of the Services Strategy Group, “*Catching the Wave: A Services Strategy for Ireland*”, sets out new policy proposals on how we can ensure the continued development and growth of Ireland’s services sector and outlines how to maximise the future returns to the country from services activities in all enterprises, both current and potential. Three strategic aims for future services policy in Ireland are identified in the report:



[Deputy Mary Coughlan.]

- Realising the opportunities to further grow and diversify Irish services exports;
- Encouraging internationalisation, where Irish service enterprises establish operations in overseas markets;
- Recognising the important role of Irish service enterprises that trade locally on the domestic market, and ensuring that these are efficient and productive

Since the launch of the Services Strategy in 2008, considerable progress has been made in respect of many of the recommendations.

Enterprise Ireland's strategy for the internationalisation of Ireland's services sector, aims to promote a significant increase in exports sales in this sector by 2015 while Enterprise Ireland's "Going Global Fund" is aimed specifically at locally traded companies that have successfully established businesses in Ireland and wish to explore opportunities to sell abroad. EI's Growth Fund is designed to assist small to medium sized clients achieve greater competitiveness by improving their export potential. This will be achieved by increasing gross output and productivity whilst also maintaining existing employment levels.

Enterprise Ireland (EI) has carried out an in-depth sectoral analysis to identify areas with most potential for services export growth. The market opportunity in 19 individual sub-sectors has been assessed and an action plan developed for each, in consultation with clients and industry players to accelerate international sales and maximise the number achieving scale. The Internationally Traded Services (ITS) business unit client group is expected to contribute in a significant way to scaling exports in the medium/long term. My Department is in the process of extending the Services Industries Order 2003, to incorporate the area of educational services. The education sector provides significant opportunities for Ireland to increase exports and value added in international education and to develop new initiatives in the training and executive development areas.

My Department is also working on the transposition of the EU services directive which should be finalised by the end of this year. The directive is designed to create a genuine EU single market in services with benefits for Irish service providers and Irish consumers. A fully functioning single market in services will substantially enhance Ireland's competitiveness as well as that of the EU as whole.

The agencies are actively assessing ways in which collaboration may be enhanced or systemised to the ultimate benefit of client companies. Enterprise Ireland and IDA Ireland co-operate very closely in relation to the internationally traded services area. Joint work is currently under way in: fostering competence centres in the services sector; overseas marketing on ministerial led trade missions; and in progressing the development of capabilities and competencies critical to services. The IVI Consortium Competence Centre (IVIC3), with support from EI, represents a large consortium of companies with common research needs in the area of IT services and IT innovation. The consortium is comprised of a number of private and public sector organisations including Intel, Microsoft, SAP, ENZO, Xilinx, BP, Boston Consulting, ESB, Ernst & Young, Aviva, Compugen, Chevron and Air Tricity. It is expected that as the competence centre is established, that other companies (particularly SMEs), will join.

The expert group on future skills needs recently published a report *Skills in Creativity, Design and Innovation*. This report contains a number of recommendations, which are relevant to building an economy based on creativity and innovation.

Arising from the work of the IDA services innovation team, a specific strategy and action plan to promote services innovation and R&D in all IDA companies, not just services compan-

ies, has been identified. IDA Ireland is implementing this action plan, aimed at providing a suite of support measures to promote and develop services innovation within multinational companies.

### **Small and Medium Enterprises.**

41. **Deputy David Stanton** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she has taken to support small business; and if she will make a statement on the matter. [40909/09]

47. **Deputy Tom Sheahan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to support the small and medium enterprise sector; and if she will make a statement on the matter. [40970/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Billy Kelleher):** I propose to take Questions Nos. 41 and 47 together.

In supporting small and medium enterprises, Government focus has been on actions to sustain a positive business environment, including the proper functioning of the banking system, allied with specific targeted supports for SMEs through the enterprise development agencies. Developments in the financial sector and wider economy during the last year have broadened the concerns for SMEs in relation to gaining access to finance and bank credit.

My Department and I have held regular meetings with the representative bodies of the SME sector and other stakeholders in relation to issues impacting on the sector and established the Roundtable on Access to Bank Credit and subsequently the Credit Supply Clearing Group with a dedicated e-mail contact point, to specifically deal with access to bank credit issues.

The Government has focused on creating a fit for purpose banking system and taken actions to sustain the banks and facilitate the flow of credit to the wider economy. The bank guarantee scheme, the banks' recapitalisation scheme, the nationalisation of Anglo Irish Bank and the NAMA Bill currently before the Oireachtas are all aimed at this. This has been further strengthened by the Government amendment to that Bill providing the Minister for Finance with a power to issue guidelines, to the participating institutions in the NAMA process, on lending practices and procedures to improve the flow of credit to small and medium-sized enterprises and, if necessary, to other sectors.

Under the recapitalisation scheme additional measures were introduced to support SMEs including a commitment to increase lending capacity to SMEs by 10%, the establishment of a €100 million environmental and clean energy innovation fund by each bank, the contribution of a further €15 million by each bank to new or existing seed capital funds, the introduction of the banks' code of conduct on business lending to SMEs, and the undertaking of an independent review of bank credit.

In the context of access to finance, Irish Banks have drawn down European Investment Bank (EIB) funding for loans for SMEs. In 2009, the EIB made €300 million available to Bank of Ireland, Allied Irish Banks and Ulster Bank for onward lending to SMEs carrying out investment projects. This was additional to €50 million previously made available to Bank of Scotland Ireland through its UK parent.

Within my own Department, the enterprise development agencies such as Enterprise Ireland, FÁS and the County and City Enterprise Boards have continued to assist enterprises through their grant and advisory schemes. Significant allocations were made in my Department's Estimates for 2009 to sustain the work of the development agencies. The €100 million enterprise stabilisation fund and the €250 million employment subsidy scheme are additional measures to

[Deputy Billy Kelleher.]

make funding available to assist SMEs through the current difficulties. I announced a broadening out of the employment subsidy scheme earlier this week.

Government has also introduced formal arrangements to reduce the payment period by central Government Departments to their business suppliers from 30 to 15 calendar days. This commitment has effect on all valid invoices received on and from 15 June 2009 and is helping cash flow difficulties for enterprises.

I recently announced my intention to re-convene the small business forum to gain its assessment and views on the impact of the current economic situation on the needs of the SME sector as it positions itself for recovery. The SBF will also consider the new arrangements now necessary for ongoing structured dialogue between policy makers and stakeholders in the sector to ensure a continued common understanding of all the issues and the potential means of address. This meeting of the small business forum will take place in the coming weeks.

SMEs are central to our economic development and the range of measures and supports in place will continue to help the sector adapt to the current economic climate.

### **Live Register.**

42. **Deputy Fergus O'Dowd** asked the Tánaiste and Minister for Enterprise, Trade and Employment the reason for the differential between the redundancy figures and the live register figures; and if she will make a statement on the matter. [40961/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** The redundancy payment scheme is administered by my Department on behalf of the Department of Social and Family Affairs and makes payments in respect of eligible employees who qualify for statutory redundancy entitlement. Redundancy payments are paid out of the Social Insurance Fund (SIF).

Under the scheme, all eligible employees are entitled to a statutory redundancy lump sum payment on being made redundant. A redundancy situation arises in general where an employee's job no longer exists and he/she is not replaced. To qualify for redundancy the following criteria must obtain:

- The employee must have at least two years continuous service (104 weeks).
- The employee must be in employment which is insurable under the Social Welfare Acts. Full-time employees must be in employment which is insurable for all benefits under the Social Welfare Acts. For part-time employees, this does not apply.
- The employee must be 16 years or older

The employee must have been made redundant as a result of a genuine redundancy situation. Therefore, the redundancy payment statistics compiled by my Department measure the number of persons in employment with a minimum of two years continuous service and who meet the other criteria that I have mentioned in order to obtain redundancy entitlements. By definition, this would exclude persons in employment who do not qualify under the terms of the redundancy payments.

In relation to the Live Register figures, it should be noted that the Live Register is not designed to measure unemployment. It includes part-time, seasonal and casual workers who are entitled to unemployment benefit. At the end of October 2009 there were 412,400 people on the Live Register claiming unemployment benefits, which is 7,440 (1.8%) less than in September 2009. The live register is, however, 161,700 (64.5%) higher than this time last year.

The year-on-year increase (currently measured from October 2008 to October 2009) is continuing to decline from the peak of 197,800 recorded in June 2009. The seasonally adjusted figure for October is 422,500, which is a monthly decrease of 3,000 from September.

As the Deputy may know, the quarterly household survey collated and published by the Central Statistics Office measures employment and unemployment. According to the most recent survey there were 264,600 persons unemployed in the second quarter of 2009, an increase of 137,900 (+109%) over the corresponding period in the previous year.

### **Departmental Agencies.**

43. **Deputy Joan Burton** asked the Tánaiste and Minister for Enterprise, Trade and Employment if the former Director General of FÁS resigned voluntarily from his position; and if she will make a statement on the matter. [41051/09]

62. **Deputy Tom Sheahan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the circumstances surrounding the approval of an enhanced pension for the former Director General of FÁS; and if she will make a statement on the matter. [40971/09]

69. **Deputy Róisín Shortall** asked the Tánaiste and Minister for Enterprise, Trade and Employment her part in approving the enhanced financial package for the former Director General of FÁS on his departure from the agency; if she is satisfied that the package was consistent with the law and with all regulations; and if she will make a statement on the matter. [41050/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I propose to take Questions Nos. 43, 62 and 69 together.

The resignation of the person concerned from the position of Director General of FÁS was secured as it was considered to be in line with the best interests of the FÁS organisation and its clients. The former Director General resigned on the basis that severance arrangements acceptable to him were agreed.

The severance arrangements were granted in accordance with section 6 (3) of the Labour Services Act, 1987, and with the required approvals under SI 514/1998.

*Question No. 44 answered with Question No. 26.*

### **EU Directives.**

45. **Deputy Pat Rabbitte** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of EU directives for which her Department has responsibility remaining to be implemented; the directives that are overdue; the number of reasoned opinions received from the EU Commission since 2002 to date in 2009 regarding delays or non-implementation of such directives; and if she will make a statement on the matter. [41074/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** There are currently a total of 10 EU Directives due to be transposed by my Department up to 2012. Three of these Directives are currently overdue, namely Directive 2008/47/EC on aerosol dispensers, Directive 2006/43/EC on statutory audits of annual and consolidated accounts and Directive 2006/46/EC on company reporting. My Department aims to transpose these Directives by 13 November, 30 November and 31 December 2009 respectively.

Full details on the state of play of all current EU Directives due for transposition are maintained on the Department's website, [www.entemp.ie](http://www.entemp.ie).

[Deputy Mary Coughlan.]

My Department has received 26 Reasoned Opinions from the European Commission relating to Directives since 2002. All but two of the outstanding issues have been settled satisfactorily. The remaining issues concern the two Directives 2006/43 and 2006/46 as mentioned above.

The transposition of EU Directives is an ongoing priority in my Department and is reported to the Management Board on a regular basis.

### **National Skills Strategy.**

46. **Deputy Caoimhghín Ó Caoláin** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will report on the progress of the national skills strategy; if she will ensure that the implementation plan of the national skills strategy will be published; and if she will make a statement on the matter. [40768/09]

54. **Deputy Noel J. Coonan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to address the skills shortages within the economy over the next five to ten years; and if she will make a statement on the matter. [40903/09]

89. **Deputy Paul Connaughton** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to address the issues highlighted by an expert group on future skills needs in its annual review of employment and skills here; and if she will make a statement on the matter. [40901/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I propose to take Questions Nos. 46, 54 and 89 together.

The National Skills Strategy (NSS) provides details of an ambitious vision for the skills profile in Ireland in 2020. It contains a long-term target for some 500,000 workers to increase their levels of educational attainment by at least one level of the National Framework of Qualifications. This remains the long-term objective. However, the immediate national priority is to provide, to the greatest extent possible and with limited resources, for the needs of the increasing numbers of unemployed.

An Inter-Departmental Committee was established in February 2008 with a view to drawing up an Implementation Plan for the NSS. The drafting of the Implementation Plan is at an advanced stage. However, the changed economic circumstances will certainly have an impact on the implementation of the NSS. The Implementation Plan is currently being updated to reflect the changed circumstances which include a significant increase in the unemployed.

Significant progress has been made both in the Department of Enterprise, Trade and Employment and in the Department of Education and Science towards providing additional training opportunities for the unemployed so as to increase their potential for re-employment. These new initiatives to reflect the changed employment situation will also be addressed in the Implementation Plan.

In addition, a recently appointed innovation taskforce will advise Government on options to increase innovation and entrepreneurship and to maximise the benefits of investment in science, technology and research. It is vital that activation initiatives currently being planned fit into the overall framework and targets of the NSS and Active Labour Market Policies. In addition, resources must be targeted and prioritised to maximum effect across the education sector.

The Expert Group on Future Skills Needs (EGFSN) advises the Irish Government on current and future skills needs of the economy and on other labour market issues that impact on

Ireland's enterprise and employment growth. It has a central role in ensuring that labour market needs for skilled workers are anticipated and met.

In addition to identification of any need for policy or structural changes over time and being aware of:

- associated operational programmes to meet national skills requirements;
- the commitment to progressively promote greater recourse to learning throughout life; and
- capitalising on instructive developments internationally, the group is also mandated to discharge a central role in ensuring that labour market needs for skilled workers are anticipated and provided for.

The EGFSN reports to the Minister for Enterprise, Trade and Employment and the Minister for Education and Science.

Representatives of all publicly funded education and training providers are represented on the group. In addition the group ensures that copies of its reports are sent to individual providers. EGFSN reports provide a valuable input to the development and amendment of course curricula to allow education and training provision to meet current and future skills needs.

*Question No. 47 answered with Question No. 41.*

#### **Cross-Border Initiatives.**

48. **Deputy Joe McHugh** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on references in the 2006 bilateral agreement on an all-island economy (details supplied) regarding packages offered to investors by Enterprise Ireland and Invest Northern Ireland; if she will address this issue; and if she will make a statement on the matter. [40954/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The ground-breaking *Comprehensive Study on the All-Island Economy*, to which the Deputy refers, sets out a strong rationale for beneficial all-island economic activity. The strategic context for North/South co-operation, which is outlined in the study, highlights the “market-widening effect” of a larger market on the island of Ireland, where previously unexplored business opportunities are exploited and companies may redesign their logistical strategies to respond to these business opportunities.

InterTradeIreland, the all-island trade and business development body which is jointly sponsored by my Department and the Department of Enterprise Trade and Investment in Northern Ireland, has a central role to play in helping businesses North and South to tap into the all-island market place. It is implementing a wide range of North/South programmes, which provide opportunities for businesses to improve their competitive performance, and these include technology transfer, sales and marketing, sectoral business networks and promoting equity finance to accelerate business growth. It also undertakes vital research, provides information and offers advice to companies.

Enterprise Ireland and Invest Northern Ireland have separate remits and operate in two different jurisdictions. Enterprise Ireland assists companies based in Ireland and has no role in providing support to companies based in Northern Ireland. Equally, Invest Northern Ireland offers grant-aid to potential investors in Northern Ireland and has no remit in this jurisdiction.

Enterprise Ireland is fully committed to an all-island economy and is working on a number of initiatives/programmes both independently and in conjunction with Invest Northern Ireland

[Deputy Mary Coughlan.]

and InterTradeIreland. For example, Enterprise Ireland and Invest Northern Ireland have agreed a Memorandum of Understanding which provides a practical and sensible approach to enabling companies North and South to benefit from the overseas trade activities of each organisation and the Trade Mission/Trade Fair activities of each organisation. To date in 2009, 15 Northern Ireland companies have participated in Enterprise Ireland Trade visits/missions to Japan, US East Coast and Russia, and 6 on a Ministerial Embassy networking event in the UK. A number of Northern Ireland companies have also had access to Enterprise Ireland overseas offices and its Marketplace Service.

Enterprise Ireland, Invest Northern Ireland and InterTradeIreland have held seven “Bridging the Border” events over the last three years. These events are designed to promote joint opportunities between firms North and South in areas such as licensing agreements, commercial agreements, sub-contracting, technical co-operation and business partnerships. Information is provided on agencies’ support programmes as well as one-to-one meetings with potential business partners.

Other Enterprise Ireland and Invest Northern Ireland initiatives include:

**Propel Programme:** A cross-Border entrepreneurship initiative for fledgling entrepreneurs in the six counties of Northern Ireland and border counties in Ireland. The Programme follows the success of a previous cross border entrepreneurship initiative (the Transform Programme).

**Innovation Voucher Scheme:** This all-island scheme initiative was launched jointly by Enterprise Ireland and Invest Northern Ireland in May 2008. The scheme provides SMEs based in Ireland with access to a further 10 knowledge providers based in Northern Ireland and allows Northern Ireland based SMEs access expertise in a further 38 knowledge providers in Ireland. To date 14 companies based in Ireland have completed projects with Northern Ireland knowledge providers and 8 Northern Ireland companies have completed projects with Ireland based knowledge providers. The agencies are continually engaged in close co-operation on the development of this efficient and effective cross-border initiative.

*Question No. 49 answered with Question No. 28.*

### **Companies Legislation.**

50. **Deputy Kathleen Lynch** asked the Tánaiste and Minister for Enterprise, Trade and Employment the progress made with regard to preparation of the promised legislation to ban cross-directorships and to prevent chief executives from becoming chairman of their companies; when she expects that legislation will be published; and if she will make a statement on the matter. [41063/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** On foot of the commitment in the Renewed Programme for Government of October 2009, the Government will consider the optimum legislative mechanisms to regulate in these areas in the light of the Financial Reporting Council reviews of the Combined Code of Corporate Governance and taking into account the views of the Company Law Review Group in the matter.

### **Job Losses.**

51. **Deputy Kathleen Lynch** asked the Tánaiste and Minister for Enterprise, Trade and Employment if her attention has been drawn to the announcement of the loss of 119 jobs at a plant (details supplied) in County Cork; the discussions she has had with the industrial development agencies with a view to securing replacement jobs; and if she will make a statement on the matter. [41077/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I am aware that Harris Incorporated has advised its 70 permanent and 49 temporary employees that it intends closing its newly acquired operation (formerly Tyco Electronics) at Ballytrasna, Little Island, County Cork. The operation is to close in June 2010, with manufacturing to cease by March 2010. The primary reason for the closure is that Harris has surplus capacity at its Rochester New York facility.

I very much regret the company's decision to cease operations in Cork. The decision to close follows a review of operations by the company over the last few months. During that period IDA met with both local and corporate executives in the US, advocating the continued operation of the Cork unit, however ultimately the company decided to close the Cork facility.

The industrial development agencies, IDA Ireland and Enterprise Ireland, continue to work to secure new investments for the Cork area. IDA Ireland actively promotes the advantages of locating in Cork to overseas investors, which include a young skilled workforce, the presence of a University and Institute of Technology, and the availability of first class business parks, good infrastructure and an international airport.

There are currently 132 IDA supported enterprises in Cork City and County. Recent announcements of new investments in Cork include Big Fish Games (Mahon), Hovione (Ringaskiddy), Solarwinds (Mahon), Apex Fund Services (Midleton) and Marriott International (Blackpool). These projects will significantly add to the value and depth of the overseas industry in Cork. In addition to attracting new foreign direct investment, IDA continues to work closely with its existing clients in Cork to encourage the expansion of their operations. The success of this is demonstrated by the recent expansions of several companies in the county including McAfee, Blizzard, Gilead, Boston Scientific (R&D), Trend Micro, Alps Electric, Option Wireless, Alcon, Pfizer (pilot biologics facility), EMC (R&D), Siemens, dePuy (R&D), Arris and Alcon.

Despite the difficult global conditions which are impacting on international companies, Cork continues to demonstrate its attractiveness as a location for foreign direct investment with over 850 new jobs having been announced in IDA supported client companies in Cork since the beginning of 2009.

#### **Departmental Agencies.**

52. **Deputy Joe Costello** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on the recommendation of the special group on public service numbers and expenditure programmes that the enterprise functions of Shannon Development should be transferred to Enterprise Ireland and the Industrial Development Authority; and if she will make a statement on the matter. [41054/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** As with all Group recommendations relevant to my Department, I am examining the recommendation in the context of Estimates for 2010 and evaluating its potential impact on the provision of services to enterprise and on my efforts to promote employment.

#### **Industrial Relations.**

53. **Deputy Eamon Gilmore** asked the Tánaiste and Minister for Enterprise, Trade and Employment if her attention has been drawn to the growing number of industrial disputes in which employers have ignored or failed to abide by adjudications of the labour relations agencies; if this problem has been raised with the employer organisations; and if she will make a statement on the matter. [41057/09]



**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** The system of industrial relations in Ireland is essentially voluntarist in nature with the terms and conditions of employment of workers being determined in the main by a process of voluntary bargaining without the direct intervention of the State.

The law on trade disputes does not generally seek to impose a solution on the parties to a dispute but rather seeks to assist them in arriving at a solution. The State facilitates the bargaining process by providing a framework and institutions through which good industrial relations can prosper. Institutions that have been established to assist in the resolution of disputes between employers and workers include the Labour Relations Commission and the Labour Court. The Labour Relations Commission and the Labour Court are independent statutory bodies that act independently in carrying out their functions.

Conciliation is a voluntary process in which a professional facilitator assists employers and employees to resolve disputes when their own unassisted efforts have not succeeded. The Labour Relations Commission's Conciliation Services Division is a core element of the Commission's contribution to promoting the improvement of industrial relations. Its record in a voluntary dispute environment is impressive, successfully resolving an average of 80% of cases. The Commission also offers a Rights Commissioner Service to deal with disputes involving individuals or small groups.

If the issues in a trade dispute cannot be resolved at conciliation, or a party appeals the recommendation of a rights commissioner, the Labour Court maybe called upon to issue its recommendations for resolving the matter. The Labour Court is a court of last resort in the industrial relations process, and it is expected that the parties come to the process in good faith and consequently are prepared to give serious consideration to the Court's recommendations.

Ultimately, however, responsibility for the resolution of trade disputes is a matter for the parties involved.

*Question No. 54 answered with Question No. 46.*

### **Departmental Programmes.**

55. **Deputy Brian Hayes** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to support science and innovation; and if she will make a statement on the matter. [40928/09]

**Minister of State at the Department of Education and Science (Deputy Conor Lenihan):** The Government has made a commitment, through the substantial investment set out in the Strategy for Science, Technology and Innovation (SSTI) 2006-2013 and the National Development Plan (NDP) 2007-2013, to making a transition to a knowledge economy to enable Ireland to compete in a highly competitive global market. The importance of the SSTI lies not only in the scale of investment but as a whole-of-government strategy, coordinated by an Inter Departmental Committee chaired by my Department and reporting to and taking direction from the Cabinet Committee on STI.

In December 2008, the Government reinforced the importance of the investment in SSTI in *'Building Ireland's Smart Economy — A Framework for Sustainable Economic Renewal'*, which prioritised continued investment in science and engineering infrastructure and research. Building a Smart Economy is about the development and application of human capital — the knowledge, skills and creativity of people — and our ability and effectiveness in translating ideas into valuable processes, products and services. The actions in *Building Ireland's Smart Economy* both reflect and build on the objectives of the SSTI.

The renewed Programme for Government recognises the importance of productive public and private investment in R&D and sets a target of achieving a national R&D investment of 3% of GDP. The significant infrastructure investment underpinning the SSTI over the period to 2013 is central to economic recovery. The commercialisation of our research investment and the generation of a strong reputation for higher education and research, as well as output of quality graduates at both undergraduate and postgraduate levels, will allow us to build a sustainable enterprise base underpinned by productive innovation activity across the economy.

Innovation activity is the foundation of future competitiveness and growth. Currently, the OECD notes that the economic crisis can magnify the competitive advantage of research-intensive firms who seize the opportunity to reinforce market leadership through increased spending on innovation and R&D.

Our enterprise and investment landscape must continually transform itself to stay competitive. The model we strive for is the *Smart Economy* built on the dual strengths of our innovation and entrepreneurship. The establishment of a strong research base and culture in Ireland is proving to be a vital driver of major investment decisions by both overseas and indigenous companies.

With regard to the outputs of R&D we are building strong linkages to ensure diffusion and commercialisation of an increased flow of new ideas and knowledge to produce innovative products and services that will win export markets and create much needed sustainable employment.

Within my own Department the 2009 provision of €316m for Science and Technology activities enables Enterprise Ireland to operate three primary mechanisms aimed at helping companies to engage in R&D both within the company and in collaboration with third level institutions: promoting market-led innovation & R&D in manufacturing and services companies, supporting effective and flexible collaborations between companies and third-level researchers, and capitalising on the research investment made in higher education by taking commercially useful technology on to the market.

Enterprise Ireland's company R&D supports are designed to provide support for research, development and technological innovation relevant at all stages of company development, and which will enable companies to progress from undertaking an initial research project to higher level innovation and R&D activities. This transformation of R&D activity in enterprise programme is being supported through an expected investment of €61m in 2009.

Enterprise Ireland operates a range of supports to help companies engage with third level researchers to undertake collaborative research for the benefit of the company. Companies can be supported to undertake individual research projects from initial small scale collaborations, supported by means of €5,000 Innovation Vouchers or larger Innovation Partnerships. Larger collaborative research projects involving groups of companies are also supported. Industry Led Research Programmes and the new EI/IDA Competence Centre initiative allow industry groups to set a commercially valuable research agenda which academics in the higher education sector will deliver on. This programme — industry collaboration with the third-level sector — is being supported in 2009 by an expected investment of €29m.

Enterprise Ireland continually drives the commercial return on the State's research investment through direct funding to researchers to commercialise their research and supports to institutions to help build the commercialisation system. These include supports for effective Technology Transfer Offices in Universities, commercially relevant research centres in Institutes of Technology and Campus Incubation facilities to support new technology compan-

[Deputy Conor Lenihan.]

ies in their formative years. This programme to realise the commercial potential of Ireland's research community is supported in 2009 by an expected investment of €36m.

Complementary to the supports to Enterprise Ireland my Department also supports investment in SFI, to the extent of €165.4m in 2009. This investment allows SFI to support 29 world-class research centres across the Irish universities and Institutes of Technology. The 29 SFI centres comprise 10 Centres for Science, Engineering and Technology and 19 Strategic Research Clusters. These world-class centres are a major magnet of attraction which significantly enhances IDA Ireland's capacity to win research intensive investments to Ireland. Currently over 125 leading multinationals and indigenous firms are formally connected to these SFI funded centres with many more having informal interactions with them.

The SFI Principal Investigator programme is also a major instrument of world-class human capital delivery, developing and enhancing research talent in Ireland, so that Ireland retains the finest researchers working in, or attracted to, the country. Through the centres and individual competitive grants SFI funded researchers are collaborating and interacting with in excess of 300 leading multinationals and indigenous firms.

The recently published report '*Science, Technology and Innovation — Delivering the Smart Economy*' available online at:

[www.entemp.ie/publications/science/2009/delivering\\_the\\_Smart\\_Economy.pdf](http://www.entemp.ie/publications/science/2009/delivering_the_Smart_Economy.pdf) confirms that substantial progress has been made in the achievement of SSTI objectives. Key indicators of progress include:

- Total Research and Development spending has almost trebled over 10 years. Total R&D investment across all sectors of the economy climbed to an estimated €2.6 billion in 2008, which is equivalent to 1.66% of GNP. The proportionate investment in R&D is one-third public investment and two-thirds business investment.
- Business Expenditure on R&D (BERD) rose to €1.56 billion in 2006 — a 17% increase on the previous year — almost double the level recorded in 2000. It is estimated that BERD reached €1.68 billion in 2008.
- Higher Education R&D investment has almost quadrupled in current terms over 10 years and is now at the EU and OECD average levels. This increased investment in the higher education sector is having a significant impact in terms of human capital development, feeding through to attraction of Foreign Direct Investment and commercialisation.
- Science Foundation Ireland is creating a stream of highly skilled research talent and building Ireland's reputation as a location for R&D activity. Currently, the SFI funded world-class research teams work with over 300 companies which include many blue chip multinationals, such as GlaxoSmithKline, Intel, Hewlett Packard and Pfizer. It is through this close industry engagement, primarily through their Centres for Science, Engineering and Technology and Strategic Research Cluster Programmes, that SFI is supporting the employment of over 56,000 people in Ireland.
- Enterprise Ireland and IDA Ireland are working closely with companies to strengthen the research and technological base of the enterprise sector in order to drive productivity, competitiveness, exports and jobs. In 2008 EI approved €61.42m under the R&D Fund in support of in-company R&D projects. Growth in researcher capacity, led by Science Foundation Ireland, coupled with the enhanced R&D tax credit, continues

to be a major attraction for overseas investors, and is resulting in a series of significant industrial R&D investments in Ireland by IDA supported companies. Over 40% of IDA investments in 2008 were in R, D&I with approx. €420 millions of investment.

- By the end of 2008, EI's Campus Incubation Programme supports over 230 companies located in Business Incubation Centres employing over 1,000 people. This provision of valuable business facilities is supplied in conjunction with the existing work of the Enterprise Ireland Community Enterprise Centres which are home to 735 companies employing over 3,600 people.
- To increase the amount and quality of technologies emerging from the Higher Education System, Enterprise Ireland also approved support for 138 research projects under the Commercialisation Fund. This funding, combined with the resources Enterprise Ireland has put into the Technology Transfer Offices in Higher Education Institutes in Ireland has led to an increase in the number of disclosures of inventions, patent applications and start-up companies emerging from the education sector.
- Enterprise Ireland also helped Irish companies to secure €19.3m in EU research funding and contracts worth €7.2m from the European Space Agency.
- There were 588 Innovation Vouchers issued to small and medium-sized companies to help them acquire technical solutions from third-level institutions. Each voucher is worth €5,000 and 203 were redeemed by year-end. To increase levels of innovation in regional locations, five new Applied Research Enhancement Centres were opened in Irish Institutes of Technology, bringing the total number of these centres to 17 in 11 Institutes of Technology.

### **Enterprise Development.**

56. **Deputy Paul Kehoe** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to support enterprise development in the midland and western regions; and if she will make a statement on the matter. [40934/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** Enterprise Ireland delivers a wide range of supports to Irish companies, targeted at the specific requirements of clients to ensure that they develop to their full potential in terms of employment, innovation and exports. The Agency works with almost 490 client companies in the West Region which employ 10,535 people. In 2008, €19.7m was approved by Enterprise Ireland for clients in the West Region. In the Midlands, Enterprise Ireland works with over 330 client companies which employ over 8,800 people. In 2008, over €23m was approved by Enterprise Ireland for clients in the Midlands.

An important feature of Enterprise Ireland's work in the West and Midlands Region is the development of High Potential Start Up Companies. Eight such companies were supported in the Midlands & West in 2008. Additionally, Enterprise Ireland has been actively involved in promoting the availability of the Seed Capital and the Business Expansion Schemes in the Region.

The Enterprise Platform Programme is a partnership between Enterprise Ireland, Galway-Mayo Institute of Technology (GMIT) and Athlone Institute of Technology. Twenty entrepreneurs, ten from the West based in GMIT in Galway and Castlebar and 10 from the Midlands, based in Athlone IT, are completing the 2009 programme. These entrepreneurs will

[Deputy Mary Coughlan.]

spend the next year transforming their ideas into sustainable export oriented businesses with high growth potential.

IDA Ireland is actively marketing the midland counties of Laois, Longford, Offaly Westmeath and Roscommon and the western counties of Galway and Mayo for new inward investment across a range of sectors. In line with the National Spatial Strategy, IDA is concentrating its efforts on the Gateway and Hub locations in this area. This strategy involves matching investor requirements with the competencies, infrastructure and critical mass of the Gateway and Hub locations to secure the maximum amount of investment for Ireland. In this connection, under the revised EU Regional Aid Guidelines, the BMW and South East Regions are the only areas where Regional aid is available up to 2013. IDA has in recent years set a high level target to deliver in excess of 60% of investments outside the Greater Dublin Area. In 2008 this target was achieved.

Shannon Development offers the same range of State Aid / EU Approved Programmes, similar to IDA and Enterprise Ireland, for its indigenous and overseas clients in the Shannon Free Zone. During 2009, a number of Shannon Free Zone client companies have been approved for grant support under capability enhancement programmes including Training and Upskilling of employees, Strategic Management Consultancy and Market Development Supports. These include Job Retention Programmes. The Agency continues to place a strong focus on R&D supports to its client base.

The role of the County and City Enterprise Boards (CEBs) in the Midland and Western Region is to provide a source of support for micro-enterprise in the start-up and expansion phases, to promote and develop indigenous micro-enterprise potential and to stimulate economic activity and entrepreneurship at local level.

During 2008 the Midland Region CEBs, composed of Longford, Westmeath, Laois and Offaly paid out over €1.26m in grant assistance to 114 clients. The CEBs in the Western Region, comprising of Galway, Mayo and Roscommon have paid out over €1.2m in grant assistance to 104 clients. During 2009, the CEBs in the Midlands and Western Region will continue to support enterprise development through the provision of both direct financial assistance and through indirect or “soft support” assistance.

### **Proposed Legislation.**

57. **Deputy Ruairí Quinn** asked the Tánaiste and Minister for Enterprise, Trade and Employment when it is intended to publish the legislation to amend the Competition Acts 1991 to 2006 to uphold right of certain freelance workers such as actors and musicians to collective bargaining, which was promised as part of the Review of the Towards 2016; and if she will make a statement on the matter. [41072/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** How best to give effect to the Towards 2016 commitment to exclude certain workers from the provisions of the Competition Act 2002 is being examined in the context of on-going work on the preparation of draft legislation which will give effect to the amalgamation of the National Consumer Agency and the Competition Authority. In addition to including the amendments to section 4 of the Act subject to consistency with EU competition law, the proposed legislation will also encompass the outcome of the review of the operation and implementation of the Competition Act 2002 and the recommendations of the Advisory Group on Media Mergers.

While it is not possible at this point to give a precise date for publication, the earliest expected date for publication of the Bill is mid 2010.

### Public Procurement.

58. **Deputy Alan Shatter** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to streamline the public procurement process for small business; and if she will make a statement on the matter. [40969/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** My Department recently established and chaired a Procurement Innovation Group who have developed new policy guidelines in conjunction with the National Public Procurement Policy Unit (NPPPU) in the Department of Finance and the National Public Procurement Operations Unit (NPPOU) in the OPW. The Group have produced two documents, which were published in July 2009: a Report with 13 recommendations — “*Using Public Procurement to Stimulate Innovation and SME Access to Public Contracts*” and a handbook entitled “*Buying Innovation, The 10 Step Guide to SMART Procurement and SME Access to Public Contracts*”. This Guide has been distributed across the entire public sector. My Department will continue to chair the Procurement Innovation Group to oversee the implementation of the Report.

Across Government, we are committed to implementing this initiative and improving access for SMEs. One of the specific aims of the National Public Procurement Operations Unit in the OPW is to streamline tender and contract documentation where practical across the Public Sector to facilitate easier access for SMEs. The Unit has embarked on a programme to implement this policy aim. I look forward to seeing a level playing field for all innovative companies, increased numbers of SMEs winning public contracts and also the benefits that this will achieve in terms of long-term quality and value for money, both for the public sector and for the taxpayer.

*Question No. 59 answered with Question No. 31.*

### Job Protection.

60. **Deputy Seymour Crawford** asked the Tánaiste and Minister for Enterprise, Trade and Employment the amount of funding she provided to maintain jobs in small industries which has been committed and paid out to date in 2009; if she is satisfied that the funding is tailored towards the smaller units that are critical, particularly in areas such as the counties of Cavan and Monaghan. [40774/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** My Department’s continuous support for enterprises arises through maintaining a positive business environment and through particular interventions from the State development agencies such as Enterprise Ireland and the County and City Enterprise Boards.

Enterprise Ireland is focused on providing support to clients to maximise export sales and consequently employment, by investing in companies to help them plan strategy, build capability, access markets and research, finance start-ups and innovation. Continued support of our indigenous exporting companies is an indirect investment in creating and sustaining employment.

Enterprise Ireland has approved support of over €7.5m to individual Small Medium Enterprises (SMEs) based in counties Cavan and Monaghan in 2009. A total of €1m of the total €7.5m has been supported under the Government’s Enterprise Stabilisation Fund.

I launched the Enterprise Stabilisation Fund earlier this year. The Fund, administered by Enterprise Ireland, is an initiative aimed at supporting viable but vulnerable exporting companies who are experiencing difficulties because of the current economic climate.

[Deputy Mary Coughlan.]

To date in 2009, Enterprise Ireland has made payments totalling €4,228,845 directly to companies in counties Cavan and Monaghan. €2,161,973 was paid directly to SMEs in Cavan and €2,066,872 in Co. Monaghan.

In addition, Enterprise Ireland has invested €1,882,846 in six Community Enterprise Centres (CECs) in county Cavan and has invested €1,308,033 in seven Community Enterprise Centres in county Monaghan.

This week I announced that 7,478 jobs are to receive direct support under the first round of the Employment Subsidy Scheme (ESS). A total of 453 companies engaged in manufacturing and/or internationally traded services are being informed of their successful applications. The Scheme provides a subsidy of €9,100 over fifteen months per qualifying employee in vulnerable but viable firms. Due to a lower than anticipated take-up, I will be announcing details of a second broader call for ESS applications with extended eligibility criteria open to both exporting and non-exporting firms next week.

In addition, to Enterprise Ireland, the County Enterprise Boards play a pivotal role in stimulating local economic development and entrepreneurship and in developing, sustaining and growing the micro-enterprise sector. To date in 2009, total amounts of €247,542 and €287,494 have been paid out by the CEBs of Cavan and Monaghan respectively.

### **Departmental Programmes.**

61. **Deputy Eamon Gilmore** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on the recommendation of the special group on public service numbers and expenditure programmes that the jobs initiative should be closed down; and if she will make a statement on the matter. [41056/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The Job Initiative Programme (JI) which was launched in July 1996 continues to provide full time employment for people who are 35 years of age or over, unemployed for 5 years or more, and in receipt of Social Welfare payments over that period.

The main purpose of the programme is to assist long-term unemployed people to prepare for work opportunities by providing participants with work experience, training and development opportunities. The programme is sponsored by voluntary organisations and public bodies involved in not-for-profit activities.

Following changes introduced on 10 November 2004 by Minister Micheál Martin no new entrants have been admitted onto the Job Initiative Schemes. However, contracts for existing participants are renewed allowing them the option to continue until they are 65 years of age.

The 2009 budget for the Job Initiative is €39m and there are currently 1,444 participants with this number decreasing annually due to retirement and other reasons.

This Government will continue to support the positive role of FÁS Employment Schemes in meeting the needs of long-term unemployed persons while at the same time providing essential services to communities. The operation of the Scheme is being kept under constant review in the context of the current difficult unemployment situation.

*Question No. 62 answered with Question No. 43.*

### **Departmental Agencies.**

63. **Deputy Róisín Shortall** asked the Tánaiste and Minister for Enterprise, Trade and

Employment if she will make a statement on the report of the Comptroller and Auditor General on FÁS published on 10 September 2009. [41049/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** As the Deputy is aware, the Comptroller and Auditor General (C&AG) is carrying out an investigation into certain matters within FÁS. A copy of the report that deals with the examination of advertising and promotion in FÁS, which forms part of the investigation, was laid before the House on 9 September. I understand that a further report from the C&AG will be issued in the coming months. This report will focus on the arrangements for internal control and governance that pertained in FÁS.

In the meantime a number of measures have been taken by FÁS to improve financial control and governance across the organisation including the following:

- The Corporate Affairs function, which is at the centre of the C&AG's investigation, has been restructured and controls in this area have been tightened.
- The Board of FÁS has approved a revised structure for its Internal Audit including resources for additional staff and external co-sourced audits. An external quality review of its Internal Audit has also been completed and a number of recommendations have been made that identify how the function can develop in line with best practice.
- A full audit of all procurement locations has been scheduled by FÁS Internal Audit for completion by the end of the year.
- All executive credit cards have been cancelled. The one credit card retained by FÁS has a maximum credit limit of €7,000 and is used primarily to purchase research material, textbooks, and other support material to assist the work of the organisation
- The FÁS advertising budget has been reduced to a minimum and a new communications strategy will be developed to ensure efficient customer communications.

In addition to the measures outlined above legislation to amend the Labour Services Act in order to improve the effectiveness and governance of the Board of FÁS and strengthen the accountability of the Director General of FÁS to the Oireachtas is nearing completion. The Amendment Act takes account of the recommendations made by the Public Accounts Committee in its fourth interim report and the work of the Comptroller and Auditor General, as well as the debate in this House when the Bill was being presented.

### **Workplace Accidents.**

64. **Deputy Pat Rabbitte** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of workplace accidents and workplace deaths recorded in each year from 2002 to date in 2009; her proposals to ensure a reduction in the number of such accidents and deaths; and if she will make a statement on the matter. [41073/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** The Health and Safety Authority is responsible for the administration and enforcement of the Safety, Health and Welfare at Work Act 2005 and associated statutory provisions.

There have been 35 workplace deaths reported to the Authority to date in 2009 (as at 09.11.09). The numbers of workplace deaths reported to the Authority for the years 2002-2008 are as follows: 57 in 2008; 67 in 2007; 51 in 2006; 74 in 2005; 50 in 2004; 68 in 2003 and 61 in 2002.



[Deputy Dara Calleary.]

Non-fatal accidents resulting in an absence of more than three days from normal work following the accident are required to be reported to the Authority.

There have been 5,446 non-fatal work related accidents reported to the Authority to date in 2009 (as at 09.11.09). There were 6,998 in 2008, 7,816 in 2007, 7,844 in 2006, 8,104 in 2005, 8,453 in 2004, 6,622 in 2003, and 7,746 in 2002.

The Health and Safety Authority's 2009 Programme of Work, which was launched in February last, sets out a comprehensive range of activities to make workplaces safer and it contains a good balance between prevention, advice and enforcement. It is planned to continue in this vein in 2010 with a focus on high-risk sectors.

Day to day responsibility for workplace safety rests with those in the workplace — employers and employees and safe workplaces can ultimately only be delivered by those who control and work in them. Even in these challenging economic times, it is important to maintain the focus on workplace safety.

The Health and Safety Authority publishes guidelines, Codes of Practice and other advice on safety on a regular basis as well as organising sectoral seminars or conferences to promote the occupational safety and health message, as part of its advocacy role. These activities, together with the information on the Authority's website, are of critical importance to all those in the workplace if Ireland's safety record is to be improved.

### **County Enterprise Boards.**

65. **Deputy Tom Hayes** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she is taking to support the role of county enterprise boards; and if she will make a statement on the matter. [40930/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Billy Kelleher):** The role of the County and City Enterprise Boards (CEBs) is to provide support for the micro-enterprise sector in the start-up and expansion phases, to promote and develop indigenous micro-enterprise potential and to stimulate entrepreneurship at local level. The overall priority for Capital expenditure by the Boards is on the development of sustainable growth-orientated micro-enterprises, which, over time, can develop into strong export entities.

The forms of assistance that are available from the CEB network, subject to certain criteria, include financial assistance (grants), and non-financial supports in the form of a wide range of business advice and training for owner-managers and their staff, such as Programmes covering Business Management, Mentoring, E-commerce, Enterprise Education, and Women in Business networks.

I have supported the CEBs in delivering on their role by securing a Capital Allocation of €20.229m for the Boards in 2009. This funding ensures the provision of targeted supports to micro-enterprise, enables the Boards to be actively involved in economic development of their local area, and that available funds are targeted to maximise entrepreneurial development.

I also announced recently that I have approved a broadening of the financial supports that the Boards can offer their client businesses. The effect of this is to broaden the scope of the start up and development costs that can be assisted. Financial assistance will now be available for all legitimate business costs directly attributable to starting a new business, or growing and developing a business, rather than being restricted to asset acquisition. These changes will align CEB supports more closely with those of the other enterprise support agencies and ensure a consistency in approach. While the changes do not affect the existing client eligibility criteria

for financial support they will allow for much greater flexibility in how the CEBs support start-up and small growing enterprises which will be of particular relevance in the current economic climate.

My Department, in association with the CEB Central Coordination Unit within Enterprise Ireland (CCU), and with the CEB network, will continue to monitor the level of funding and range of support services offered by the CEBs to the micro-enterprise sector, particularly in the light of the current economic climate.

### Departmental Agencies.

66. **Deputy Joe Costello** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on the recommendation of the special group on public service numbers and expenditure programmes that funding should cease for the FÁS services to business and Skillnets programmes; and if she will make a statement on the matter. [41055/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** Funding of FÁS Services to Business and Skillnets is a matter for the Estimates process for 2010. The outcome of that process will be published in Budget 2010, which will be released on 9 December 2009.

### Job Creation.

67. **Deputy Martin Ferris** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of company start ups there been since 1 January 2009; the way this compares to the figures from past years; her plans to encourage company start ups and thus job creation; and if she will make a statement on the matter. [40766/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** My Department does not compile specific annual statistics on the number of new start-ups that have commenced trading in the State. As an assistance to the Deputy, the closest approximation to the information sought may be derived from the number of new companies registered each year and the yearly number of new VAT registrations. However, these figures in themselves must be seen as indicative only, bearing in mind that start-ups may involve unincorporated entities e.g. sole traders and /or may not require immediate VAT registration. Tables 1 and 2 below provide the relevant information.

I am very much aware that the key to creating employment is to provide the necessary support to the enterprise sector. My Department's continuous support for enterprises arises through maintaining a positive business environment and through particular interventions from the State development agencies such as Enterprise Ireland, FÁS and the County and City Enterprise Boards. The significant allocations in my Department's Estimates for 2009 for the development agencies ensures that we can continue to build on this strategy for the future. This year in excess of €500 million was provided for capital investment in enterprises.

Table 1: Company Registrations

Year	No. of New Companies Incorporated
1999	18,761
2000	18,232
2001	14,345
2002	13,845
2003	14,388

[Deputy Mary Coughlan.]

Year	No. of New Companies Incorporated
2004	15,690
2005	17,302
2006	19,297
2007	18,797
2008	14,784
2009 Jan to 31 Oct	10, 965

Source: Companies Registration Office.

Table 2: New VAT Registrations

Year	New VAT Registrations
2000	19,061
2001	25,472
2002	25,014
2003	28,501
2004	31,937
2005	35,842
2006	39,827
2007	33,757
2008	25,727
2009 Jan to 9 Nov	14,408

Source: Revenue Commissioners.

### Departmental Bodies.

68. **Deputy Leo Varadkar** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she is satisfied with the resources available to the office of the Director of Corporate Enforcement; and if she will make a statement on the matter. [40918/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The current approved staff complement for the Office of the Director of Corporate Enforcement (ODCE) is 45. In addition, eight Gardai are assigned to the office.

In March this year the Director requested six additional staff to assist in carrying out the work of his office. The six staff requested have since been assigned through the redeployment of staff from within my own Department.

The 2009 budget allocation for the Office of the Director of Corporate Enforcement is €5.535 million.

*Question No. 69 answered with Question No. 43.*

### Departmental Agencies.

70. **Deputy Michael D. Higgins** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on the recommendation of the Special Group on Public Service Numbers and Expenditure Programmes that the Health and Safety Authority and the National Employment Rights Authority should be merged to form one Work Place Inspectorate; and if she will make a statement on the matter. [41059/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** The recommendations contained in the Report of the Special Group on Public Service Numbers and Expenditure Programmes are one of the inputs to the Government's formulation of a response to the challenges which face the economy.

I am examining the potential impact of all the recommendations which refer to my Department in the context of Estimates for 2010.

In the light of this it would be premature to indicate a position in regard to the specific recommendation referred to by the Deputy.

### **Employment Rights.**

71. **Deputy Joe Carey** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she has taken to address the exploitation of migrant workers; and if she will make a statement on the matter. [40896/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I am fully committed to the prevention of exploitation of migrant workers and to ensuring that all workers benefit from the full range of our employment rights protections.

In this respect the provisions of the Employment Permits Act 2006 have added substantially to this range of protections. The employment permit is granted to the employee, rather than to the employer and it contains a statement of the rights and entitlements of the migrant worker, including that the employee may change employment through the application for another permit by a new employer. The Act prohibits employers from retaining the personal documents of employees, including passports, driving licenses or identity cards, as well as a provision preventing employers from deducting recruitment expenses, including employment permit fees, from the remuneration of employees. There is also provision to ensure that migrant workers in respect of whom an application is made for an employment permit are entitled to the national minimum wage under the National Minimum Wage Act 2000.

It should also be noted that Ireland's extensive range of employment rights legislation is applicable equally to nationals and non-nationals alike, without differentiation as to country of origin.

I would also point out that the provisions of the Social Partnership agreement "Towards 2016" contain an employment rights compliance package for all workers, including new legislation and the establishment of a new office for employment rights compliance — the National Employment Rights Authority (NERA), which has already been established on an interim basis. Under the Employment Law Compliance Bill 2008, the National Employment Rights Authority will be required to promote, encourage and secure compliance with the provisions of the Employment Permits Acts as well as other employment legislation. It is intended, through the cooperation of NERA labour inspectors and the Gardaí, particularly the Garda National Immigration Bureau, in enforcement of provisions under the Employment Permits legislation, to increase compliance and to act as a deterrent to illegal work as a pull for illegal immigration to Ireland.

I would advise that, if the Deputy is aware of specific cases of alleged exploitation of migrant workers, these should be reported to the appropriate authority for further investigation.

### **Job Losses.**

72. **Deputy Jan O'Sullivan** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on the interim report of the mid west task force established following the announcement of job losses at a company (details supplied) in County Limerick; the action

[Deputy Jan O’Sullivan.]

she has taken arising from the report; and if she will make a statement on the matter. [41065/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The Mid-West Task Force, which I established under the Chairmanship of Mr Denis Brosnan, completed an interim Report and presented it to me on the 2nd of July.

The wide range of recommendations in the report cover both local and national issues. In that respect, the Government has been responding to the economic downturn generally and has taken numerous initiatives, for example in relation to competitiveness and cost competitiveness, industrial employment stabilization, and employment activation measures. All of these measures have benefited regions affected by or threatened with job losses, including the Mid West region. Workers in the Mid West are the subject of a substantial package assembled by the Government in response to the redundancies arising from developments at Dell in Limerick and knock-on effects in other companies in the region. The package addresses many of the issues raised in the interim Task Force recommendations and it is expected to be co-funded by the European Union under an application I have made to the EU Globalisation Fund which is currently being decided on at EU level, with a decision expected soon.

In addition to the measures mentioned above, the state agencies IDA, Enterprise Ireland, Shannon Development and the County Enterprise Boards have redoubled their efforts to stimulate industrial employment in the Mid West region. For example, IDA is supporting eight industrial projects with a job potential of 1,073 which were announced by multinational companies in the Mid West in 2008 and 2009 and are now being brought into operation.

The measures mentioned above are outlined more fully in an initial response to its recommendations which I sent to the Task Force in late September. Given the wide range of recommendations in the report, I have also brought the report to the attention of my colleagues in Cabinet and it is currently being further considered in a number of other Government Departments as well as in my own Department. Ministers will, in the context of finalising their spending proposals for 2010, consider what further measures can be taken in response to the Task Force recommendations. I had asked the Task Force to feed into this process by indicating items in their recommendations which they see as having particular potential for the Mid West region. I am now examining its response, which has just been received, and I will also bring it immediately to the attention of the other Ministers who are examining the Task Force’s interim recommendations.

I am very grateful for the work Mr Brosnan and the other members of the Task Force have undertaken to date. I shall continue to keep the Task Force informed on the Government’s work on matters covered in the interim recommendations. The Task Force has identified a number of issues for further study in its Final Report which I look forward to receiving early in 2010.

*Question No. 73 answered with Question No. 13.*

### **Redundancy Payments.**

74. **Deputy Liz McManus** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of redundancies notified to her Department in respect of each year from 2002 to date in 2009; the number of projected redundancies for 2009; the amount of money paid out in statutory redundancy payment in respect of each year from 2002 to 2008; the projected figure for 2009; and if she will make a statement on the matter. [41067/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** Table 1 below sets out the number of statutory redundancies for years 2002 to 2008 and provisional figures for January to October 2009. These figures reflect the number of employees who actually qualified for statutory redundancy lump sum payments. They do not reflect those who lost their jobs with less than two years service in employment. It is not possible to project the number of redundancies which will accrue in 2009 as this will depend on a number of factors, including economic indicators, and the rate of recovery in the economy. However, it may be helpful to the Deputy to note that currently the intake of new claims received each week is on average 1,500 a week.

Table 2 sets out the monies paid out of the Social Insurance Fund in respect of redundancy claims for the years 2002-2008 and up to the end of October, 2009. It should be noted that the figures provided for 2008 and to date in 2009 are provisional figures. Equally, it is not possible to project the amount which will be paid out in 2009 given that this will hinge on a number of variables including the number of claims received, the length of service of the claimants etc.

Table 1: Actual Statutory Redundancies for years 2002 to 2008 and to date (end of October 2009)

2002	2003	2004	2005	2006	2007	2008	2009*
24,432	25,769	25,041	23,156	23,684	25,459	40,607	67,207

\*Provisional.

Table 2: Expenditure on Statutory Redundancies for years 2002 to 2008 and (provisional figure up to end of October, 2009) (€000)

2002	2003	2004	2005	2006	2007	2008*	2009*
53,978	88,933	152,162	149,172	166,483	183,328	193,711	248,000

\*Provisional.

*Question No. 75 answered with Question No. 13.*

### **Departmental Programmes.**

76. **Deputy Dinny McGinley** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of persons participating in the graduate placement and short-term work schemes which were announced in the supplementary budget on 7 April 2009; and if she will make a statement on the matter. [40949/09]

79. **Deputy Caoimhghín Ó Caoláin** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will extend the short-time working training programme to support more workers in vulnerable employment; her views on whether earlier access for unemployed persons to education and training will prevent the flow of persons into long-term unemployment and this programme needs to be rolled out on a larger basis; and if she will make a statement on the matter. [40769/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I propose to take Questions Nos. 76 and 79 together.

The Work Placement Programme is a labour market activation initiative that provides 2,000 six-month work experience places to individuals who are unemployed, including graduates. The programme is broken down into Stream 1, which is for graduates and Stream 2, which is for other individuals. Participants on the scheme will retain their social welfare entitlements.

[Deputy Mary Coughlan.]

FÁS are managing the programme and to date a total of 72 graduates from Stream 1 have been placed in positions with companies and 30 individuals in Stream 2 have also been placed, this brings the total of participants to 102.

In relation to expressions of interest, to date, 1,121 graduates from Stream 1 have met the eligibility criteria while 898 individuals from Stream 2 have also met the eligibility criteria, totalling 2,019 individuals. To date there are currently 527 vacancies to be filled.

FÁS are also managing the short-time working training programme, which provides training to 277 people on systematic short time for the days they are not working. The training will last for a year and individuals will retain their social welfare entitlements while on the programme. FÁS have developed a specific curriculum for this programme and its participants and are currently identifying appropriate companies and their employees to participate in the programme. Decisions regarding the possible expansion of the programme will be made once it has commenced and it can be evaluated.

### **National Minimum Wage.**

77. **Deputy Michael D. Higgins** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she has received a report from the Labour Court regarding a possible change in the national minimum wage; if not, when she expects to receive its report; and if she will make a statement on the matter. [41060/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** I understand that in November 2008, ICTU requested the Labour Court to review the national minimum wage and to make a recommendation to me concerning its adjustment. The Court subsequently invited submissions on the issue. Various submissions were received, including from IBEC, ICTU and the Department of Finance. The Labour Court also held discussions with these parties.

Under the National Minimum Wage Act, 2000, the Labour Court is required to have regard to the prospects for any general agreement that may be reached between employer and employee representatives on the appropriate national minimum hourly rate of pay.

As the Deputy is aware, discussions are still underway between the Government and the Social Partners on the possibility of reaching an agreement on an integrated national response to the current crisis. Accordingly, I understand that the Labour Court has not yet concluded — as it is required to do under the Act — that there is no prospect of a general agreement being reached between the parties. It would be inappropriate for me to comment further while the matter is still under consideration by the Court.

### **Unemployment Levels.**

78. **Deputy Willie Penrose** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps she will take to address the continuing employment crisis in view of the continuing high level of unemployment indicated by the live register figures for October 2009; her plans to provide new training opportunities for those who have lost their jobs and to encourage the creation of new employment opportunities; and if she will make a statement on the matter. [41047/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** Ireland is currently experiencing, as is the rest of Europe, high unemployment, with latest figures indicating our unemployment rate at 11.6%. According to the Live Register there were

412,400 people claiming unemployment benefits at the end of October 2009. This is 7,440 (1.8%) less than September 2009. The Live Register is 161,700 (64.5%) higher than this time last year. Positively, the year-on-year increase for October is continuing to decline from its peak of 197,800 and furthermore the Seasonally Adjusted figure for October is 422,500, which is a monthly decrease of 3,000 from September.

A key priority for the Government is to support those most vulnerable to detachment from the labour market through active labour market. This is achieved through active labour market policies and our aim is to minimise the drift of people into long term or very long-term unemployment. In order for the Government's labour market policies to be effective, it requires a sustained, co-ordinated, integrated approach to jobsearch, training, education and work placement supports.

This is why I have doubled the provision of training and work experience places managed by FÁS to over 130,000 and I have increased the referral capacity of FÁS Employment Services from the Department of Social and Family Affairs to 147,000 persons in 2009. I have also introduced a number of labour market activation policies that will provide support to those who need it most.

The Work Placement Programme, which provides 2,000 six-month places to individuals who are unemployed, is in operation. Participants on the scheme retain their social welfare entitlements. In response to interest in the programme the criteria of the Work Placement Programme are currently being reviewed and it is expected that once this review has been completed the programme will be more accessible to companies and participants.

FÁS are also managing the short-time working training programme, which provides training to people on systematic short time for the days they are not working. The training will last for a year and individuals will retain their social welfare entitlements while on the programme.

An additional 400 places have been provided in the Community Employment Scheme bringing the total number of places to 22,700 this year. My Department and the Department of Education and Science are jointly funding the provision of 1,500 part time third level places at undergraduate level for the unemployed. The Department of Education and Science are also funding 1,000 part time places at postgraduate level. Individuals participating in either programme will retain their social welfare entitlements.

The Government has also introduced specific initiatives, which will enable approximately 4,000 redundant apprentices to progress their apprenticeships or receive training.

The Employment Subsidy Scheme has been introduced to support the maintenance of vulnerable jobs and prevent people from being made redundant in this challenging national and global economic environment. Given the surprising low level of interest in the original Employment Subsidy. I have decided to have a Second broader Call for applications with extended eligibility criteria open to both exporting and non-exporting firms. The Second Call will be open to many companies that were not eligible to apply for the First Call. Enterprise Ireland will again manage the Scheme and will shortly advertise details of the Second Call.

The Government is taking specific measures to ensure that job creation is optimised to its full potential. Enterprise Ireland has prepared a new recovery strategy to identify the actions that are being undertaken to help clients in 2009. This strategy has refocused Enterprise Ireland efforts in strengthening and sustaining companies of strategic importance through a range of initiatives focused on the needs of their client base. To date they have supported over individual companies this year.

In addition the Enterprise Stabilisation Fund was launched earlier this year. The Fund, administered by Enterprise Ireland, is an initiative aimed to support viable but vulnerable



[Deputy Mary Coughlan.]

exporting companies who are experiencing difficulties because of the current economic climate. Client companies of Enterprise Ireland, IDA, Udaras Na Gaeltachta and Shannon Development across all sectors within manufacturing and internationally traded services are eligible to apply. To the end of October, Enterprise Ireland has approved approximately €47.7m for 109 projects under this fund.

On a daily basis, IDA is working with its client companies making every effort to keep those clients operating in Ireland while minimising the job losses encountered. Despite the economic downturn, Ireland continues to be an attractive location for FDI. IDA Ireland has already had a significant number of new investment projects approved and announced in 2009. To date this year there has been 44 announcements, with a combined investment of €622.5m and the potential to create 2,560 jobs.

In addition, during 2009 the County and City Enterprise Boards have reported a significant increase in the number of informal queries from members of the public in relation to setting up their own businesses over the last few months with many Boards providing additional Start Your Business Courses and increased levels of mentoring for owner managers who are experiencing trading difficulties in order to meet the demand out there. The Boards will continue throughout 2009 to support enterprise development and job creation through the provision of both direct and indirect assistance to micro-enterprises and will ensure that available funds are targeted to maximise entrepreneurial development at local level.

*Question No. 79 answered with Question No. 76.*

#### **EU Funding.**

80. **Deputy Joan Burton** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of companies that have applied for assistance under the €100 million European Stabilisation Fund to date in 2009; the number of applications accepted; the amount paid out to date in 2009; and if she will make a statement on the matter. [41048/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The Government approved an amount of €100m in total for the Enterprise Stabilisation Fund for the years 2009 and 2010. €50m has been included in the estimate of my Department for this purpose in 2009. Under the scheme, Enterprise Ireland may provide up to €500,000 to viable companies with robust business models that are facing difficulties as a result of the current economic environment. The fund supplies direct financial support to internationally trading enterprises that are investing in cost reduction or other measures to gain sales in overseas markets.

Since the launch of the Fund, approval has been given for 126 projects, in respect of which €38m has been paid to successful applicants to date. Enquiries have also been received from a further 100 companies. However, these enquiries have not as yet progressed to formal applications.

#### **Economic Competitiveness.**

81. **Deputy Michael Noonan** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on the International Monetary Fund's opinion that Ireland is the most expensive country in the Eurozone for business; and if she will make a statement on the matter. [40956/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** In its report on Ireland published in June, the IMF acknowledged Ireland's transformation from a location for low cost manufacturing to a centre of high value-added production and services. In this context, it noted that, with the possible exception of Luxembourg, Ireland had become the most expensive location in the Eurozone in recent years. However, the IMF also noted the "incipient" decline in wages, which has been evident in recent months.

Restoring Ireland's cost competitiveness is a key action set out in the Framework for Economic Renewal. We are aware that strong domestic demand in recent years led to significant increases in the costs of doing business in Ireland. However, the economy is now undergoing a radical adjustment that can lead to the necessary change required to restore external competitiveness. As part of this process there are a number of factors that can influence our cost base.

Irish inflation declined by 6.5 percent in the year to September 2009, for the ninth month in succession. Inflation fell significantly across most goods and services groups in 2009. The NCB purchasing manager's index for October shows that input costs have fallen for the 12th consecutive month. Similarly, the Services Purchasing Manager Index showed a steep decline in input costs was recorded in October. Input costs in services have fallen for the past 10 months.

While Irish wage levels are moderate when compared to other high income economies, wage inflation in Ireland had been running at up to 50 percent higher than the eurozone average during the 2005-2008 period. The Government has stepped in to exert downward pressure on prices and costs through the pension levy that was imposed on all public sector workers. In the European Commission's Autumn Forecasts, which were published last week, growth in unit labour costs was forecast to be significantly lower in Ireland than the EU average between 2009 and 2011. This will lead to considerable gains in competitiveness in the medium term.

In line with the commitment in the Smart Economy Framework, we will implement the recommendations of the Competition Authority and tackle excessive costs in the non-traded sectors, where they can best contribute to overall competitiveness. A report will be submitted to Government before the end of this year outlining progress on the implementation of the various recommendations.

We are working to bring costs in administered sectors of the economy under control such as local authority charges and also easing the administrative burden that regulations can create. Minister Gormley and I have met with the County Managers on a number of occasions regarding possible actions that may be implemented.

Finally, with regard to energy costs for businesses, the trend of energy prices has been downward in recent months. Following the double-digit energy price reductions in May 2009, from this October there has been a further significant reduction in gas prices and a modest reduction in electricity prices for medium business customers. Overall, all categories of business, including SMEs, have benefited from significant energy price decreases in 2009. These reductions will result in a further easing on cost pressures for businesses.

### **Smart Economy.**

82. **Deputy Ciarán Lynch** asked the Tánaiste and Minister for Enterprise, Trade and Employment the progress made to date by the high level action group on green enterprise; when she expects to receive this report; and if she will make a statement on the matter. [41061/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The High Level Action Group on Green Enterprise was launched on 21 May 2009 and the Group continued to meet until 21 September 2009. The Group also held a number of consultation sessions with interested parties over the Summer. The Report was finalised in October 2009

[Deputy Mary Coughlan.]

and submitted to Government on 3 November 2009. The Secretariat is in the process of having the Report printed and it will be published shortly.

### **Departmental Programmes.**

83. **Deputy Damien English** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on introducing a new type of work scheme for skilled workers in receipt of social welfare payments; if there is a potential for linking in new work schemes with current or planned capital infrastructure projects; and if she will make a statement on the matter. [40975/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The Government has and will continue to formulate and implement new innovative, active labour market polices that have been designed with the aim of maintaining the unemployed, skilled or unskilled, close to the labour market, while crucially providing them with the necessary skills set and experience to ensure they are better equipped to return to employment as soon as possible.

The Work Placement Programme, launched earlier this year, is providing 6 months work experience through-out the country in numerous sectors, for an initial 2,000 unemployed individuals, including graduates. Furthermore, participants on the programme maintain their social welfare entitlements.

To date the programme has been implemented in both the public and private sectors and FAS are continually in the process of trying to match participants with the needs of potential providers. As the programme is currently designed it is possible that participants could receive work opportunities with enterprises engaged in building capital infrastructure projects. This is of course subject to those enterprises registering with FAS work placement opportunities and I would encourage them to do so.

### **Redundancy Payments.**

84. **Deputy Shane McEntee** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will honour the commitment made to allow employers to offset against tax a redundancy scheme refund that have not been paid by her Department; and if she will make a statement on the matter. [40946/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** Arising from concerns expressed to both the Tánaiste and myself by businesses experiencing particular difficulties in meeting tax payment obligations because of a delay in receiving rebate repayments from the Redundancy Payments Section of the Department, we have agreed an arrangement with the Revenue Commissioners to facilitate such situations. This allows employers to have the redundancy rebate payments owing to them offset against the same amount of outstanding tax liability.

In order for a company to arrange for payment of an outstanding tax liability to Revenue via their redundancy rebate payment they must request and agree this arrangement in writing with Revenue, authorizing my Department to make the company's redundancy rebate payable to Revenue. When agreement with the Office of the Revenue Commissioners is in place, Revenue contact my Department referring to the company's request, attaching a copy of such request, and instructing my Department to forward the payment directly to Revenue.

On receipt of this correspondence from Revenue, my Department follows up with the Revenue official dealing with the case informing him/her of the approximate value of claims on hand for that Company so that appropriate action can be taken in relation to the tax liability.

This arrangement is proving to be extremely useful to businesses and is being availed of in a number of situations.

### **Prompt Payment System.**

85. **Deputy Ciarán Lynch** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps taken to ensue compliance by Government Departments with the new arrangements announced on 20 May 2009 to reduce the payment period by central Government Departments to their business suppliers from 30 to 15 days; her plans to extend this arrangement to semi-State companies; and if she will make a statement on the matter. [41062/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The Secretary General of my Department wrote to all Government Departments on 26th May, asking them to take the necessary steps to implement this commitment and to ensure that Department line staff and Finance Units are made aware of the need to prioritise payments to suppliers to meet the 15 day deadline.

The Government Decision of 19 May included a requirement for Departments to report quarterly to my Department on their performance in meeting these requirements. These reports are to be submitted by the 15th day of the month following the end of the quarter. The first such reports were due by 15 October 2009. Departments are also required to include information on the implementation of the measures in their subsequent Annual Reports.

As a result of the above measures, Departments are required to give greater priority to making timely payments and to ensure that suppliers themselves are aware of how they can assist the process by meeting the requirements of Departments in relation to the submission of invoices.

My Department is currently in the process of collating the first returns received from Government Departments. An initial examination of returns received for payments made by Government Departments during the period 16 June 2009 to 30 September 2009, shows that the majority of these were made within 15 days.

As part of the Government Decision of 19th May, the Government also stated that an assessment would be completed of the impact of extending this requirement to the local authority, health and education sectors and this remains under review. Organisations within the sectors are committed to meeting their current payment periods. Suppliers experiencing difficulties in securing timely payments should, in the first instance, contact the relevant section within the organisation with which the contract was agreed.

The application of the 15 day payment period requirement does not extend to semi-state companies but semi-state companies too are already committed to meeting their current payment periods.

My Department has made an arrangement through the auspices of the Credit Supply Clearing Group, whereby representative bodies of the SME sector can bring to the attention of the Clearing Group, individual cases of late payments by semi-state bodies which are adversely impacting on the cash-flow/working capital of SME's. Under this arrangement, my Department will have such late payment practices examined by the parent Government Department involved and reported back on to my Department.

[Deputy Mary Coughlan.]

In the light of the above arrangements, I anticipate that compliance with the new procedures, should improve overall cash flow to suppliers, including in particular for small and medium enterprises.

*Question No. 86 answered with Question No. 6.*

### **Departmental Programmes.**

87. **Deputy Aengus Ó Snodaigh** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will extend the work placement programme to support more workers in vulnerable employment; her views on whether work experience for unemployed persons, particularly graduates, will make workers more desirable in the labour market and this programme needs to be rolled out on a larger basis; and if she will make a statement on the matter. [40770/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The Government is determined and committed to keeping the unemployed as close to the labour market as possible during these challenging times. It is widely accepted that keeping people close to the labour market is important to improve their future employability. That is why the Government introduced the Work Placement Programme.

This Programme is providing an initial 2,000, 6 month, work experience places to unemployed individuals, including graduates. The work experience that participants receive will provide portable and transferable skills in a range of areas that will increase their employability. There are currently 102 participants on the programme and a further 2,019 have registered their interest in participating with FÁS Employment Services. At the present FÁS are currently advertising 527 positions and are continuing to promote the programme at local, regional and national levels.

Owing to the level of interest that has been expressed by a number of stakeholders in the programme, a review of the programme is near completion and has included the eligibility criteria of the programme. It is expected that upon completion of the review, the Work Placement Programme may be amended to allow it to be more accessible to participants and providers.

The Employment Subsidy Scheme, which has been designed specifically as a preventative measure to retain jobs in vulnerable but viable firms that are in danger of being lost. Earlier this week I announced that 7,478 jobs in 453 enterprises are to receive direct support under the first round of the Employment Subsidy Scheme. As a result of this scheme, companies have now committed, as part of their application, to retaining 35,283 jobs. In addition, I announced that a second broader call for applications with extended eligibility criteria open to both exporting and non-exporting firms would be launched next week.

### **Employment Support Services.**

88. **Deputy Seán Barrett** asked the Tánaiste and Minister for Enterprise, Trade and Employment if her attention has been drawn to the existence of a group (details supplied), an independent non-profit making enterprise support group which alleviates unemployment in the area by fostering the growth of small businesses and employment in the local community; if her further attention has been drawn to the fact that the group provides office facilities at a reasonable cost, together with professional business supports, mainly to start up businesses; if funding will be made available to this group to enable it to continue providing suitable accommodation and other services; and if she will make a statement on the matter. [40772/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Billy Kelleher):** State funding for indigenous enterprise support is primarily channelled through the relevant State Agencies. The thirty-five County and City Enterprise Boards (CEBs) were established by the Government to develop indigenous enterprise potential and stimulate economic activity at a local level, primarily through the provision of financial and technical support for the development of small and micro enterprises. Enterprise Ireland offers a wide range of services to SMEs and to High Potential Start Up companies (HPSUs) and ensures that suitable supports are available across those areas critical to business functions. Financial and non-financial supports are provided to companies with a business strategy that encompasses all elements required for business success.

The group referred to by the Deputy has already had dealings with the enterprise development agencies and received support from Enterprise Ireland in the past under the Community Enterprise Centres (CEC) Scheme. A Capital Grant totalling €91,421\* was paid in stages over the years 1997/8/9 towards the Capital Costs of the Centre. The Community Enterprise Centres Scheme is a community led initiative in the form of a partnership between the local community and the State. Its objective is to enhance the development of an enterprise climate through the provision of infrastructural facilities to support the establishment and expansion of micro enterprises through local community participation in both urban and rural locations.

In addition, Dun Laoghaire/Rathdown County Enterprise Board (CEB) further assisted the development of the Enterprise Centre in the 1996-98 period by way of Capital Grants of €56,731\* and an Employment Grant of €6,348.69\*. During the period 1998-2003 the Group were at various times contracted by the CEB to provide enterprise support services on its behalf. The total support under these service provider contracts was €52,700\* in the period. (\*Note — Amounts are stated in converted Euros).

My Department is not in a position to directly fund this group, but I would encourage them to continue to engage with relevant bodies such as their local CEB and to avail of opportunities to work with the CEB as they arise and as appropriate.

*Question No. 89 answered with Question No. 46.*

### **Retail Sector.**

90. **Deputy Aengus Ó Snodaigh** asked the Tánaiste and Minister for Enterprise, Trade and Employment the action she is taking to curtail the drop in volume and value of retail sales here since the volume of retail sales in August 2009 was 9% lower and the value of sales fell 13.4% compared with August 2008; the measures she is taking to protect jobs in the retail and sales sectors; if the employment subsidy scheme is applicable to this sector; and if she will make a statement on the matter. [40771/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The downturn in retail sales is an inevitable consequence of the current difficult economic climate.

The Government fully recognises the difficulties currently being faced by retailers and the importance of ensuring that we continue to have a viable and successful retail sector. It is all the more important in these difficult times that businesses, particularly those with a direct presence in the marketplace, ensure that they present as competitive an offering to the public as possible.

At the macro level, restoring our national competitiveness is a key priority of the Smart Economy Document published by the Government at the end of last year. In this context a number of specific actions aimed at addressing current economic challenges have been taken by the Government.

[Deputy Mary Coughlan.]

With regard to access to credit the Government has provided a number of supports for SMEs, including:

- A commitment that recapitalised banks should increase their lending capacity to SMEs by 10 per cent over 2008.
- A Code of Conduct on Business Lending to SMEs, published by the Financial Regulator and in force since March 2009.
- Funding for SMEs of €300 million provided by the European Investment Bank for lending through three Irish banks.

The National Assets Management Agency legislation will also empower the Minister for Finance to issue guidelines on credit supply to participating institutions on an ongoing basis. In addition, together with the Minister for Finance I established the Credit Supply Clearing Group to identify appropriate solutions where flows of credit to viable businesses appear to be blocked.

In the area of local authority charges I and the Minister for the Environment, Heritage and Local Government met with representatives of the City and County Managers Association on a number of occasions to reiterate the importance of providing a supportive environment for business and ensuring that all local charges and levies are applied in a transparent, fair and proportionate manner. Minister Gormley also wrote to the local authorities earlier this year outlining a number of measures that local authorities should consider in order to further support economic activity. Local Authorities are aware of these needs and have already reorganised to provide one-stop shops, or equivalent services, for local businesses.

Insofar as energy prices are concerned, following significant energy price reductions in May 2009, there has been a further significant reduction in gas prices and a modest reduction in electricity prices for medium business customers from this October. Data from the CSO highlight this continuing downward trend. The costs category that includes electricity, gas and other fuels has declined by almost 14% in the past twelve months.

In the area of wage costs my colleague, Minister Kelleher met with representatives of the retail grocery sector in February 2009 regarding the pay rates set down in the Retail Employment Regulation Order (ERO). At that meeting Minister Kelleher urged the employer interests in the retail grocery sector to use their best endeavours, through a process of constructive dialogue with their trade union counterparts, to devise practical measures to tackle the severe challenges facing the sector, so that these might be agreed and implemented through the established mechanism of the Joint Labour Committee (JLC). The employer and trade union interests on the Retail JLC have recently agreed to a 12-month deferral of minimum pay rate increases that had been due to come into effect from 25 October 2009.

In addition, my colleague the Minister for Labour Affairs, will introduce an “inability to pay” mechanism into the JLC/ERO system so as to “re-balance” the existing statutory wage-fixing mechanisms. A reform along these lines will assist in protecting employment in situations where employers are faced with severe economic challenges.

Insofar as the Employment Subsidy Scheme is concerned, this week I announced that a second broader call for applications with extended eligibility criteria open to both exporting and non-exporting firms including companies in the retail sector would be launched next week.

The foregoing demonstrates the concrete actions taken by the Government to assist businesses, including those in the retail sector, to regain their competitive edge. I am confident that

the measures which I have outlined will help restore our national competitiveness and ultimately will help in the ongoing fight to protect, maintain and indeed create as many jobs as possible, not least in the retail sector.

### **Job Creation.**

91. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the extent she directly or in conjunction with other Departments proposes to put in place a job creation plan with particular reference to creating the proper climate for employers to increase their workforce, boost investor confidence and enhance the competitiveness of the manufacturing and service sectors; and if she will make a statement on the matter. [41079/09]

100. **Deputy Richard Bruton** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on the introduction of a jobs creation and protection plan; and if she will make a statement on the matter. [28108/09]

113. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment her future job creation proposals; and if she will make a statement on the matter. [41256/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I propose to take Questions Nos. 91, 100 and 113 together.

The Industrial Development agencies, IDA Ireland and Enterprise Ireland as well as the City and County Enterprise Boards are extremely active in the drive towards job creation and job protection.

IDA Ireland is working to keep its client companies operating in Ireland, to maximise employment and minimise job losses in those companies. There is a constant need for foreign direct investment companies to transform their Irish operations into higher value activities and increase their strategic importance within their parent company. The Agency continues to encourage and assist its client companies to move up the value chain in terms of carrying out higher skilled operations and expanding their presence in Ireland. The aim is to retain existing clients and improve the quality of employment opportunities.

Ireland continues to be an attractive location for foreign direct investment. The Agency has already had a significant number of new investment projects approved and announced in 2009. To date, there have been 44 announcements with a combined investment of €622.5m and the potential to create 2,560 jobs.

Enterprise Ireland delivers a wide range of supports to Irish companies, targeted at the specific requirements of clients throughout all regions to ensure that they develop to their full potential in terms of innovation and exports and ultimately in additional jobs in Ireland.

The Agency has prepared a new recovery strategy to identify the actions that are required to help clients in the present difficult economic environment. Enterprise Ireland has refocused its efforts on strengthening and sustaining companies of strategic importance through a range of initiatives focused on the needs of their client base.

I launched the Enterprise Stabilisation Fund earlier this year. The Fund, administered by Enterprise Ireland, provides support to viable but vulnerable exporting companies who are experiencing difficulties because of the current economic climate. The objective is to assist these companies to invest in cost reduction and other measures. Approval has been given for 126 projects in respect of which €38m has been paid to successful applicants to date.



[Deputy Mary Coughlan.]

This week, I announced that 7,478 jobs are to receive direct support under the first round of the Employment Subsidy Scheme (ESS). A total of 453 companies engaged in manufacturing and/or internationally traded services are being informed of their successful applications. The Scheme provides a subsidy of €9,100 over 15 months per qualifying employee in vulnerable but viable firms. Due to a lower than anticipated take-up, I will be announcing details of a second, broader call for ESS applications with extended eligibility criteria open to both exporting and non-exporting firms next week.

I have decided to have a second call for applications with extended eligibility criteria open to both exporting and non-exporting firms. The second call will be open to many companies that were not eligible to apply for the first call. Enterprise Ireland, who will manage the scheme, will shortly advertise details of the second call.

The role of the County and City Enterprise Boards (CEBs) is to provide support for small businesses with up to 10 employees in the start-up and expansion phase, to promote and develop indigenous micro-enterprise potential and to stimulate economic activity and entrepreneurship at local level. Business growth and job creation are inherent considerations in the activities of the Boards. The Boards deliver a series of programmes to underpin this role and provide assistance through financial and non-financial means. The CEBs provide business advice to project promoters and a wide range of programmes covering Business Management, Mentoring, E-commerce, Enterprise Education and Women in Business networks.

It is particularly important to reduce business costs at this time when all sources of efficiency are in focus and when jobs are at stake in all sectors of the economy. In October, research undertaken by the Irish Management Institute highlighted the major cost concerns of multi-nationals in Ireland. Energy and labour costs were to the forefront of these concerns. This is also the message that we are getting from the SME sector, along with the separate issue of credit availability. This Government has focussed on the *actual* priorities of businesses, such as energy and labour costs, and we are addressing these concerns. Where Government charges *are* an issue, we have maintained downward pressure.

Restoring cost competitiveness in Ireland is made more difficult by the current weaknesses in the dollar and sterling — the currencies of two of our more important trading partners. However, in spite of these difficulties, we have made good progress in controlling costs and we are restoring competitiveness. Following significant energy price reductions in May 2009, there has been a significant reduction in gas prices since October and a modest reduction in electricity prices for medium business customers. Overall, all categories of businesses, including SMEs have benefited from significant energy price decreases this year.

With regard to labour costs, it is the view of this Government that controlling pay costs, both in the public and private sector, is a key element in restoring competitiveness. Both the NCB Manufacturing and Services Purchasing Managers' Indices have shown a sustained and deep period of declining input costs for businesses in Ireland, driven, in part, by lower wage costs. This is matched by a decline in Irish inflation that reached minus 6.5% in the year to September 2009 — the sharpest fall in Ireland since the 1920s.

We are committed to maintaining low business taxes and a favourable regulatory environment, and will ensure that our policies keep pace with the way business is changing. The ESRI recently predicted that, with our current control of costs, productivity should grow by over 3% in 2010. Combined with projected wage decreases of 2.5%, this should entail a significant improvement in the competitiveness of the Irish economy.

### **Industrial Relations.**

92. **Deputy Ruairí Quinn** asked the Tánaiste and Minister for Enterprise, Trade and Employment when she will publish legislation to address employee representation at work which was promised by June 2009 under the Review of Towards 2016; and if she will make a statement on the matter. [41071/09]

95. **Deputy Brian O'Shea** asked the Tánaiste and Minister for Enterprise, Trade and Employment when it is intended to publish anti-victimisation legislation, designed to protect those workers that choose to join a trade union and which was promised by March 2009 under the Review of Towards 2016; and if she will make a statement on the matter. [41070/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** I propose to take Questions Nos. 92 and 95 together.

The *Towards 2016 Review and Transitional Agreement 2008-2009* (paras 9.1 — 9.3) provides for the establishment of a review process which would consider the legal and other steps necessary to enable the employee representation mechanisms that had been established under previous agreements — and in legislation — to operate as they had been intended. The Agreement (para 9.4) also commits the Government to bringing forward legislative proposals to prohibit the victimisation of trade union members and to prohibit the incentivisation of persons not to be members of a trade union.

With a view to progressing work on both commitments, a Review Group — chaired by the Secretary General of the Department of the Taoiseach and on which my Department; the Department of Finance; trade unions; and employers are represented — has been put in place to examine the issues under both commitments.

Two informal meetings of the Group have taken place to date — on 14th September and 13th October, 2009 — and position papers have been submitted by the employer and trade union representatives on the issues requiring the Group's consideration.

I understand that the Group's work will now focus on the issues raised in these position papers and that further engagement between the parties is anticipated over the coming weeks. The Group has not set a date for the completion of its activities.

### **Export Credit Insurance.**

93. **Deputy Arthur Morgan** asked the Tánaiste and Minister for Enterprise, Trade and Employment her plans to introduce an export focused short-term State supported credit insurance scheme to supplement the capacity of the existing commercial insurance market; if her attention has been drawn to the fact that the lack of State supported export credit insurance is inhibiting business, especially small and medium enterprises from expanding into export orientated activities; and if she will make a statement on the matter. [40765/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** As a result of the difficulties being experienced by some companies seeking Export Credit Insurance, I arranged that a forensic examination of the Export Credit Insurance market in Ireland should be carried out to establish what assistance the State could provide in enabling exporters and to assist recovery in the credit insurance market.

This Assessment, by international consultants KPMG, who also advise the UK Government on credit insurance issues, was completed just recently. The study analysed a significant level of confidential and detailed company-specific information from the credit insurers. It was established that only a very small level of Irish exports are insured, that the existing cover is heavily

[Deputy Mary Coughlan.]

concentrated on a single sector and a single market, that total withdrawals of cover (i.e. where the market decides that the risk is too great to provide any level of cover) are much more prevalent than reductions, that the introduction of a State ‘*Top-up*’ scheme, as has been sought for such reductions, would be expensive and of very limited impact, and that a negligible number of jobs would be supported by such an initiative. Significantly, the level of premia to be paid by companies under any such scheme, would, under EU State-Aid rules, be a multiple of regular premia and therefore very expensive for business. In addition, it was established that there are indications that this market is showing signs of recovery and that the insurance companies should therefore begin to provide better levels of cover.

The Cabinet Committee on Economic Renewal and the Government considered this issue earlier this month and, based on the overwhelming weight of evidence in the KPMG report, decided that a State-supported scheme of short-term export credit insurance should not be introduced. However it was also decided, as suggested by the KPMG report, that my Department should actively considering the merits of introducing a State supported Medium-term Export Credit Insurance Scheme (where the risk period is over 2 years), as part of their forthcoming *Action Plan on Trade, Investment and Tourism*.

### **Job Losses.**

94. **Deputy Brian O’Shea** asked the Tánaiste and Minister for Enterprise, Trade and Employment if her attention has been drawn to the announcement of the loss of 350 jobs at a plant (details supplied) in County Waterford; the discussions she has had with the industrial development agencies with a view to securing replacement jobs; and if she will make a statement on the matter. [41078/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I am aware that in September 2009 Teva Pharmaceuticals announced they were closing down their solid dosage generics plant in Waterford over the next year, with the loss of 350 jobs. The company currently employs approximately 690 permanent and 74 temporary people.

The company informed IDA that the closure was due to competitive reasons and that the solid dosage part of the business was moving to a lower cost location. The inhaler part of the business, which employs approximately 340 people, will remain.

IDA Ireland continues to actively promote the Waterford region to overseas investors. Currently there are 31 IDA Ireland supported companies in Waterford City and County employing approximately 5,960 people. Clear evidence of a transition to more knowledge based and higher value activity is seen in the resilience of companies such as Bausch & Lomb, Honeywell, and GlaxoSmithKline, as well as newer additions to the county’s portfolio, such as Citi Hedge Fund Services, Genzyme and Sun Life Financial.

Key interventions in support of attracting investment in recent years have been the development of the Waterford Business & Technology Park (28 hectares), the Dungarvan Business Park (additional 14 hectares developed) and a large scale 55 hectare Greenfield site in Belview, specifically targeted for larger scale utility intensive overseas investments. A further 20 hectare site (Knockhouse lands) adjacent to the Genzyme facility on the Kilmeaden road in Waterford City is also available for Greenfield investment.

*Question No. 95 answered with Question No. 92.*

### **Departmental Programmes.**

96. **Deputy Jan O’Sullivan** asked the Tánaiste and Minister for Enterprise, Trade and

Employment her views on the introduction of additional social economy or job initiative schemes to assist with the current unemployment situation; and if she will make a statement on the matter. [41066/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** On 1 January 2006 responsibility for the Social Economy Programme transferred to the Department of Community, Rural & Gaeltacht Affairs and it has been re-named as the Community Services Programme. FÁS as an agency of my Department operates Job Initiative (JI).

The Job Initiative Programme (JI) was launched in July 1996 and provides full time employment for people who are 35 years of age or over, unemployed for 5 years or more, and in receipt of Social Welfare payments over that period.

The main purpose of the programme is to assist long-term unemployed people to prepare for work opportunities by providing participants with work experience, training and development opportunities. The programme is sponsored by voluntary organisations and public bodies involved in not-for-profit activities.

Following changes introduced on 10 November 2004 by Minister Micheál Martin no new entrants have been admitted onto the Job Initiative Schemes. However, contracts for existing participants are renewed and CE participants to support the service being provided may replace those who leave voluntarily.

This Government will continue to support the positive role of FÁS Employment Schemes in meeting the needs of long-term unemployed persons while at the same time providing essential services to communities. The operation of the Scheme is being kept under constant review in the context of the current difficult unemployment situation.

### **Consumer Rights.**

97. **Deputy Emmet Stagg** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on the report of the sales law review group on the proposed consumer rights directive; and if she will make a statement on the matter. [41064/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I established the Sales Law Review Group in November 2008 to report on several issues relating to consumer and commercial law, including the proposal for a Directive on Consumer Rights published in October 2008.

The Review Group's report, which was published in June 2009, is a thorough, expert analysis of the provisions of the proposed Directive. The proposed Directive will have a major influence on the future of Irish consumer law and it is important that we are in a position to understand fully its provisions and their implications while discussions on the proposal are still ongoing. The report identifies a number of areas where the proposed Directive might adversely affect Irish consumer rights and suggests ways in which these potential adverse effects can be ameliorated. The Review Group's report is a substantial input into the Irish response to the proposed Directive and its contents have already been of significant benefit to the officials of my Department involved in discussions on the proposal.

### **Technical Employment Support Grant.**

98. **Deputy Martin Ferris** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of persons who were assisted under the technical employment support grant since its inception; the number of persons assisted under the technical employment support grant since 1 January 2009; if she will increase the budget for the technical employment support

[Deputy Martin Ferris.]

grant in view of the fact that retraining for redundant craft workers is more important than ever to stop the flow of persons into long-term unemployment; and if she will make a statement on the matter. [40767/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** The Technical Employment Service Grant (TESG) provides FÁS Employment Service Officers (ESOs) with a flexible fund to provide a tailored response to meet the needs of specific client groups. This support is provided as part of the jobseeker's Action Plan, which is agreed between FÁS and the client as a means of entering/re-entering the labour market. This funding is available to those who are experiencing major barriers to progression from unemployment to the workforce and where this need cannot be met by FÁS directly or by any other state provider within a reasonable timeframe or at a location convenient to the jobseeker.

The following client groups are eligible at present for support under Technical Employment Support Grant (TESG):

Jobseekers who are considered to be distant from the labour market e.g.

- Homeless people;
- Ex-prisoners;
- Members of the Traveller Community;
- People made redundant with low skills;
- Ex-Job Initiatives participants or current participants who wish to explore alternative training/employment options;
- Employment Action Plan (EAP) jobseekers;
- People with a Disability.

Redundant craft workers who are referred to FAS under the NEAP are also eligible for TESG.

TESG is an important fund which helps support a fast and flexible response to the job-seeking needs of unemployed clients. It is being reviewed at present to ensure that it remains targeted and focused on those who will most benefit.

Since its inception, approximately 19,000 clients have benefited, of whom over 8,600 have benefited from 1 January 2009 to 30 September 2009. The budget has increased significantly from almost €3 million in 2008 to €6.475 million in 2009.

#### **Departmental Agencies.**

99. **Deputy Joan Burton** asked the Tánaiste and Minister for Enterprise, Trade and Employment her views on the recent report prepared by the Comptroller and Auditor General into management and control procedures at FÁS; if she will commit to publishing this report as soon as possible; if she proposes to take action on the basis of the report's findings; and if she will make a statement on the matter. [27981/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** As the Deputy is aware, the Comptroller and Auditor General (C&AG) is carrying out an investigation into certain matters within FÁS. A copy of the report that deals with the examination of advertising and promotion in FÁS, which forms part of the investigation, was laid before the House on 9 September. I understand that a further report from the C&AG will be issued

in the coming months. This report will focus on the arrangements for internal control and governance that pertained in FÁS.

In the meantime a number of measures have been taken by FÁS to improve financial control and governance across the organisation including the following:

- The Corporate Affairs function, which is at the centre of the C&AG's investigation, has been restructured and controls in this area have been tightened.
- The Board of FÁS has approved a revised structure for its Internal Audit including resources for additional staff and external co-sourced audits. An external quality review of its Internal Audit has also been completed and a number of recommendations have been made that identify how the function can develop in line with best practice.
- A full audit of all procurement locations has been scheduled by FÁS Internal Audit for completion by the end of the year.
- All executive credit cards have been cancelled. The one credit card retained by FAS has a maximum credit limit of €7,000 and is used primarily to purchase research material, textbooks, and other support material to assist the work of the organisation.
- The FÁS advertising budget has been reduced to a minimum and a new communications strategy will be developed to ensure efficient customer communications.

In addition to the measures outlined above legislation to amend the Labour Services Act in order to improve the effectiveness and governance of the Board of FÁS and strengthen the accountability of the Director General of FÁS to the Oireachtas is nearing completion. The Amendment Act takes account of the recommendations made by the Public Accounts Committee in its fourth interim report and the work of the Comptroller and Auditor General, as well as the debate in this House when the Bill was being presented.

*Question No. 100 answered with Question No. 91.*

### **Job Protection.**

101. **Deputy Thomas P. Broughan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the action she is taking to protect and maintain a critical aviation engineering industry for air transport here; if he will report on the status of all expressions of interest in establishing a successor business for a company (details supplied) at the Dublin operation; and if she will make a statement on the matter. [28406/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** On 12 February 2009, SR Technics Group (SRT) announced that it planned to exit its business at Dublin Airport and layoff 1135 employees.

Following the decision, IDA Ireland and Enterprise Ireland formed a project team to promote the operation through the IDA Ireland overseas network and to meet with and assess expressions of interest in the operation.

As part of the decision to close their Dublin operations, SRT implemented an expression of interest process to sell parts (or all) of the business. 40 expressions of interest were received by SRT, most of which were interested in assets only. 12 parties expressed an interest in purchasing one or more business units and rehiring the redundant staff. 5 bona-fide proposals were received by the agency's project team to continue an MRO (Maintenance, Repair and Overhaul) business at Dublin Airport.

[Deputy Mary Coughlan.]

On 2nd September 2009, I announced the establishment of Dublin Aerospace Ltd, a new aviation maintenance provider supported by Government through Enterprise Ireland. Dublin Aerospace aims to establish a best-in-class Maintenance, Repair and Overhaul (MRO) facility at Dublin Airport, servicing APUs, Landing Gear, Base Maintenance and Training. The company has commenced operations with 32 initial employees recruited. This number is anticipated to grow to 226 jobs.

The Garage business unit of SR Technics has been taken over by the M50 Truck and Van Centre who were successful in securing the airside vehicle maintenance contract from SR Technics.

SR Technics will continue to operate the Line Maintenance contract for Aer Lingus until a suitable acceptable operator is agreed between both companies.

### **Export Sector.**

102. **Deputy Joan Burton** asked the Tánaiste and Minister for Enterprise, Trade and Employment if her attention has been drawn to the difficulties facing exporters here in view of the recent strengthening of the euro against the dollar and sterling; her proposals to help sustain the export sector here and to help it overcome these difficulties; and if she will make a statement on the matter. [37694/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** My Department, through Enterprise Ireland, is active both in assisting Irish indigenous companies to find new markets for their products and services and to increase their existing level of market share. Encouraging companies to re-orientate towards the Eurozone in the first instance and, for those which are most capable, into areas such as the Gulf, Brazil, India and China, where economies are still growing is a priority. I have been active in leading trade missions to develop new opportunities for Irish exporters and will continue to do so, to both existing long-established markets, to the new EU Member States and also to other emerging high-growth markets, with a view to increasing the share of exports by Irish companies worldwide.

Continuous productivity improvements are essential if Irish companies are to increase their export potential and reach the world-class standards necessary to meet the challenges of the international market place. Sustainable economic recovery will be driven by enterprises focused on increasing their exports of innovative products and services in global markets. To support this, I launched the Enterprise Stabilisation Fund earlier this year, which enables internationally trading companies survive the current global downturn by supporting their drive to reduce costs and, through increased competitiveness, gain sales in overseas markets.

In August 2009, I announced the €250 million Employment Subsidy Scheme. The objective of the scheme is to provide an employment subsidy to vulnerable but viable manufacturing and/or internationally traded services enterprises that are currently engaged in exporting to maintain their full time workforce. This will help the economy retain its productive capacity and employers retain the labour, knowledge and skills of the workforce in a variety of sectors which are under particular pressure as a result of the current global economic situation thereby supporting a faster return to sustainable growth.

### **Redundancy Payments.**

103. **Deputy Michael McGrath** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will make a statement on a redundancy issue (details supplied). [41113/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** My Department administers the Social Insurance Fund (SIF) in relation to redun-

dancy matters on behalf of the Department of Social and Family Affairs. There are two types of payment made from the SIF — rebates to those employers who have paid statutory redundancy to eligible employees, and statutory lump sums to employees whose employers are insolvent.

Payment of statutory redundancy is, in the first instance, a matter for the employer. When an employer has paid statutory redundancy to a former employee the Department, which administers the Redundancy Payments Scheme on behalf of the Department of Social and Family Affairs, will then pay the employer a 60% rebate.

In the case of lump sum redundancy claims where the employer is unable to pay the redundancy entitlement and provides evidence of such to the satisfaction of the Department, payment is made from the Social Insurance Fund and the Department then seeks to recoup 40% of the amount paid out from the employer.

If the employee believes he/she is entitled to a redundancy payment and the employer fails to complete the RP 50 form and/or fails to provide the evidence of inability to pay to the Department to allow the former employee to claim the lump sum, it is then open to the employee to bring a claim against his former employer before the Employment Appeals Tribunal for a decision in the matter. If the Tribunal decides in favour of the employee, the Department is then in a position to pay the statutory lump sum to the employee out of the Social Insurance fund on foot of the Tribunal determination. The Department then views the employer as a defaulter and seeks to recover from the employer the full amount of the redundancy payment to the Social Insurance Fund.

In all cases where a redundancy lump sum claim is lodged by the employer on behalf of an employee but the employer pleads inability to pay the statutory redundancy entitlement, the Department requests evidence of inability to pay from the employer. This includes a copy of the latest set of audited accounts and a statement from the company's accountant or solicitor attesting to this situation. If this is provided the Department will make the payment from the Social Insurance Fund and if this is not provided, the Department then advises the employee to take a case to establish redundancy entitlement to the Employment Appeals Tribunal (EAT). If a positive determination is obtained from the EAT, the Department will pay the employee the statutory redundancy lump sum and then seek to recoup the relevant amount from the employer.

Eligibility for statutory redundancy requires that:

- The employee must have at least two years continuous service (104 weeks).
- The employee must be in employment which is insurable under the Social Welfare Acts.
- The employee must be 16 years or older
- The employee must have been made redundant as a result of a genuine redundancy situation.

### **EU Funding.**

104. **Deputy Pat Breen** asked the Tánaiste and Minister for Enterprise, Trade and Employment further to Parliamentary Question No. 63 of 13 October 2009, if a college (details supplied) in County Limerick will be included for grant aid from the European Globalisation Fund; and if she will make a statement on the matter. [41120/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** A broadly representative working group is considering the most appropriate mechanisms for the deployment of the anticipated support from the European Globalisation Adjustment Fund for



[Deputy Mary Coughlan.]

workers made redundant at the DELL computer manufacturing plant in Raheen and associated enterprises.

The probability is that EGF interventions and supports will be largely delivered through State agencies and educational institutions. However, any role which other service providers such as private colleges can usefully play in this context is also being considered. In the event that redundant workers involved wish to avail of developmental programmes delivered by the private sector, I intend to facilitate them in doing so.

### **Redundancy Payments.**

105. **Deputy Edward O’Keeffe** asked the Tánaiste and Minister for Enterprise, Trade and Employment if she will expedite payment of a redundancy payment to a person (details supplied) in County Cork. [41152/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** My Department administers the Social Insurance Fund (SIF) in relation to the Redundancy Payments Scheme on behalf of the Department of Social and Family Affairs. There are two types of payment made from the SIF — rebates to those employers who have already paid statutory redundancy to eligible employees, and statutory lump sums to employees whose employers are insolvent and/or in receivership/liquidation. Payment of statutory redundancy is, in the first instance, a matter for the employer.

The records available to my Department indicate that a redundancy rebate application was lodged by the former employer in respect of the individual concerned on 19 May, 2009. Where a redundancy rebate is being claimed from the Department, there is a declaration on the form which must be signed by the employer and the employee. From the employer’s perspective, this attests to the fact that the employer is confirming that payment of the statutory redundancy entitlement was made to the employee concerned. The signature of the employee is required as evidence that the employee has received the redundancy payment due to him. My Department is somewhat at a loss in this case as the form has been signed by both parties so it is not clear how the employee is awaiting payment of his statutory redundancy entitlement from the employer. It would be appropriate in these circumstances that the Redundancy Payments Section of my Department would pursue this issue directly with the company and I have asked them to do so.

### **Departmental Agencies.**

106. **Deputy Leo Varadkar** asked the Tánaiste and Minister for Enterprise, Trade and Employment the committees, sub-committee, monitoring group and advisory group below board level within FÁS where the members receive remuneration; the members of each committees, sub-committee, monitoring group and advisory group; and if she will make a statement on the matter. [41187/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I have been informed that FÁS does not pay remuneration for members of any committees, sub-committees, monitoring groups and advisory groups below Board level.

I understand that the Independent Chairman of the FÁS/Enterprise Ireland National Register of Trainers receives an honorarium in the order of €6,000 per annum dependent on the number of Committee meetings held.

### **Redundancy Payments.**

107. **Deputy Jack Wall** asked the Tánaiste and Minister for Enterprise, Trade and Employ-

ment when a person (details supplied) in County Kildare will be awarded their redundancy payments in view of the fact that the application has been with her Department since 31 March 2008; and if she will make a statement on the matter. [41196/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** My Department administers the Social Insurance Fund (SIF) in relation to Redundancy payments on behalf of the Department of Social and Family Affairs. In respect of Redundancy, there are two types of payment made from the SIF — rebates to those employers who have paid statutory redundancy to eligible employees, and statutory lump sums to employees whose employers are insolvent and/or in receivership/liquidation and are unable to pay.

I am advised that there is no record in my Department of a claim for redundancy payment in respect of the individual concerned.

The EAT is an independent body under the aegis of my Department. As an independent body, I have no role in the day to day operation of the EAT. I am advised, however, that the individual's recourse to the EAT has already been exhausted.

It is the case that an employee must make application for a redundancy payment or seek a determination from the EAT within twelve months of ceasing employment although the EAT has the power to extend the deadline from 52 weeks to 104 weeks. The 52 week deadline applies both to the making of a claim to the employer (Form 77) and to the making of a claim to the EAT in a situation where the employer disputes payment of redundancy.

#### Community Employment Schemes.

108. **Deputy Leo Varadkar** asked the Tánaiste and Minister for Enterprise, Trade and Employment further to Parliamentary Question No. 125 of 7 July 2009, if she will provide an update with regard to her reply to this Deputy; and if she will make a statement on the matter. [41204/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** The information requested by the Deputy in relation to the Members of the Houses of the Oireachtas who sit on sponsoring committees of Community Employment projects has not been recorded centrally by FÁS and therefore it has to be compiled manually. The table represents the information gathered to date. I am informed that the process will be completed shortly and any remaining information will be forwarded to the Deputy at that time.

Name	Sponsor
John Perry TD (FG)	Ballymote Community Enterprise Ltd.
Thomas P Broughan TD (LP)	Northside Partnership
Mattie McGrath TD (FF)	B, N & B Scheme
Senator Mark Daly (FF)	Kenmare District Community Development
Minister John Moloney (FF)	Mountmellick Development Association
Charles O'Connor TD (FF)	Tallaght Welfare Society
Aongus O'Snodaigh TD (SF)	Liberties Recycling Training & Development
Senator Dermot Wilson (FF)	Cavan Youth & Environmental
Máire Hctor TD (FF)	Young Nenagh CTC
Senator Labhrás O'Murchú (FF)	Bru Boru Cashel Tourism
Joe Costello TD (Ind)	DALC
Senator Martin Brady (FF)	Northside Partnership
Finian McGrath TD (Ind)	Northside Partnership
Minister Dara Calleary TD (FF)	Ballina Salmon Festival

### **FÁS Training Programmes.**

109. **Deputy Pat Breen** asked the Tánaiste and Minister for Enterprise, Trade and Employment if a person (details supplied) in County Clare will qualify for training under a scheme; and if she will make a statement on the matter. [41235/09]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** The redundancy date of the person in question predates the entry into force of the European Globalisation Adjustment Fund (EGF) on 1st January 2007 by several years. Accordingly, and subject to the requirements of the EU Regulation governing the Fund that person is not eligible to receive supports which may be co-funded by the EGF in due course. However, the individual would be free to access the full range of FAS employment and training services supports.

### **Departmental Agencies.**

110. **Deputy Fergus O'Dowd** asked the Tánaiste and Minister for Enterprise, Trade and Employment when her attention was drawn to the problems in relation to FÁS in the north east; if she has received representations in relation to this matter; the details of same; and if she will make a statement on the matter. [41239/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** Representations were received by both myself and my Department regarding certification issues earlier this Autumn. FÁS is dealing with the findings of an internal audit report relating to the issues concerned.

### **Economic Competitiveness.**

111. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the steps, if any, she has taken to ensure that consumers here do not have to go outside the jurisdiction for their shopping requirements; the action she proposes to take to address this issue; and if she will make a statement on the matter. [41254/09]

112. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the extent to which she has studied the reason that consumer goods here are more expensive than in adjoining jurisdictions and other EU countries; her plans to address these issues; and if she will make a statement on the matter. [41255/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I propose to take Questions Nos. 111 and 112 together.

Consumer Price Index returns from the Central Statistics Office show that overall prices in Ireland fell by 6.5% in the year to September 2009. This compares with a fall of only 1.4 % in the UK for the same period. At the European level, the EU Harmonised Index of Consumer Prices, which is accepted as the most appropriate measure for community wide price comparisons, shows that in the year to August 2009 there was a fall of 0.7% in prices in Ireland as compared with an increase in prices of 1.3% throughout the EU as a whole.

The above returns clearly show that prices are falling more rapidly in Ireland than in Northern Ireland, the UK and in the EU as a whole. This narrowing in the differential in prices is very much to be welcomed and clearly will help the competitiveness of Irish businesses.

Whilst undoubtedly the single market offers opportunities to Irish consumers to shop anywhere within the European Union, the reality is that the majority of cross border shopping by Irish consumers occurs in Northern Ireland, which is not to be unexpected given our common land border.

The Government has been engaging with the various elements of the retail chain to try to bring greater transparency as to the reasons for the differentials in retail prices, particularly between this jurisdiction and Northern Ireland. To this end, my Department and its agencies have directed a series of actions within the last 12 to 18 months aimed at ensuring that there is the greatest degree of transparency possible as to the reasons for the north south price differentials. These actions included National Consumer Agency Price Comparison Surveys; the Forfás Report on the Cost of Running Retail Operations in Ireland; and the Competition Authority Study on the Retail-Related Import and Distribution Sector.

*Question No. 113 answered with Question No. 91.*

114. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment her plans to ensure the competitiveness of Irish exports; and if she will make a statement on the matter. [41257/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** While ultimately it is individual businesses that must take advantage of global markets, it is the responsibility of my Department to foster the conditions which can support Irish enterprise in meeting these global challenges and opportunities and to ensure that no barriers are placed in their way. It is critical that the broad business environment is conducive to improved export opportunities and can thereby facilitate a return to sustainable export growth. We will continue to provide the appropriate supports to the enterprise sector, restore our cost competitiveness and safeguard the significant achievements of recent years.

The *Smart Economy* Framework sets out clearly the necessary steps for establishing a sound basis for future economic growth, taking advantage of the tide of change in world business. The overall aim of the Framework is to refocus the economy for a return to sustainable, export-led growth.

Our current enterprise policies are focussed on driving export growth momentum by supporting companies to pursue growth strategies. Our priorities include strengthening and sustaining companies of strategic importance through a series of targeted initiatives provided by the development agencies. A central priority is to ensure that companies with high growth potential and in which the State has already invested are brought through this difficult period. These are companies that will continue to be successful on world markets and will provide essential high-value employment in the future. The Enterprise Stabilisation Fund, administered through Enterprise Ireland and totalling some €100m was introduced by the Government to support companies such as these.

With regard to energy costs for businesses, which are a very significant competitiveness issue, the trend of energy prices has been downward in recent months. Following double-digit energy price reductions in May 2009, from this October there has been a further significant reduction in gas prices and a modest reduction in electricity prices for business customers.

Irish exporters have proved themselves well able to compete decisively on world markets. Between 2003 and 2007 our total Irish exports increased by more than 6% per annum year-

[Deputy Mary Coughlan.]

on-year. While exports were virtually static in 2008, for the first six months of 2009 exports rose again compared to the same period in 2008.

Our performance is especially significant when compared to our EU partners. The latest figures released by *Eurostat* shows Ireland has the second largest trade surplus of the EU Member States for the first seven months of 2009. It is significant that some of the larger economies, such as the UK, France and Spain have very significant trade deficits. This data also shows that Ireland is the only one of the 27 member states to have positive merchandise export growth in the period January-July 2009 when compared to the same period in 2008. In most other Member States, exports fell by over 20% during this period.

Over recent years, net exports have made a very significant contribution to GDP growth. In 2008 the contribution of net exports was +2.7% and in the first half of 2009 it was +4.1%. In both cases this made a significant contribution to counteracting other elements of GDP that were negative.

### **Employment Statistics.**

115. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of jobs lost in the economy in each of the past 24 months and to date in 2009; and if she will make a statement on the matter. [41259/09]

117. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of new jobs created in the economy in each of the past 36 months to date in 2009; and if she will make a statement on the matter. [41262/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I propose to take Questions Nos. 115 and 117 together.

There are no official statistics which record job gains or losses in the wider economy. The Quarterly National Household Survey or QNHS published by the Central Statistics Office, records the numbers in employment on a quarterly basis only and shows only the net change in the numbers in employment. In the second quarter of 2009, the most recent quarter for which data is available, the figures indicate that the numbers in employment stood at 1,938,500 approx which represents a decrease of 175,400 approx relative to Quarter 2 2007.

Employment data in respect of companies supported by the Enterprise Agencies (Enterprise Ireland, IDA Ireland and Shannon Development) is collated by Forfás on an annual basis only, and accordingly monthly figures are not available and data in respect of 2009 will not be available until early 2010. Table 1 hereunder provides details on the numbers of full-time new jobs created in the three year period 2006-2008. In total almost 74,000 permanent full time jobs were created in the three year period.

Table 2 hereunder provides details on the numbers of full-time jobs lost in the two year period covering 2007-2008. In total 53,053 permanent full time jobs were lost in the two year period.

In addition to the foregoing 3,577.5 net new jobs were created in companies supported by the County enterprise Boards in the three year period between 2006 and 2008.

Table 1

	2006	2007	2008	Total
Number of Full Time Jobs Created in Enterprise Agency* Assisted Companies 2006-2008	27,657	26,296	20,014	73,967

\*IDA Ireland, Enterprise Ireland and Shannon Development.

Table 2

	2007	2008	Total
Number of Full Time Jobs lost in Enterprise Agency* Assisted Companies 2007-2008	24,168	28,885	53,053

\*IDA Ireland, Enterprise Ireland and Shannon Development.

### Job Creation.

116. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the extent to which she has identified the most salient issues creating a barrier to job creation; her proposals to address these issues; and if she will make a statement on the matter. [41260/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** Restoring Ireland's competitiveness and, in particular, cost competitiveness is a key priority for this Government and essential for sustaining and creating employment. Growing our exports is the only sustainable path to reduce unemployment and secure long term prosperity. In order to enable Irish exporters to compete successfully in global markets, we need to increase productive investment in the economy, reduce the costs of doing business, and improve productivity in the internationally trading enterprise base. There are a wide range of competitive strengths which we retain, including a young and comparatively well educated work force, growing levels of research and development activity, a modern internationally-traded enterprise base as well as a long track record as an attractive location for overseas investment.

It is particularly important to reduce business costs at this time when all sources of efficiency are in focus and when jobs are at stake in all sectors of the economy. Energy and labour costs are the foremost concerns of the enterprise sector, together with the issue of credit availability particularly for the small and medium enterprise sector. This Government is committed to addressing these concerns. Where Government charges are an issue, we have maintained downward pressure. We are committed to maintain low business taxes and a favourable regulatory environment, and will ensure that our policies keep pace with the way business is changing.

Restoring cost competitiveness in Ireland is made more difficult by the current weaknesses in the dollar and sterling — the currencies of two of our more important trading partners. However, in spite of these difficulties, we have made good progress in controlling costs and we are restoring competitiveness. All categories of businesses have benefited from significant energy price reductions during 2009.

With regard to labour costs, it is the view of this Government that controlling pay costs, both in the public and private sector, is a key element in restoring competitiveness. Both the NCB Manufacturing and Services Purchasing Managers' Indices have shown a sustained and deep period of declining input costs for businesses in Ireland, driven, in part, by lower wage costs. This is matched by a decline in Irish inflation that reached minus 6.5 per cent in the year to September 2009 — the sharpest fall in Ireland since the 1920s.

[Deputy Mary Coughlan.]

A stable macroeconomic environment is a pre-requisite to enabling export driven growth. It is essential that we implement a credible and widely supported programme to restore the sustainability of the public finances and ensure the banks are channelling credit to viable businesses. The ongoing availability of credit to business is a critical issue for our small and medium sized enterprises as they trade through the current economic downturn and work to protect jobs in our economy. The actions already taken by this Government to stabilise the banking sector and to ensure that the banks meet their commitments under the recapitalisation package are all focused on getting banks once again to support our broader enterprise economy by extending appropriate credit to viable projects. The Credit Supply Clearing Group will continue to play a key role in this process by addressing the legitimate concerns of both businesses and the lending banks.

Notwithstanding current economic difficulties, we must continue to upskill our workforce to ensure that the necessary skills are in place to meet current and future enterprise needs and as a way of driving the economic upswing when it comes. In keeping with the objectives of “*Building Ireland’s Smart Economy — A Framework for Sustainable Economic Renewal*” and the “*National Skills Strategy*”, Ireland must continue to build upon its strength of a skilled labour force, in order to attract inward investment and ensure sustainable employment.

*Question No. 117 answered with Question No. 115.*

#### **Departmental Agencies.**

118. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment if all of the groups, bodies or agencies under the aegis of her Department are accountable to her or the Houses of the Oireachtas for expenditure incurred throughout the course of the financial year; her plans to ensure that all such expenditure in future is accountable by her or the Houses of the Oireachtas; and if she will make a statement on the matter. [41263/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** In general the groups, bodies and agencies under the aegis of my Department are accountable to me as Tánaiste and Minister for Enterprise, Trade and Employment or the Oireachtas for expenditure incurred throughout the year. The principles of Government accounting are mainly derived from the Constitution, and from the institutions and financial relationships between the Oireachtas and the executive which have been developed over the years. Accountability structures vary depending on the nature of the organisations concerned as set out in their establishing legislation and where applicable:

- The Ministers and Secretaries Act, 1924
- The Comptroller and Auditor General Acts 1923 and 1993
- The Public Service Management Act, 1997
- Oireachtas Committees including the Public Accounts Committee
- Ethics in Public Office Act, 1995
- Standards in Public Office Act, 2001
- Code of Practice for the Governance of State Bodies 2009
- Report of the Working Group on the Accountability of Secretaries General and Accounting Officers 2002 (Known as the Mullarkey Report) and

- Public Financial Procedures, updated in 2008

Within these structures, I will continue to ensure that organisations under the aegis of my Department are accountable for their expenditure and that every effort is made to achieve value for money.

119. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of bodies, groups, agencies or other entities under the aegis of her Department; the budgetary allocation in each case, in each of the past five years and to date in 2009; and if she will make a statement on the matter. [41264/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** The table below lists the Offices, agencies, and other bodies and groups currently under the aegis of my Department. The funding allocated to each of these entities by my Department between 2004 and 2009 inclusive is also provided. The allocations include Exchequer funding and, where appropriate, National Training Fund monies.

Some of the agencies also receive funding from other sources, such as fees, property rental, grant refunds, and from other Departments or bodies. Funding from these sources is not included in the table.

Appendix — Allocations 2004-2009 from Dept. of Enterprise, Trade and Employment

	2004 Allocation	2005 Allocation	2006 Allocation	2007 Allocation	2008 Allocation	2009 Allocation
	€000	€000	€000	€000	€000	€000
<b>Offices</b>						
Labour Court	2,489	2,601	2,728	3,085	3,193	3,115
Labour Relations Commission	4,342	4,860	5,012	6,194	6,600	6,286
Companies Registration Office and Registrar of Friendly Societies <sup>1</sup>	8,355	8,693	9,308	10,097	10,091	8,912
Office of the Director of Corporate Enforcement	4,250	4,538	4,713	4,823	4,957	5,535
National Employment Rights Authority <sup>2</sup>	—	—	—	8,553	10,817	8,731
Patents Office <sup>3</sup>	See footnote					
Employment Appeals Tribunal <sup>3</sup>	See footnote					
<b>Agencies</b>						
County & City Enterprise Boards (35 in existence)	28,587	29,114	30,421	31,856	31,985	27,812
Competition Authority	3,969	5,079	5,831	6,104	6,776	5,568
Enterprise Ireland	150,890	156,341	155,216	160,555	164,831	199,972
FÁS	837,426	916,337	955,515	1,046,312	1,096,192	1,063,936
Forfás	23,446	28,576	31,649	35,035	38,475	37,164
Health & Safety Authority	14,334	16,098	20,598	22,513	24,440	22,638
IDA Ireland	122,601	135,073	141,718	143,243	146,250	117,971
InterTradeIreland <sup>4</sup>	8,705	8,932	9,325	11,892	10,682	8,499
Irish Auditing & Accounting Supervisory Authority (IAASA) <sup>5</sup>	641	1,159	919	1,528	1,547	1,532
ODCA/National Consumer Agency <sup>6</sup>	3,933	4,137	7,289	8,397	10,000	8,588
National Standards Authority of Ireland	5,406	6,519	6,526	7,719	8,787	8,241



[Deputy Mary Coughlan.]

	2004 REV Allocation	2005 REV Allocation	2006 REV Allocation	2007 REV Allocation	2008 REV Allocation	2009 REV Allocation
	€000	€000	€000	€000	€000	€000
Personal Injuries Assessment Board <sup>7</sup>	5,000	2,500	—	—	—	—
Science Foundation Ireland	113,730	128,251	149,436	165,772	183,643	170,524
Shannon Development	3,118	5,178	3,784	3,350	3,357	957
Other Bodies <sup>8</sup>						
Skillnets	5,305	7,633	15,206	24,500	27,179	16,595
Joint Labour Committees	90	92	95	135	135	135
Company Law Review Group	114	117	130	133	133	113
Sales Review Group						20
Business Regulation Group			60	60	60	60

*Notes*

<sup>1</sup> Up to 2007, the budget for the Registrar of Friendly Societies was included as part of the Department's central Administrative Budget.

<sup>2</sup> The National Employment Rights Authority was established on an interim basis by the Government in February 2007.

<sup>3</sup> The Employment Appeals Tribunal and the Patents Office are funded from the Department's central Administrative Budget and do not have separate budgetary allocations.

<sup>4</sup> *InterTrade* Ireland is co-financed by the Department of Enterprise, Trade and Employment and the Department of Enterprise, Trade and Investment in Northern Ireland. The figures provided on the table refer to the contribution of the Department of Enterprise, Trade and Employment.

<sup>5</sup> Irish Auditing & Accounting Supervisory Authority (IAASA) is co-financed by the Department of Enterprise, Trade and Employment and industry associations. The figures provided on the table refer to the contribution of the Department of Enterprise, Trade and Employment.

<sup>6</sup> The functions of the Office of the Director of Consumer Affairs (ODCA) were transferred to the National Consumer Agency when the Agency was established on a statutory basis in 2007.

<sup>7</sup> Start-up funding was provided to the Personal Injuries Assessment Board in 2004 and 2005. The Board's statutory activities have been self-financing since 2006.

<sup>8</sup> In addition to the entities shown on the above table, the following bodies/groups which come under the aegis the Department of Enterprise, Trade and Employment are funded through the Department's agencies:

- Crafts Council of Ireland
- National Competitiveness Council
- Expert Group on Future Skills Needs

The Expert Group on Future Skills Needs reports jointly to the Minister for Enterprise, Trade and Employment and the Minister for Education and Science.

### **Economic Competitiveness.**

120. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the action she proposes to take to reduce costs in the manufacturing and services sector; and if she will make a statement on the matter. [41265/09]

121. **Deputy Bernard J. Durkan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the extent to which she has identified the main issues causing lack of competitiveness in the manufacturing and services sectors; her plans to combat these; and if she will make a statement on the matter. [41266/09]

**Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):** I propose to take Questions Nos. 120 and 121 together.

Restoring Ireland's cost competitiveness has been a priority for the Government. Over the past few months we have seen significant downward pressure on costs and on prices generally.

Following significant energy price reductions in May 2009, from this October there has been significant reduction in gas prices and a modest reduction in electricity prices for medium

business customers. Overall, all categories of businesses, including SMEs have benefited from significant energy price decreases in 2009.

Both the NCB Manufacturing and Services Purchasing Managers' Indices have shown a sustained and deep period of declining input costs for businesses in Ireland, driven, in part, by lower wage costs. This is matched by a decline in Irish inflation that reached minus 6.5 per cent in the year to September 2009 — the sharpest fall in Ireland since the 1920s.

The ESRI recently predicted that, with our current control of costs, productivity should grow by over 3 per cent in 2010. Combined with projected wage decreases of 2.5 per cent, this represents a significant improvement in the competitiveness of the Irish economy.

### **Tax Code.**

122. **Deputy Pat Breen** asked the Minister for Finance if discussions have taken place with an airline (details supplied) regarding the €10 air travel tax; if he will report on these discussions; if not; if he will hold discussions with the airline in relation to same; and if he will make a statement on the matter. [41109/09]

123. **Deputy Pat Breen** asked the Minister for Finance if, following his comments that the discussions are taking place with an airline (details supplied) regarding the €10 air travel tax, he will report on those discussions; and if he will make a statement on the matter. [41110/09]

130. **Deputy Pat Breen** asked the Minister for Finance if his attention has been drawn to comments made (details supplied) stating that discussions are taking place with an airline regarding the €10 air travel tax; if he will report on those discussions; and if he will make a statement on the matter. [41111/09]

**Minister for Finance (Deputy Brian Lenihan):** I propose to take Questions Nos. 122, 123 and 130 together.

A meeting took place with Ryanair to discuss a range of issues and the air travel tax arose in that context. It is policy to review all taxes in the lead up to the Budget, however, there is no specific review of the air travel tax.

### **Tax Yield.**

124. **Deputy James Reilly** asked the Minister for Finance the amount of revenue raised from the health levy to date in 2009; the amount raised for each of the past five years; the number of persons paying the levy for same; the exemptions to the levy; and if he will make a statement on the matter. [41225/09]

**Minister for Finance (Deputy Brian Lenihan):** The 2009 estimate of receipts in respect of the health levy is €1,892m following the doubling of the levy in the 2009 Supplementary Budget. Health levy receipts to end-October amount to €1,217m.

The Health Levy is charged at 4 per cent on all income once above the threshold of €26,000 and 5 per cent on all income in excess of €75,036 per annum. Those with incomes below the income threshold, certain categories of social welfare recipients, holders of Medical Cards here or their EU equivalents and persons over the age of seventy years are statutorily exempt from the levy.

The amount raised from the Levy and the numbers of persons paying the levy over the past five years are set out:

[Deputy Brian Lenihan.]

	Amount	Number liable for levy*
	€m	
2005	1,117	1,180,078
2006	1,189	1,173,005
2007	1,298	1,200,066
2008	1,327	1,149,255
2009 (to end-October)	1,217	1,035,693

\*Numbers liable is based on Revenue Commissioners Income Tax model of the numbers of income earners who are liable to pay the Health Levy for the years 2005 to 2009.

It should be noted that a married couple who has elected or has been deemed to have elected for joint assessment is counted as one unit. The figures are estimates using actual data for the years 2005, 2006 and 2007. For the years 2008 and 2009 the figures are based on the actual data for 2007 adjusted as necessary for income and employment growth.

#### **Tax Clearance Certificates.**

125. **Deputy Bernard J. Durkan** asked the Minister for Finance the correct level of tax credit or allowances in the case of a person (details supplied) in County Kildare who works 12 hours per week and is in receipt of disability allowance or benefit; and if he will make a statement on the matter. [41250/09]

**Minister for Finance (Deputy Brian Lenihan):** I have been advised by the Revenue Commissioners that based on the information available to them the persons concerned are entitled to a married personal tax credit of €3,660 and two employee tax credits (PAYE) of €1,830, giving gross tax credits of €7,320 per annum.

#### **Insurance Industry.**

126. **Deputy Bernard J. Durkan** asked the Minister for Finance if he has inquired into the cause or causes of substantial increases in motor insurance premiums in the past 12 months; his proposed action arising therefrom; and if he will make a statement on the matter. [41258/09]

127. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent to which he has studied insurance costs with particular reference to motor insurance over the past two years; if he will provide an explanation for the steep increases in insurance premiums in this period; her plans to address same; and if he will make a statement on the matter. [41261/09]

**Minister for Finance (Deputy Brian Lenihan):** I propose to take Questions Nos. 126 and 127 together.

I am aware that there has been an increase in motor insurance premiums this year. This increase however has to be considered against a backdrop of the continuing stress in the financial markets and the recessionary pressures in the economy which is affecting all financial service providers including the insurance industry.

My Department has been advised by the Financial Regulator that while the non-life insurance market performed well up to the end of 2006, market sources indicate that much non-life business was written at a loss in 2007. This trend continued in 2008, but the companies were still willing to write business at a loss in order to maintain their market share. They were able to do this as a result of the reserves they had built up during profitable years. However,

the situation could not go on indefinitely and indications are that firms are now taking action on pricing to underpin their financial positions, including in the motor insurance area.

This position is supported by a report published earlier this year by Standard & Poor's titled '*A Testing 2009 for the Irish Non-Life Insurance Market, Despite Fundamental Strengths*'. It provides an insight into the problems facing the industry at the moment. The report envisages a difficult year for the non-life industry as a result of rising claims and continuing intense competition which they say is limiting price increases. They add that this combined with anticipated lower investment returns is expected to hinder profitability.

In the current difficult trading climate, there is a delicate balance to be struck between ensuring the long-term sustainability of the non-life insurance industry and at the same time making sure that the consumer obtains good value for money. I am particularly conscious of the impact of a significant increase in premiums for both the consumer and business and I have informed the industry that it must be a priority for them to ensure that insurance cover is provided as competitively as possible consistent with long term commercial sustainability and viability.

In conclusion, the recent upward trend in insurance prices including motor insurance reflects a range of factors outside the control of the industry. It would not, therefore be appropriate from a policy perspective to seek to intervene in the commercial conduct or decision making of insurance firms in the absence of clear evidence of market failure in respect of which there is scope to address from a national perspective.

#### **Tax Code.**

128. **Deputy Kieran O'Donnell** asked the Minister for Finance his plans regarding the taxation of public sector retirement lump sum payments in budget 2010; and if he will make a statement on the matter. [41105/09]

**Minister for Finance (Deputy Brian Lenihan):** In line with the normal practice, I do not propose to comment at this time on what may or may not be included in Budget 2010.

#### **Departmental Offices.**

129. **Deputy Phil Hogan** asked the Minister for Finance the rental cost of all Department offices in Cork city; and if he will make a statement on the matter. [41106/09]

**Minister of State at the Department of Finance (Deputy Martin Mansergh):** A table schedules leases with an annual rent of €10,000 or more that are leased by the Office of Public Works on behalf of all Departments in Cork City.

Building Name	Address	Lease Name	Annual Rent	Department
			€	
Cork C&E Centre Park House	Centre Park House, Centre Park Road	Centre Park House, Ground Floor	48,000.00	NERA
Cork C&E Centre Park House	Centre Park House, Centre Park Road	Cork Centre Park House	110,000.00	Revenue Commissioners
Cork C&E Centre Park House	Centre Park House, Centre Park Road	Cork Centre Park House, Floor 3	43,940.00	Revenue
Cork Education Office	Block C Heritage Business Park, Mahon	Cork Heritage Park, Block C	240,000.00	Education & Science, National Education Welfare Board, National Council for Special Education
Cork Environment Office	Unit 7, Eastgate Avenue, Little Island	Cork Environment, Little Island Office	68,906.00	Dept of Environment
Cork Gov Off Connolly Hall	Connolly Hall, Lapps Quay	Cork Connolly Hall, Ground Floor	17,000.00	Social & Family Affairs
Cork Gov Off Connolly Hall	Connolly Hall, Lapps Quay	Cork Connolly Hall, Floor 1	28,000.00	Agriculture, Food & Rural Development, Social & Family Affairs
Cork Gov Off Hibernian House	Hibernian House, South Mall	Cork Hibernian House	321,500.00	Agriculture, Food & Rural Development
Cork Gov Off Hibernian House	Hibernian House, South Mall	Cork Hibernian House, Floor 4	18,284.23	Social & Family Affairs
Cork Gov Off Hibernian House	Hibernian House, South Mall	Cork Hibernian House, Floor 3	20,677.48	Social & Family Affairs
Cork Gov Off Irish Life Bldg	Irish Life House, 1A South Mall	Cork Irish Life, 1A	18,500.00	Foreign Affairs
Cork Gov Off Irish Life Bldg	Irish Life House, 1A South Mall	Cork Irish Life 6	190,800.00	Agriculture, Food & Rural Development, Education & Science, Prisons Service, OPW
Cork Gov Off Irish Life Bldg	Irish Life House, 1A South Mall	Cork Irish Life 1	205,933.00	Foreign Affairs
Cork Gov Off Irish Life Bldg	Irish Life House, 1A South Mall	Cork Irish Life, Floor 4	61,448.00	Foreign Affairs, Revenue Commissioners
Cork Gov Off Irish Life Bldg	Irish Life House, 1A South Mall	Cork Irish Life, Floor 5	69,914.52	Passport Office
Cork HIQA Decent Office	Unit 1301, Building 1000, City Gate, Mahon	Cork HIQA Decentralisation Office	370,420.00	HIQA
Cork International Freight Ctr	Unit 2400B Cork Airport Bus Park, Kinsale Road	Cork International Freight Centre	10,200.00	Revenue Commissioners
Cork Marine Office	Riverview Business Park, Mahon Industrial Estate	Cork Marine Oak House	58,500.00	Comm Marine & National Resources
Cork Marine Office	Acorn Business Campus, Mahon Industrial Park, Blackrock	Cork Marine Acorn Campus	41,478.00	Comm Marine & National Resources
Cork Marine Office	Riverview Business Park, Mahon Industrial Estate	Cork Oak House, Bessboro	53,320.00	Marine
Cork Probation & Welfare Service Cove St	St Nicholas Church, Cove Street	Cork Probation & Welfare Service Cove Street	300,368.00	Probation & Welfare Service
Cork SWO — ESB Premises	ESB Premises, Marina	Cork Marine, ESB	120,000.00	Social & Family Affairs

*Question No. 130 answered with Question No. 122.*

### **Tax Code.**

131. **Deputy Richard Bruton** asked the Minister for Finance if, in view of the new flexibility introduced by the European Union regarding the application of VAT in member states, he will consider proposals from the national newspapers of Ireland to reduce the 13.5% VAT rate to a lower rate; and if he will make a statement on the matter. [41131/09]

**Minister for Finance (Deputy Brian Lenihan):** VAT law is governed by the EU VAT Directive to which Irish VAT law must comply. Under the VAT Directive it is possible for Member States to operate up to two reduced rates, as low as 5% to all the goods and services that are listed in Annex III of the Directive. Newspapers are listed in Annex III and are subject to the reduced rate of 13.5% in Ireland.

With regard to further reducing the 13.5% reduced rate of VAT, you will appreciate that it is the usual practice for the Minister for Finance not to speculate or comment in advance of the Budget what it will contain and I do not propose to deviate from that practice.

However, it should be noted that reducing the reduced VAT rate by 1 percentage point would cost the Exchequer around €250 million in a full year.

### **Tax Collection.**

132. **Deputy Thomas Byrne** asked the Minister for Finance if a person (details supplied) in County Meath is entitled to a tax refund for the tax year 2009. [41143/09]

**Minister for Finance (Deputy Brian Lenihan):** I am advised by the Revenue Commissioners that, as the person in question ceased their employment on the 2nd October 2009, they may accordingly be entitled to an unemployment repayment for this year. Revenue have forwarded this customer a repayment claim form, P50, and, on receipt of the completed form, will be in a position to examine the claim and repay any refund due.

### **Public Sector Staff.**

133. **Deputy Olwyn Enright** asked the Minister for Finance further to Parliamentary Question No. 279 of 16 September 2009, the position regarding the way in which the different type of panels will be dealt with; and if he will make a statement on the matter. [41159/09]

**Minister for Finance (Deputy Brian Lenihan):** As I have stated previously, the position regarding persons on panels arising from Civil Service competitions is that panels from open competitions generally stay in place until the next competition is held. Interdepartmental promotion panels have a definite life span and this is agreed centrally with the relevant Civil Service union. In the context of the Moratorium, a decision has been taken that interdepartmental promotion panels will be allowed to lapse as the closure dates are reached. Decisions in respect of Departmental promotion panels are taken at Departmental level.

In respect of the wider public service, decisions on the continuation or otherwise of recruitment panels is a matter for the relevant Minister and organisation, in the context of the Moratorium. Decisions in respect of future recruitment campaigns will be taken in the context of the business needs of the relevant organisation, the Moratorium on recruitment and promotion and any redeployment arrangements agreed for the civil and public service.

**Tax Yield.**

134. **Deputy Richard Bruton** asked the Minister for Finance the loss of tax revenue from abolishing the Air Travel Tax; and if he will make a statement on the matter. [41169/09]

**Minister for Finance (Deputy Brian Lenihan):** It is currently estimated that the air travel tax will yield €125 million in a full year. I have no plans to abolish the air travel tax.

**Road Network.**

135. **Deputy Leo Varadkar** asked the Minister for Finance when the works in the Phoenix Park, Dublin, will be complete; when the Castleknock gate will be re-opened to traffic; and if he will make a statement on the matter. [41206/09]

**Minister of State at the Department of Finance (Deputy Martin Mansergh):** The road works for the reconstruction of Mountjoy Cross in the Phoenix Park will be completed before the end of November and the introduction of Operation Freeflow. The Castleknock Gate will be removed at the same stage.

136. **Deputy Leo Varadkar** asked the Minister for Finance if the current works in the Phoenix Park, Dublin, will include the resurfacing of the main road; and if he will make a statement on the matter. [41207/09]

**Minister of State at the Department of Finance (Deputy Martin Mansergh):** The present works at Mountjoy Cross in the Phoenix Park will not include the resurfacing of the Main Road (Chesterfield Avenue).

**Tax Yield.**

137. **Deputy Leo Varadkar** asked the Minister for Finance his estimate of the yield from an income levy of 3% rate applied to all income including social welfare and rental income with no threshold or ceiling but exemption for those who earn less than €352 per week; and if he will make a statement on the matter. [41208/09]

**Minister for Finance (Deputy Brian Lenihan):** I am advised by the Revenue Commissioners that the full year yield to the Exchequer, estimated by reference to 2010 incomes, from applying a 3% income levy to all personal income including rental income, excluding social welfare income and with no threshold or ceiling but exempting those who are earning less than €352 per week (annual equivalent €18,304), is estimated to be of the order of €2.05 billion. I should also point out that the income levy is already applied to rental income under the existing legislation.

Payments from the Department of Social and Family Affairs comprise means-tested payments and non-means tested payments. In accordance with the 2009 estimates, the total cost of these payments in 2009 would be about

€20 billion and 3% of this figure is €600 million.

Apart from those related to Social Welfare payments, the figures are estimates from the Revenue tax-forecasting model using actual data for the year 2007, adjusted as necessary to take account of the most recent data available for income and employment trends for the year 2010. They are therefore provisional and likely to be revised.

**Fiscal Policy.**

138. **Deputy Frank Feighan** asked the Minister for Finance his views on a reduction in VAT

in Budget 2010 due to difficulties encountered by Border towns and traders; his further views on a special tax designation status for all towns designated hubs and gateways in the national spatial strategy with a view to regeneration of business. [41236/09]

**Minister for Finance (Deputy Brian Lenihan):** With regard to reducing VAT, you will appreciate that it is the usual practice for the Minister for Finance not to speculate or comment in advance of the Budget on what it will contain and I do not propose to deviate from that practice. In relation to proposals for a special tax designation status for all towns designated hubs and gateways in the national spatial strategy, I have been informed by the Department of the Environment, Heritage and Local Government that the National Spatial Strategy outlined core principles and policies to provide for a better regional spread of development across the country, to provide for more sustainable and economic patterns of development through consolidation of key urban areas and preservation of environmental and heritage resources and to grow those key strategic gateways and hubs that have the capacity to achieve critical mass and become economic drivers for the wider regions.

The 2004 Regional Planning Guidelines which are currently being updated for adoption in 2010 translate NSS principles into regional and local priorities and also include regional economic analysis and actions, prepared in partnership with the development agencies, to promote and drive the region's growth, including through facilitating and attracting businesses to the region. There are currently no plans to introduce a tax designation status for all gateway cities and hub towns.

#### **Disabled Drivers.**

139. **Deputy Jim O'Keeffe** asked the Minister for Finance the position regarding the proposals to review the disabled drivers and disabled passengers tax concession scheme; and if he will make a statement on the matter. [41243/09]

**Minister for Finance (Deputy Brian Lenihan):** A special Interdepartmental Review Group reviewed the operation of the Disabled Drivers Scheme. It examined the current benefits, the qualifying medical criteria, the Exchequer costs, relationship with other schemes and similar schemes in other countries. The report also made a number of recommendations, both immediate and long-term, referring respectively to the operation of the appeals process and options for the future development of the scheme. The Group's report is published on my Department's website. Some 13,000 people benefited under the scheme in 2008 at an overall estimated cost of €76 million. Any changes would have to be considered in the context of the annual Budget.

#### **Ambulance Service.**

140. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health and Children if she will disclose information pertaining to a fatal accident (details supplied) regarding the dispatch of the ambulance service, the ambulance service arrival at the scene and the subsequent request for fire service assistance. [41103/09]

**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 Services.**

141. **Deputy Jack Wall** asked the Minister for Health and Children if a person (details supplied) in County Kildare is entitled to assistance for their medical condition; and if she will make a statement on the matter. [41192/09]



**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.

#### **Hospital Services.**

142. **Deputy Finian McGrath** asked the Minister for Health and Children if she will support the case of a person (details supplied) in County Sligo. [41097/09]

**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 Staff.**

143. **Deputy James Reilly** asked the Minister for Health and Children the number of the 52 additional infection control staff promised in 2006 to be recruited to date; the number which have yet to be recruited; and if she will make a statement on the matter. [41107/09]

**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.

#### **Preschool Services.**

144. **Deputy Michael McGrath** asked the Minister for Health and Children if she will address the issues raised in correspondence from a person (details supplied) in County Cork. [41115/09]

**Minister of State at the Department of Health and Children (Deputy Barry Andrews):** As the Deputy will be aware, I have responsibility for the implementation of the free Pre-School Year in Early Childhood Care and Education (ECCE) scheme which is being introduced in January 2010.

Under the ECCE scheme, participating services will be paid a standard annual capitation fee of €2,450 in return for the provision of the free pre-school year to each child. The payment will be made, in advance, at the beginning of each term. A higher capitation rate of €2,850 per annum will be available to sessional playschool services in which all child care workers have qualification levels above the minimum requirements for the scheme. To qualify for the higher capitation rate all Pre-School leaders in the service must hold a major award in early childhood care and education or equivalent (title of courses may vary) at a minimum Level 7 on the National Framework of Qualifications and have 3 years experience working in the sector, and all assistants must hold a relevant FETAC Level 5 qualification or its equivalent.

Sessional playschools participating in the scheme are expected to provide the pre-school year over 183 days in a full year, as is the case for primary schools. This will require them to be open over 38 weeks per annum. It is considered that the capitation rates are reasonable and will accommodate the greater majority of services. This is borne out by the fact that 90% of pre-school services operating in the State have applied for entry to the scheme. Services participating in the scheme should ensure that the capitation fee is sufficient to cover their full operational costs including the statutory entitlements of staff to paid leave. The scheme represents an investment of almost €170 million annually in pre-school services and in light of the current economic situation there are no proposals to increase this provision.

The scheme will normally be required to be provided over five days each week. This is considered the most appropriate framework to ensure that children receive an appropriate level of early learning involving appropriate programme based activities in the critical developmental year before they commence primary school. To facilitate services which currently

accommodate a greater number of children than they have places for (i.e. on a pro-rata basis), services may participate in the ECCE scheme during January to September 2010 on this basis, in which case they will be paid in respect of the number of children attending per day rather than the total number of children per week. For the reasons stated above, this will not be continued beyond September 2010.

With regard to the pre-school voucher system introduced in the United Kingdom in the 1990s, I understand that this has been abandoned in favour of a scheme broadly similar to the ECCE scheme. Voucher systems generally result in many services charging additional “top up” fees to parents who can afford to pay. Over time, parents increasingly lose the benefit of the funding provided and, in addition, a two-tier pre-school system develops, which is contrary to the objective of equal access for all children to pre-school education. It is a fundamental principle of the ECCE scheme that it will be provided free of charge to parents. Participating services can charge parents for additional services where these are clearly optional to parents and appropriate programme based activities continue to be provided to children not availing of such services during the pre-school year hours.

#### **General Medical Services Scheme.**

145. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health and Children the moneys that remain unpaid under the general medical scheme to general practitioners in each of the years since the establishment of the Health Service Executive; the unpaid number of GPs involved in each year; the steps that are being taken to ensure that all moneys due are awarded; and if she will make a statement on the matter. [41118/09]

**Minister for Health and Children (Deputy Mary Harney):** The information sought by the Deputy is not provided by the Health Service Executive to my Department as a matter of routine. Therefore, my Department has requested the Parliamentary Affairs Division of the Executive to arrange to address this matter and to have a reply issued directly to the Deputy.

#### **National Treatment Purchase Fund.**

146. **Deputy Edward O’Keeffe** asked the Minister for Health and Children if she will support the case of a person (details supplied) in County Cork. [41122/09]

**Minister for Health and Children (Deputy Mary Harney):** As this is a service matter it has been referred to the HSE for direct reply. As the Deputy may be aware, the National Treatment Purchase Fund arranges treatment for patients who have been on a surgical waiting list for more than three months. It is open to the person in question or anyone acting on their behalf to contact the Fund directly in relation to their case.

#### **Vaccination Programme.**

147. **Deputy Jack Wall** asked the Minister for Health and Children the reason a person (details supplied) in County Kildare is not entitled to the H1N1 injection; and if she will make a statement on the matter. [41147/09]

**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 Services.**

148. **Deputy Finian McGrath** asked the Minister for Health and Children if she will support the case of a person (details supplied). [41148/09]

**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.

#### **Hospital Waiting Lists.**

149. **Deputy James Reilly** asked the Minister for Health and Children the waiting times for an MRI scan at Waterford General Hospital; and when a person (details supplied) in County Wexford will expect to be called for an appointment for an MRI scan; and if she will make a statement on the matter. [41149/09]

**Minister for Health and Children (Deputy Mary Harney):** As this is a service matter, it has been referred to the HSE for direct reply.

#### **Medical Aids and Appliances.**

150. **Deputy Paul Connaughton** asked the Minister for Health and Children if the Health Service Executive will part fund the rent of an art assist appliance in respect of a person (details supplied) in County Galway; if her attention has been drawn to the fact that the applicant needs the apparatus; and if she will make a statement on the matter. [41176/09]

**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.

#### **Hospital Accommodation.**

151. **Deputy Denis Naughten** asked the Minister for Health and Children the number of beds, inpatient, outpatient, psychiatric, private and other in public hospitals here in tabular form; the total population the hospital serves; if the hospital has an accident an emergency department; if the hospital provides maternity services; and if she will make a statement on the matter. [41177/09]

**Minister for Health and Children (Deputy Mary Harney):** My Department has asked the HSE to compile the detailed information requested by the Deputy and to communicate it directly to him.

#### **Health Services.**

152. **Deputy Pat Breen** asked the Minister for Health and Children when a person (details supplied) in County Clare will be facilitated; and if she will make a statement on the matter. [41182/09]

**Minister for Health and Children (Deputy Mary Harney):** As this is a service matter, it has been referred to the HSE for direct reply.

#### **Hospitals Building Programme.**

153. **Deputy Emmet Stagg** asked the Minister for Health and Children further to Parliamentary Question No. 13 of 17 September 2009, if the Health Service Executive review is completed; if phase 3c of Naas General Hospital, County Kildare, is included in the Revised Capital Programme 2007 to 2013; and the details of same. [41197/09]

**Minister for Health and Children (Deputy Mary Harney):** The Health Service Executive's review of its capital programme, including consideration of options to progress projects through alternative funding arrangements, is ongoing.

On completion, the Executive is required to submit its proposals for my approval with the agreement of the Minister for Finance. Details of the individual projects included in the approved capital investment programme will be made available following its approval.

#### **National Treatment Purchase Fund.**

154. **Deputy James Reilly** asked the Minister for Health and Children her views on the Special Group on Public Service Numbers and Expenditure Programmes recommendation that the National Treatment Purchase Fund be required to use private facilities here and abroad when these are available, with estimated savings of €7.5 million in a full year; and if she will make a statement on the matter. [41211/09]

**Minister for Health and Children (Deputy Mary Harney):** The recommendation from the Special Group on Public Service Numbers and Programmes was based on the findings of a 2004 Comptroller and Auditor General's report. That report found that, of a sample of cases, 44% were undertaken in public hospitals and 36% were in the public hospital on whose waiting-list the patient had been. However, this does not represent the current position. There is a ceiling of 10% of NTPF activity which may be undertaken in the public sector and this is intended for areas, such as paediatric surgery, which cannot be done in private hospitals.

The NTPF does not normally send patients for treatment outside Ireland. This was done some years ago, when there was insufficient capacity in some specialties in the private system in Ireland. That capacity now exists here. The Fund does arrange, where convenient, for patients living in border counties to be treated in private facilities in Northern Ireland. There have been 1,024 such cases to date in 2009.

#### **Departmental Expenditure.**

155. **Deputy James Reilly** asked the Minister for Health and Children the Exchequer funding that supplements funding from the proceeds of the National Lottery, including details of all programmes; the amount allocated by programme per annum for each of the past five years; the percentage of Exchequer funding as part of the total; and if she will make a statement on the matter. [41212/09]

**Minister for Health and Children (Deputy Mary Harney):** Grants to health agencies and similar organisations are provided annually by my Department through voted expenditure as set out in the table below.

	Subhead	€
2005	B2	3,722,000
2006	B2	3,815,000
2007	B2	3,903,000
2008	B2	3,985,000
2009	B2	2,984,261 (to date)

Since 2005, the total allocation for subheads which had formerly been funded entirely from the proceeds of the National Lottery has exceeded the funds available from the National Lottery. Subheads that, prior to 2005, were exclusively funded by National Lottery funds are now funded by a combination of National Lottery and Exchequer funding. Funds from the National Lottery as a percentage of the total allocation for all part-funded subheads amounted to 64% in 2005, 50% in 2006, 52% in 2007 and 56% in 2008. The corresponding percentage for 2009 is estimated at 64%.

[Deputy Mary Harney.]

The programme breakdown for these grants, as requested by the Deputy, is supplied in the table.

	€
<i>2005</i>	
Acute Hospitals	836,500
Childcare	316,799
Disability Services	528,400
Health Promotion	143,901
Mental Health	450,020
Services for Older People	1,206,330
Social Inclusion	242,250
Nursing	3,000
<b>Total</b>	<b>3,727,200</b>
<i>2006</i>	
Acute Hospital	1,010,000
Childcare	570,473
Disability Services	285,158
Health Promotion	209,500
Mental Health	695,000
Services for Older People	957,319
Social Inclusion	60,000
Primary Care	27,550
<b>Total</b>	<b>3,815,000</b>
<i>2007</i>	
Acute Hospitals	1,158,800
Childcare	586,500
CMO	27,000
Disability Services	286,715
Health Promotion	45,000
Mental Health	677,000
Services for Older People	749,035
Primary Care	3,450
Social Inclusion	369,500
<b>Total</b>	<b>3,903,000</b>
<i>2008</i>	
Childcare	623,500
Disability Services	745,178
Acute Hospitals	522,500
Services for Older People	609,222
Primary Care	10,000
Mental Health	589,000
Cancer and Blood Policy	475,000
Health Promotion	191,500
Adoption Board	142,000
Social Inclusion	77,100
<b>Total</b>	<b>3,985,000</b>

	€
<i>2009</i>	
Childcare	266,500
Disability Services	179,800
Acute Hospitals	124,700
Services for Older People	892,798
C.M.O.'s Office	73,000
Mental Health	451,721
Cancer and Blood Policy	450,000
Health Promotion	214,942
Patient Safety Unit	150,000
Social Inclusion	180,800
<b>Total</b>	<b>2,984,261</b>

1,000,739 has yet to be expended from the 2009 National Lottery allocation.

### **Tribunals of Inquiry.**

156. **Deputy James Reilly** asked the Minister for Health and Children the Exchequer funding allocated to the Hepatitis C Tribunal and other tribunals to date in 2009; the cost of each tribunal per annum since their establishment; and if she will make a statement on the matter. [41213/09]

**Minister for Health and Children (Deputy Mary Harney):** The cost to date in 2009 of the Hepatitis C and HIV Compensation Tribunal is €45.236m. The cost per annum to end 2008 is as follows:

Year	€m
1996	31.981
1997	77.047
1998	149.475
1999	63.808
2000	55.709
2001	68.220
2002	49.397
2003	50.039
2004	64.870
2005	67.723
2006	74.734
2007	81.906
2008	62.744

The amount paid by my Department in respect of Tribunals of Inquiry are set out: Tribunal of Inquiry into the Blood Transfusion Service Board (Finlay Tribunal), established 1996:

[Deputy Mary Harney.]

Year	€m
1996	0.498
1997	1.078
1998	1.824
1999	0.906
2000	0.075

Tribunal of Inquiry into the infection with HIV and Hepatitis C of persons with Haemophilia and related matters (Lindsay Tribunal), established 1999.

Year	€m
1999	1.009
2000	4.575
2001	5.725
2002	1.236
2003	9.850
2004	17.773
2005	6.481
2006	Nil
2007	0.028

### Child Care Services.

157. **Deputy James Reilly** asked the Minister for Health and Children the transitional arrangements for the national child care investment programme; and if she will make a statement on the matter. [41214/09]

158. **Deputy James Reilly** asked the Minister for Health and Children the way funding is allocated under the national child care investment programme, including details on the conditions for bands A, B and C; the estimated cost for same in 2009; the numbers of persons included with each band; and if she will make a statement on the matter. [41215/09]

**Minister of State at the Department of Health and Children (Deputy Barry Andrews):** I propose to take Questions Nos. 157 and 158 together.

I have responsibility for the National Childcare Investment Programme 2006 — 2010 (NCIP) which includes the Community Childcare Subvention Scheme (CCSS) which support community childcare services to enable them to charge reduced childcare fees to disadvantaged and low-income working parents.

The CCSS replaced an earlier staffing grant scheme which was implemented under the EU co-funded Equal Opportunities Childcare Programme 2000 — 2006 (EOCP). The staffing grant scheme was also a targeted scheme with the objective of enabling community childcare providers to charge reduced fees to disadvantaged parents. In considering the format of a successor scheme to the EOCP staffing grant scheme, account was taken of the fact that many services participating in that scheme had not implemented a tiered fee structure as required, and that the level of funding provided to each childcare facility did not reflect its level of service provision or the profile of disadvantage amongst parents using the service. The CCSS takes account

of these factors and uses clear and transparent criteria to measure disadvantage and low income. Funding is provided on these bases and, as the grant is based on subvention rates for qualifying parents, the funding must be used for the purpose for which it is provided.

To assist services to adjust to the new arrangements, the CCSS provides for transitional arrangements under which services have been guaranteed minimum funding levels based on their EOCP grant amount in 2007. In 2008, services received at least, 95% of their 2007 funding level. In 2009, they received at least 85% of their 2007 level. In 2010, the transitional rate will reduce to 75% of their 2007 level.

The funding provided under the CCSS allows services to reduce full week childcare fees by €100 for disadvantaged parents who are in receipt of social welfare payments — (Band A) , by €70 for low income parents in receipt of Family Income Supplement (FIS) or FAS or VEC childcare supports — (Band B), and by €45 for working parents who hold either a GP Visit Card or a Medical Card — (Band C). Parents who avail of childcare services for less than 5 days a week or for part-time or sessional childcare, benefit from pro-rata reductions.

The CCSS is expected to cost approximately €58 million in 2009. The number of parents benefiting from subvention is approximately 19,200 of which 14,100 qualify under Band A; 3,000 qualify under Band B and 2,100 qualify under Band C.

#### **Health Service Staff.**

159. **Deputy James Reilly** asked the Minister for Health and Children the number of bonus payments awarded to the Health Service Executive staff in 2007; the cost of same; and if she will make a statement on the matter. [41216/09]

160. **Deputy James Reilly** asked the Minister for Health and Children the number of bonus payments awarded to Health Service Executive staff in 2005, 2006, 2007 and 2008; the cost of same; and if she will make a statement on the matter. [41217/09]

**Minister for Health and Children (Deputy Mary Harney):** I propose to take Questions Nos. 159 and 160 together.

The Performance Related Awards Scheme was introduced following a decision by the Government on the implementation of recommendations of the Review Body on Higher Remuneration in the Public Sector. The primary function of the Review Body is to advise the Government from time to time on the general levels of remuneration appropriate to certain public sector posts, including higher management grades in the health service not covered by the Public Sector Benchmarking Body process.

The level of awards made to individual senior managers in the HSE in 2005, 2006, 2007 is solely a matter for the HSE Board and my Department has, therefore, asked the HSE to reply directly to the Deputy. No bonus payments have been made to senior managers in the HSE in respect of 2008. At its meeting on 9th July, 2009, in response to a request from my Department, the Board of the Executive formally decided to suspend consideration of all performance related awards for 2008 in the HSE pending receipt of further guidelines from central government. All eligible employees were informed of that decision.

Since the payment of bonuses is related to performance in the preceding year, no such payments have been made in respect of 2009.



### Medical Cards.

161. **Deputy James Reilly** asked the Minister for Health and Children the number of people eligible for the full medical card, the general practitioner card, the long term illness scheme and the drugs payment scheme as at the end of October 2009; the 2009 financial allocation for same; the amount spent to date; and if she will make a statement on the matter. [41218/09]

163. **Deputy James Reilly** asked the Minister for Health and Children the number of persons eligible for the full medical card, the general practitioner card, the long term illness scheme and the drugs payment scheme per annum year since 2004 in tabular form; the number of persons provided for in 2009 estimates; the cost of same; and if she will make a statement on the matter. [41220/09]

**Minister for Health and Children (Deputy Mary Harney):** I propose to take Questions Nos. 161 and 163 together.

Details of the number of medical card holders and GP visit card holders are provided to my Department each month by the Health Service Executive (HSE). The figures are provided on a net basis, showing the balance after new cards have been issued and other cards, as appropriate, have been deleted from the Executive's database, e.g. following a review of a person's circumstances. The most recent figures provided by the Executive to my Department reflect the position on the 30th September 2009. The following table shows the number of medical card holders and GP visit card holders at the end of each of the last five years, and on 30th September 2009.

Year	Number of Medical Card Holders	Number of GP Visit Card Holders
31st December 2004	1,145,083	N/A
31st December 2005	1,155,727	5,080
31st December 2006	1,221,695	51,760
31st December 2007	1,276,178	75,589
31st December 2008	1,352,120	85,546
30th September 2009	1,448,741	94,381

In 2008, the HSE spent nearly €1.786 billion on the medical card and GP visit card schemes. The 2009 allocation is €1.888 billion. The actual expenditure by the HSE on the medical card and GP visit card schemes up to 30th September 2009 was €1.381 billion.

The following table shows the number of eligible persons and the number of claimants under the Long Term Illness and Drugs Payment Schemes at the end of each of the last five years.

Year	Long Term Illness — No. of eligible persons	Long Term Illness — No. of claimants	Long Term Illness Total Cost	Drugs Payment Scheme — No. of eligible persons	Drugs Payment Scheme — No. of claimants	Drugs Payment Scheme — Net Cost
			€			€
2004	93,504	50,526	85,551,000	1,469,251	499,664	223,959,000
2005	99,290	53,006	100,547,000	1,478,650	526,052	244,486,000
2006	106,307	53,082	115,461,000	1,525,657	597,835	283,108,000
2007	112,580	59,040	124,458,000	1,583,738	667,782	307,334,000
2008	120,407	62,934	137,899,000	1,624,413	687,587	311,898,000

Figures for the number of eligible persons up to October 2009 for the Drugs Payment Scheme and the Long Term Illness Scheme are not currently available and shall be forwarded directly to the Deputy from the Primary care Reimbursement Service of the HSE shortly. The HSE has budgeted €143m for 2009 for the Long Term Illness Scheme and €343m for the Drugs Payment Scheme. The latest figures available from the HSE show that the actual cost up to end of September 2009 for the Long Term Illness Scheme is €119m and €276m for the Drugs Payment Scheme. The latest HSE figures available up to the end of September 2009 show that the number of claims made under the Drugs Payment Scheme is 3,832,831 and that the number of claims made under the Long Term Illness Scheme is 681,553. The number of claims budgeted for 2009 is 6,252,629 for the Drugs Payment Scheme and 909,926 claims for the Long Term Illness Scheme.

162. **Deputy James Reilly** asked the Minister for Health and Children the average cost of a full medical card; how this figure is arrived at; and if she will make a statement on the matter. [41219/09]

**Minister for Health and Children (Deputy Mary Harney):** As I indicated in my reply to the Deputy regarding Parliamentary Question 21860/09, the Health Service Executive's (HSE) National Service Plan for 2009 gives the annual average cost of a medical card as €1,650 approximately. This figure does not take account of any reductions in professional fees and allowances introduced under the Financial Emergency Measures in the Public Interest Act 2009. My Department has asked the HSE to furnish it with an up-to-date figure in this regard and the basis for same and I will forward the information to the Deputy as soon as it becomes available.

*Question No. 163 answered with Question No. 161.*

164. **Deputy James Reilly** asked the Minister for Health and Children the income guidelines for medical card eligibility; and if she will make a statement on the matter. [41221/09]

**Minister for Health and Children (Deputy Mary Harney):** The full income guidelines as of 1st January 2009 that apply to applicants for a medical card or a GP visit card are set out in the following table.

Medical Card Income Thresholds for Applicants aged 70 & Over

(Effective from 01-01-2009)

		Medical Card Gross Weekly Rate 2009
		€
Single Person	Aged 70 or over	700.00
Married Couple or Persons Living Together as Husband and Wife	Aged 70 or over	1,400.00

[Deputy Mary Harney.]

## General Medical Card / GP Visit Card Income Thresholds 2009

	Medical Card Weekly Rate 01/01/2009	GP Visit Card Weekly Rate 01/01/2009
	€	€
<i>Single Person Living Alone</i>		
Aged up to 65 years	184.00	276.00
Aged 66 years and over	201.50	302.00
<i>Single Person Living with Family</i>		
Aged up to 65 years	164.00	246.00
Aged 66 years and over	173.50	260.00
<i>Married Couple or Persons Living Together as Husband and Wife / Single Parent Families with Dependent Children</i>		
Aged up to 65 years	266.50	400.00
Aged 66 years and over	298.00	447.00
<i>Allowances</i>		
Allowance for first 2 children under 16 years financially dependant on applicant	38.00	57.00
For 3rd and subsequent children under 16 years financially dependant on applicant	41.00	61.50
Allowance for first 2 children over 16 years financially dependant on applicant	39.00	58.50
For 3rd and subsequent children over 16 years financially dependant on applicant	42.50	64.00
For a dependant over 16 years in full-time education and not grant-aided	78.00	117.00

— Additional guideline allowances will be given for:

- Reasonable expenses incurred in respect of rent/mortgage payments;
- Reasonable expenses incurred in respect of childcare costs;
- Reasonable expenses incurred in travel to work.

— The assessment of eligibility for Medical Cards and GP Visit Cards will be based on the combined income of the applicant and spouse (if any) after tax and PRSI have been deducted.

— Applicants, whose weekly incomes are derived solely from Social Welfare or Health Service Executive allowances/payments, which are in excess of the Financial Guidelines (either at first application or on renewal), will be granted Medical Cards.

165. **Deputy James Reilly** asked the Minister for Health and Children if she will provide the details of the review for medical card eligibility; and if she will make a statement on the matter. [41222/09]

**Minister for Health and Children (Deputy Mary Harney):** My Department is currently reviewing the eligibility criteria for the assessment of medical cards in the context of financial and medical need in line with the commitment in *Towards 2016* to clarify entitlement to a medical card and having regard to the following:

- The policy objectives underpinning the medical card/GP visit card.
- Income assessment guidelines.
- The need or otherwise to retain some element of discretion in the new system.
- Maintaining/improving incentives to employment and avoiding benefit traps.
- The financial and operational implications for the HSE of any proposed changes to the existing system.
- Transitional arrangements in moving to any new system with particular reference to the implications for current card holders.
- The commitments in the Programme for Government.

A Steering Group has been established to carry out this work and is expected to report shortly.

166. **Deputy James Reilly** asked the Minister for Health and Children if a person who has been unemployed for a minimum of 12 months can retain their medical card for three years after commencing employment; the number of persons who can retain their medical card for three years after commencing employment; the cost of same; and if she will make a statement on the matter. [41223/09]

**Minister for Health and Children (Deputy Mary Harney):** Under the Health Service Executive's Medical Card / GP Visit Card National Assessment Guidelines for 2009, persons in receipt of either the Job Seekers Allowance or the Job Seekers Benefit for a period of 12 months or more are entitled to retain their medical card for 3 years on taking up employment. The other information sought by the Deputy is not provided by the HSE to my Department as a matter of routine. Accordingly, my Department has requested the Parliamentary Affairs Division of the Executive to arrange to have these matters addressed and to have a reply issued directly to the Deputy.

167. **Deputy James Reilly** asked the Minister for Health and Children her views on the findings of the Special Group on Public Service Numbers and Expenditure Programmes that the operation of the income guidelines under the medical card scheme is resulting in medical cards being granted on grounds that are not transparent, equitable and in many instances not based on medical need and affordability and that this is at odds with the original objectives of the scheme; and if she will make a statement on the matter. [41224/09]

**Minister for Health and Children (Deputy Mary Harney):** The Government announced, in its Statement on Transforming Public Services on 27 November 2008, that the Minister for Finance was establishing a Special Group on Public Service Numbers and Expenditure Programmes to examine the current expenditure programmes in each Government Department and to make recommendations for reducing public service numbers so as to ensure a return to sustainable public finances. The Group under the chairmanship of Mr. Colm McCarthy, published its report on 16th July 2009. Planned expenditure levels for my Department will be considered as part of the Estimates and budgetary process for 2010. This will include consideration of the report of the Special Group on Public Service Numbers and Expenditure Programmes, and the decisions on all of the issues arising will be a matter for the Government. It would not be appropriate for me to comment further at this stage pending the outcome of these deliberative processes.

### Drugs Payment Scheme.

168. **Deputy James Reilly** asked the Minister for Health and Children the changes to the threshold of the drugs payment scheme since 2005, including the date that announcement was made; the date that changes took affect; and if she will make a statement on the matter. [41226/09]

169. **Deputy James Reilly** asked the Minister for Health and Children her views on the Special Group on Public Service Numbers and Expenditure Programmes recommendation to change the drug payment scheme to a quarterly rather than a monthly payment threshold; and if she will make a statement on the matter. [41227/09]

**Minister for Health and Children (Deputy Mary Harney):** I propose to take Questions Nos. 168 and 169 together.

The increases to the Drugs Payment Scheme thresholds since 2005 are outlined in the table below. In each year the changes were notified to the Health Service Executive and the Irish Pharmacy Union. The Report of the Special Group on Public Service Numbers and Expenditure Programmes and its recommendations are being considered by all Government Departments in advance of the Budget. The Drugs Payment Scheme (DPS), with the other demand led schemes, are under ongoing review in the context of the need to obtain best value for money.

Year	Threshold	Effective from	S.I. no
	€		
2005	85	1/1/2005	S.I. 832 of 2004
2006	85		No change
2007	85		No change
2008	90	1/1/2008	S.I. 837 of 2007
2009	100	1/1/2009	S.I. 519 of 2008

### Hospital Charges.

170. **Deputy James Reilly** asked the Minister for Health and Children the amount owed to hospitals at the end of 2008; the amount owed by private health insurance companies for same; and if she will make a statement on the matter. [41228/09]

**Minister for Health and Children (Deputy Mary Harney):** I have referred the matter to the HSE for direct reply.

171. **Deputy James Reilly** asked the Minister for Health and Children the changes made to hospital accident and emergency charges since 2005, including the date that announcement was made; the date change took affect; the revenue gained per annum; and if she will make a statement on the matter. [41229/09]

172. **Deputy James Reilly** asked the Minister for Health and Children the changes made to the charge for private facilities in public hospitals since 2005, including the date that announcement was made; the date change took affect; the revenue gained from this per annum; and if she will make a statement on the matter. [41230/09]

**Minister for Health and Children (Deputy Mary Harney):** I propose to take Questions Nos. 171 and 172 together.

I have included the information for the Deputy in relation to any changes made to hospital accident and emergency charges and changes made to the charge for private facilities in public hospitals since 2005. In each case these changes were announced on Budget Day and took effect from the 1st of January of the following year. Information on income collected through statutory and private charges is not collected by my Department. The public voluntary hospitals would collect a significant proportion of the hospital charges, but this is not accounted for through Appropriations-in-Aid; rather, the hospitals are funded by the HSE on a net expenditure basis. I have asked the HSE to compile this information and reply directly to the Deputy.

	2005	2006	2007	2008	2009
	€	€	€	€	€
<i>1. Private Accommodation</i>					
Health Board Regional Hospitals, Voluntary & Joint Board Teaching Hospitals	501.00	551.00	689.00	758.00	910.00
Health Board County Hospitals, Voluntary Non-Teaching Hospitals	418.00	460.00	460.00	506.00	607.00
Health Board District Hospitals	179.00	197.00	197.00	217.00	260.00
<i>2. Semi-Private Accommodation</i>					
Health Board Regional Hospitals, Voluntary & Joint Board Teaching Hospitals	393.00	432.00	540.00	594.00	713.00
Health Board County Hospitals, Voluntary Non-Teaching Hospitals	336.00	370.00	370.00	407.00	488.00
Health Board District Hospitals	153.00	168.00	168.00	185.00	222.00
<i>3. Day Care</i>					
Health Board Regional Hospitals, Voluntary & Joint Board Teaching Hospitals	361.00	397.00	496.00	546.00	655.00
Health Board County Hospitals, Voluntary Non-Teaching Hospitals	299.00	329.00	329.00	362.00	434.00
Health Board District Hospitals	133.00	146.00	146.00	161.00	193.00
<i>4. Accident and Emergency</i>					
	55.00	60.00	60.00	66.00	100.00

### **Ambulance Service.**

173. **Deputy James Reilly** asked the Minister for Health and Children if she will provide details of the review of the ambulance services in the Dublin region, including the purpose of the review; when it will be completed; if the review will be published; and if she will make a statement on the matter. [41231/09]

**Minister for Health and Children (Deputy Mary Harney):** Emergency ambulance services in Dublin have been provided by Dublin Fire Brigade for many years on behalf of the Health Service Executive. It is important to ensure that all of our pre-hospital emergency services, including the service provided by the Dublin Fire Brigade, function as a high quality, integrated health service. The advice of the Health Information and Quality Authority on pre-hospital care issues will be a significant factor in determining how services should be organised so that they operate efficiently and that clinical governance, patient safety and quality standards are met.

The HSE and Dublin City Council are in discussion regarding a number of practical issues, including the nature and terms on which Dublin Fire Brigade provides emergency ambulance services in Dublin.

### Services for People with Disabilities.

174. **Deputy James Reilly** asked the Minister for Health and Children the number of community and voluntary agencies funded by the State at the end of 2008 in relation to disability and mental health; if she will provide a list of same; the amount given in 2008; and if she will make a statement on the matter. [41232/09]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** The State provides financial supports to numerous voluntary and community agencies concerned with disability and mental health services through a number of Government Departments and agencies including the Department of Health and Children and the Health Service Executive.

The details of funding made available by my Department to disability and mental health organisations from the National Lottery Fund in respect of 2008 are included below. My Department has requested the Parliamentary Affairs Division of the Health Service Executive to provide you with details of the funding it provided in 2008 to disability and mental health organisations.

#### 2008 National Lottery Funding — Disability Services

Organisation	Amount
Muscular Dystrophy Ireland, 71/72 North Brunswick Street, Dublin 7	9,300
EMBRACE, 4 Fairyville Lawn, The Lough, Cork	35,000
Ballyowen Meadows School, Beechpark, Stillorgan, Co. Dublin (cheque requested)	5,000
Down Syndrome Ireland, Citylink Business Park, Old Naas Road, Dublin 12	54,150
Freastogail Mhuire MXD National School Autism Unit, Killahan National School, Abbeydorney, Tralee, Co. Kerry	4,000
St. Paul's Special School, Beaumont Woods, Beaumont, Dublin 9	33,000
Irish Deaf Youth Association, 30 Blessington Street, Dublin 8	5,000
Irish Motor Neurone Disease Association, Coleraine House, Coleraine Street, Dublin 8	150,000
Suntower Gardens, c/o Scoil Mochua, Old Nangor Road, Clondalkin, Dublin 22	20,000
Irish Guide Dogs for the Blind, National Headquarters & Training Centre, Model Farm Road, Cork	100,000
Deaf Community Centre Ltd., 96A O'Connell Street, Limerick	8,090
Headway Ireland, 1/3 Manor Street, Business Park, Manor Street, Dublin 8	5,000
Riding for the Disabled Association, Raphoe & East Donegal, Alt Upper, Castlefin, Lifford, Co Donegal	15,000
Setanta Special School, Beechpark, Stillorgan, Co Dublin	10,000
Scoil Aonghusa Special School, Cahir Road, Cashel, Co Tipperary	50,000
Intro Art, Room 1, 4th Floor, 121-122 Capel Street, Dublin 1	3,000
Hope Project, St Joseph, Ballinabearna, Ballinhassig, Co Cork	2,500
Irish Progressive Association for Autism	15,000
St Aidans Day Care Centre	52,000
Tithe Cois Tra, Rathlackan, Carrowmorelacken, Ballina, Co Mayo	6,960
Nuerofibromatosis Association of Ireland, 5 St Laurence Grove, Chapelizod, Dublin 20	2,000
West Donegal Parents and Friends Assoc of the Mentally Handicapped, Lower Keadue, Burtonport, Co Donegal	30,678
Neurological Alliance of Ireland, Coleraine House, Coleraine Street, Dublin 7	1,500
The Children's Sunshine Home (C.S.H)	128,000

## 2008 National Lottery Funding — Mental Health Services

Organisation	Amount
CONSOLE, All Hallows College, Drumcondra, Dublin 9	100,000
Samaritans Ireland, P.O. Box 11218, Blackrock, Co Dublin	200,000
Tallaght Travellers Youth Service (TTYS), Unit 5 Brookfield Enterprise Centre, Brookfield, Tallaght, Dublin 24	20,000
Mental Health Ireland, Mensana House, 6 Adelaide Street, Dun Laoghaire, Co Dublin	80,000
Irish Association of Suicidology, 16 New Antrim Street, Castlebar, Co Mayo	12,000
Beacon of Light Counselling Centre, 4 Collinstown Grove, Neilstown, Clondalkin, Dublin 22	20,000
St. Michael's Family Life Centre, Church Hill, Sligo	20,000
Teen-Line Ireland	26,000
Cork Counselling Services, 7 Fr Matthew Street, Co Cork	105,000
Free Mental Health Campaign trading as FREE	6,000

### Disability Support Service.

175. **Deputy James Reilly** asked the Minister for Health and Children the details of the value for money policy review of disability services which is under way; when this review will be completed; and if she will make a statement on the matter. [41233/09]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** The Review of the Efficiency and Effectiveness of disability services in Ireland is being undertaken in the context of the Government's Value for Money and Policy Review Initiative 2009-2011. This in-depth review of disability services will assess how well current services for people with disabilities meet their objectives and support the future planning and development of services. The evaluation will focus on the current provision of disability services and explore the way forward for the development of services within a value for money and policy framework. The steering group is chaired by an independent chairperson, Mr. Laurence Crowley, and has two other independent members, as well as members drawn from the disability sector, the Department of Health and Children, the Department of Finance and the Health Service Executive. The review is due to report in September 2010. A structured consultation process with service users and service providers will be an integral part of the review, and submissions will be invited from the public in the near future. The objectives of the review are to examine disability services in Ireland funded by the HSE, including the statutory and non-statutory sectors; to deliver a comprehensive analysis of data in relation to services and service providers; and to deliver an implementation plan to address the findings and recommendations of the final report. A significant element of the project is a policy review which will define and describe the objectives of disability services going forward; consider the extent to which existing policies are consistent with delivery of those objectives; assess whether current policies and investments arising from those policies are sustainable in the context of the changing economic climate; and propose the policy changes, if any, that are needed to ensure that overall objectives are delivered.

The terms of reference for the review are to identify the objectives which have pertained to date for the disability services programme in the health sector; to examine the current validity of those objectives and their compatibility with the overall strategy of the Department of Health and Children, the National Disability Strategy and Towards 2016; to define the outputs associated with the programme activity and identify the level and trend of those outputs; to



[Deputy John Moloney.]

identify any issues with the availability of information regarding current outputs and outcomes; to examine the extent to which the programme's objectives have been achieved and comment on the effectiveness with which they have been achieved; to identify the level and trend of costs and staffing resources associated with the disability services and thereby comment on the efficiency with which it has achieved its objectives; to compare overall costs, including wage costs and non-pay costs, across the sector (both statutory and non-statutory); to examine, having regard to the range of providers of disability services, whether there is scope to minimise overheads, including administrative costs, management structures, research, advertising, profile-building and infrastructure costs; to evaluate the degree to which the objectives warrant the allocation of public funding on a current and ongoing basis and examine the scope for alternative policy or organisational approaches to achieving these objectives on a more efficient or effective basis; to specify potential future performance indicators that might be used to better monitor the performance of the disability services programme; and to produce a final robust report containing findings and recommendations in relation to the first nine terms of reference I have listed.

### **Health Service Staff.**

176. **Deputy James Reilly** asked the Minister for Health and Children her views on the Special Group on Public Service Numbers and Expenditure Programme recommendation that staff should be required to work the weekly basic contracted hours for their grade within the span of 8 a.m. to 8 p.m. on a five day over seven day basis; the estimated savings from same; and if she will make a statement on the matter. [41234/09]

**Minister for Health and Children (Deputy Mary Harney):** Consideration of the report of the Special Group on Public Service Numbers and Expenditure Programmes, and decisions on all of issues arising, are ultimately matters for the Government. The recommendations contained in the report are being considered as part of the Estimates and budgetary process for 2010. The Deputy will be aware that talks have taken place at a national level with the trade unions, including those representing health sector employees, about the range of options available to achieve an overall reduction of €1.3 billion in public sector pay in 2010. The Government is seeking significant reforms in the way the public sector does its business. In the health sector, this would include extending the span of the working day. It would not be appropriate for me to comment further at this stage, pending the outcome of these deliberative processes.

### **Medical Cards.**

177. **Deputy Bernard J. Durkan** asked the Minister for Health and Children when a European health card will issue to a person (details supplied) in County Kildare; and if she will make a statement on the matter. [41247/09]

**Minister for Health and Children (Deputy Mary Harney):** As this is a service matter, it has been referred to the HSE for direct reply.

### **Mental Health Services.**

178. **Deputy Bernard J. Durkan** asked the Minister for Health and Children if a person (details supplied) in County Kildare will be offered psychiatric services at St. John of God Brothers, Stillorgan, County Dublin or St. Patrick's or St. Emmets in Lucan, County Dublin; and if she will make a statement on the matter. [41248/09]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** As this is a service matter, the question has been referred to the HSE for direct reply.

### Medical Cards.

179. **Deputy Bernard J. Durkan** asked the Minister for Health and Children when a medical card will issue to a person (details supplied) in County Kildare; and if she will make a statement on the matter. [41249/09]

**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.

### Road Network.

180. **Deputy Fergus O'Dowd** asked the Minister for Transport the amount of Exchequer funding transferred to the National Roads Authority since 1997 to date in 2009 for current and capital spending purposes; and if he will make a statement on the matter. [41087/09]

**Minister for Transport (Deputy Noel Dempsey):** The funding provided to the NRA by the Exchequer in relation to capital and current expenditure on the national road network for the period 1997 to 2009 is as follows:

	Capital Expenditure	Current Expenditure	Total
	€	€	€
1997	294,427,000	36,210,000	330,637,000
1998	334,393,000	30,991,000	366,196,000
1999	500,162,000	31,803,000	531,153,000
2000	622,171,000	34,410,000	656,581,000
2001	908,238,000	50,790,000	959,028,000
2002	1,083,499,000	51,942,000	1,135,441,000
2003	1,169,424,000	53,396,000	1,222,820,000
2004	1,178,959,000	51,328,000	1,230,287,000
2005	1,263,770,000	53,394,000	1,317,164,000
2006	1,582,500,000	55,064,000	1,637,564,000
2007	1,712,706,000	55,097,000	1,767,803,000
2008	1,599,577,000	58,210,000	1,657,787,000
2009*	1,438,900,000	44,255,000	1,483,155,000
Total	113,688,726,000	606,890,000	14,295,616,000

\*Allocation.

### School Transport.

181. **Deputy Phil Hogan** asked the Minister for Transport if he will confirm receipt of correspondence from South Dublin County Council requesting funding for a pilot school transport project as part of action 14, chapter 5, of Smarter Travel A Sustainable Transport Future; and if he will make a statement on the matter. [41095/09]

**Minister for Transport (Deputy Noel Dempsey):** No specific submission from South Dublin County Council requesting funding under Action 14 in Smarter Travel has been received by my Department. This year, I announced two funds to support exemplary projects under the

[Deputy Noel Dempsey.]

new Smarter Travel policy. One related to demonstration projects and the other to demonstration areas. South Dublin County Council made submissions under both funds but neither is specifically related to a pilot school transport project. Some 123 applications were received for demonstration project funding. I expect a decision on these to be made soon. The first stage of a competition to select exemplary schemes under the demonstration area fund is in progress. Submissions were received last week and a number of applications will be short listed before the end of the year. These will then proceed to a stage 2 process before the final successful schemes are selected.

**Road Traffic Offences.**

182. **Deputy Richard Bruton** asked the Minister for Transport his plans to introduce measures which will require all traffic fines to be sent out by registered post; and if he will make a statement on the matter. [41132/09]

**Minister for Transport (Deputy Noel Dempsey):** I presume the Deputy is referring to fixed charge notices associated with road traffic offences.

Road traffic legislation already provides for the option of issuing fixed charge notices by post.

The Road Traffic Bill 2009, which was published on 30 October, includes a provision for the presumption, unless the contrary is shown, that the relevant fixed charge notice has being served by post where there is proof of posting or delivery of the notice. Section 34 provides that, in any proceedings in respect of a fixed charge offence, a document purporting to be a certificate or receipt of posting or delivery issued by An Post or another postal service is admissible in evidence as proof of posting or delivery until the contrary is shown.

I have no plans to provide for the issuing of fixed charge notices by registered post.

**Prison Committals.**

183. **Deputy Charles Flanagan** asked the Minister for Justice, Equality and Law Reform the number of persons imprisoned for non-payment of a civil debt or fine in the first quarter, second quarter, third quarter and fourth quarter of 2008 and the first quarter, second quarter, and third quarter of 2009 Central Statistics Office’s timeframes; and if he will make a statement on the matter. [41093/09]

**Minister for Transport (Deputy Noel Dempsey):** It is not possible to provide figures to the Deputy as requested as this would require the manual examination of records going back over a considerable time period. Such an examination would require a disproportionate and inordinate amount of staff time and effort and could not be justified in current circumstances where there are other significant demands on resources.

A breakdown of the number of persons committed to prison solely for non-payment of fines or civil debt offences for each of the years 2008 and 2009 is set out in the following table.

Year	Number of persons (Civil Debt)	Number of persons (Fines)
2008	276	2,154
2009*	186	1,897

\*The figure for 2009 is for the first six months of the year. The up to date figure is being calculated and will be forwarded to the Deputy shortly.

I can advise the Deputy that the number of such persons held in custody at any one time is a tiny fraction of the overall prisoner population. To illustrate this point, on 11 November, 2009 approximately 0.4 percent of the numbers in prison custody that day fell into the fines category. On the same day there were no persons in prison for custody for non-payment of a civil debt.

#### **Crime Levels.**

184. **Deputy Charles Flanagan** asked the Minister for Justice, Equality and Law Reform the number of persons prosecuted and convicted under Section 11 of the Non-Fatal Offences against the Person Act 1997 in each of the years 2007, 2008 and to date in 2009; and if he will make a statement on the matter. [41094/09]

**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 am informed that the specific information requested by the Deputy is not available from the CSO.

#### **Work Permits.**

185. **Deputy Jack Wall** asked the Minister for Justice, Equality and Law Reform further to Parliamentary Question No. 188 of 3 November 2009, if the application will be reinvestigated in respect of a person (details supplied) in County Kildare; and if he will make a statement on the matter. [41102/09]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** As the Deputy will be aware a new policy was implemented recently whereby foreign nationals who had worked for 5 consecutive years with employment permits and who had kept their immigration permission up to date and met certain other conditions, were to be granted Stamp 4 immigration permission. A certain tolerance was built into the system to cater for gaps in immigration registration. The permitted gaps were to the effect that no gap in registration could be longer than 3 months and the total over 5 years could not exceed 6 months. Cases that did not meet these requirements are not eligible for the concession outlined under the new policy. It should be noted that the concession is entirely ex-gratia and also that foreign nationals have a responsibility to keep their registration up to date.

For persons who do not qualify for the concession, either because they have less than 5 years of employment permits or because their registration gaps exceed that permitted, the general provision for redundant workers apply. These provisions, which have been considerably enhanced, allow for such persons to receive a 6 month grace period with immigration Stamp 1 within which they can seek other employment.

There is nothing to prevent a foreign national who does not qualify for the new concession to make an application to my Department (via the General Immigration Division of the Irish Naturalisation and Immigration Service) to remain in the State on some other basis.

#### **Proposed Legislation.**

186. **Deputy Thomas P. Broughan** asked the Minister for Justice, Equality and Law Reform his plans to introduce legislation to create a central registrar of wills similar to the one that exists in the UK; and if he will make a statement on the matter. [41194/09]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** The position is that the views of the Law Society on the desirability of establishing a registration of wills system were sought in 2005. The Society's Probate, Administration and Trusts Committee subsequently informed my Department that it did not favour the establishment of such a system for a number of reasons. Firstly, since registration would be voluntary, there might be very limited demand for and usage of such a service. Secondly, even if a will was registered, such registration would not in itself guarantee the validity of the will if the statutory requirements in relation to signature, witnesses etc. had not been complied with, or if the will had been made under conditions of duress or undue influence. Moreover, there could be no guarantee that a registered will was in fact the final will of the testator concerned.

In light of the Law Society's views, I consider that any initiative to establish a system for registering wills without the full support and involvement of the legal profession would not be successful.

187. **Deputy Thomas P. Broughan** asked the Minister for Justice, Equality and Law Reform his views on the introduction of a new dedicated official registrar of deeds of property to ensure that the transfer of deeds held by solicitors and financial institutions are tracked when a mortgage is paid off; and if he will make a statement on the matter. [41195/09]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** I can inform the Deputy that one of the principal functions of the Property Registration Authority, which has been established under the Registration of Deeds and Title Act 2006, is to manage and control the Registry of Deeds and the Land Registry.

In the case of registered land, ownership of the land is recorded in registers in the Land Registry and property deeds are retained in the Registry. Earlier this year, the Property Registration Authority launched an electronic system to register the discharge of mortgages in respect of registered land. This system is more secure than the previous paper-based system and has reduced costs and speeded up the discharge process.

In the case of unregistered land, details of transactions involving the land may be recorded in the Registry of Deeds but the owner retains the title deeds as proof of ownership. Where unregistered land is mortgaged, the title deeds are generally retained by the relevant financial institution for the duration of the mortgage. On redemption of the mortgage, the title deeds are returned to the owner who retains them as proof of ownership of the land.

It is possible for the owners of unregistered land to register the title to the property in the Land Registry. This procedure is known as a voluntary first registration. Ownership of the land will then be recorded in the Land Registry's registers and the property deeds will be retained in the Registry.

### **Asylum Applications.**

188. **Deputy Bernard J. Durkan** asked the Minister for Justice, Equality and Law Reform the position regarding the residency status in the case of a person (details supplied) in County Kildare; and if he will make a statement on the matter. [41246/09]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** The person concerned applied for asylum on 26 May 2006. In accordance with Section 9 of the Refugee Act 1996 (as amended), the person concerned was entitled to remain in the State until his application for asylum was decided. His asylum application was refused following consideration of

his case by the Office of the Refugee Applications Commissioner and, on appeal, the Refugee Appeals Tribunal.

Arising from the refusal of his asylum application, and in accordance with the provisions of Section 3 of the Immigration Act 1999 (as amended), the person concerned was notified, by letter dated 15 January 2009, that the Minister proposed to make a Deportation Order in respect of him. He was given the options, to be exercised within 15 working days, of leaving the State voluntarily, of consenting to the making of a Deportation Order or of making representations to the Minister setting out the reasons why a Deportation Order should not be made against him. In addition, he was notified of his entitlement to apply for Subsidiary Protection in the State in accordance with the European Communities (Eligibility for Protection) Regulations 2006 (S.I. No. 518 of 2006).

The person concerned submitted an application for Subsidiary Protection in the State in accordance with these Regulations and this application is under consideration at present. When consideration of this application has been completed, the person concerned will be notified in writing of the outcome.

In the event that the application for Subsidiary Protection is refused, the position in the State of the person concerned will then be decided by reference to the provisions of Section 3 (6) of the Immigration Act 1999 (as amended) and Section 5 of the Refugee Act 1996 (as amended) on the prohibition of refoulement. All representations submitted will be considered before the file is passed to me for decision. Once a decision has been made, this decision and the consequences of the decision will be conveyed in writing to the person concerned.

#### **Security of the Elderly.**

189. **Deputy Terence Flanagan** asked the Minister for Community, Rural and Gaeltacht Affairs if he will support the case of a person (details supplied) in Dublin 5; and if he will make a statement on the matter. [41085/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** The Scheme of Community Support for Older People supports qualifying older people, aged 65 and older, by providing funding towards the cost of purchasing and installing monitored personal alarms, monitored smoke/carbon-monoxide detectors and other ancillary items of security equipment. Applications for assistance under the Scheme can only be submitted through an individual applicant's local community or voluntary organisation.

My Department has contacted the relevant local community group administering the Scheme in that area and the group has undertaken to make contact with the person in question with a view to submitting an application for support on their behalf.

#### **Departmental Funding.**

190. **Deputy Brian O'Shea** asked the Minister for Community, Rural and Gaeltacht Affairs further to Parliamentary Question No. 795 of 3 November 2009, if funding will be provided for the provision of country walks in the 2010 Estimates of his Department; and if he will make a statement on the matter. [41191/09]

**Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív):** My Department is committed to the development and enhancement of walking trails in Ireland and supporting the objectives outlined in the Comhairle Na Tuaithe National Countryside Recreation Strategy. It is my intention to seek to continue to provide funding for the Walks Scheme in

[Deputy Éamon Ó Cuív.]

2010, particularly given the economic benefits accruing from the increasing number of walkers visiting Ireland. A significant Fáilte Ireland statistic to emerge in respect of 2008 is the engagement of in excess of a half million overseas visitors in hiking/cross country activities generating an estimate of €364 million in revenue.

The Deputy will appreciate that work on the preparation of the 2010 Estimates is ongoing and final decisions regarding the specific funding has yet to be agreed.

### **Security of the Elderly.**

191. **Deputy Frank Feighan** asked the Minister for Community, Rural and Gaeltacht Affairs the position regarding elderly persons who need pendant alarms in view of the fact that the relevant scheme is closed; if they will have to wait until 2010 to send in their application; if there is a facility for cases to be expedited. [41240/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy John Curran):** Applications for support continue to be accepted by my Department under the Scheme of Community Support for Older People. In order to ensure an equitable distribution of available funds and allow for the installation of equipment before Christmas, Groups were encouraged to submit applications to the Department by 21st October 2009. Applications received after this date will continue to be processed subject to the availability of funds in 2009.

My Department continues to work with local community and voluntary organisations to ensure that equipment will be provided to those persons most in need as expeditiously as possible.

### **Social Insurance.**

192. **Deputy Richard Bruton** asked the Minister for Social and Family Affairs the amount of revenue that would be collected from the removal of the employee's PRSI threshold of €127 per week; the amount of revenue that would be collected from the removal of the employee's PRSI ceiling; the amount of revenue that would be collected from a 1% increase in the 10.75% rate of employer's PRSI; the amount of revenue that would be collected from a 1% increase in the 8.5% rate of employer's PRSI; and if she will make a statement on the matter. [41170/09]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** The most recent estimates indicate that:

- The abolition of the €127 PRSI-Free Allowance for Class A contributors would yield some €350 million additional contribution income in a full year.
- An increase of 1% in the employers PRSI rate for Class A contributors is estimated to yield some €482 million additional contribution income in a full year.
- The abolition of the PRSI ceiling would yield some €119.5 million additional contribution income in a full year.

193. **Deputy Leo Varadkar** asked the Minister for Social and Family Affairs the estimated cost of extending PRSI benefits available to class A contributors to PRSI contributors at all classes; and if she will make a statement on the matter. [41189/09]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** Workers are insured under the Social Welfare Acts as either employed or self-employed contributors. All workers, both employed and self-employed, are obliged to pay PRSI contributions as a percentage of their personal reckonable income.

PRSI Class A is the standard class paid by the majority of employees. In addition to Class A there are a range of other classes for different categories of workers. A system of separate arrangements for different groups of workers within a social insurance context is common in other European social protection systems. The range of benefits and pensions to which different groups of workers may establish entitlement reflects the risks associated with the nature of their work. This in turn reflects the rate of contribution payable. For example, self-employed persons aged between 16 and 66 years are liable for PRSI at the Class S rate of 3% and are consequently eligible for a narrower range of benefits than general employees who, together with their employers, pay a total social insurance contribution of 14.05%, excluding levies, under the full-rate PRSI Class A.

Extending Class A coverage to all other contributors would necessarily involve increasing the numbers of recipients across a range of schemes. As those currently not paying Class A have a narrower range of social welfare entitlement, such persons may not, in general, claim a range of benefits, such as Illness Benefit, Occupational Injury Benefit, Invalidity Pension or Jobseeker's Benefit. Accordingly, relevant information as to incidence of such contingencies among those with a narrower range of entitlement is not available. In these circumstances, it is not possible to estimate the cost of extending full Class A coverage to these groups.

194. **Deputy Leo Varadkar** asked the Minister for Social and Family Affairs the number of persons paying PRSI according to class; and if she will make a statement on the matter.  
[41190/09]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** The following table provides data on the total number of contributors to the Social Insurance Fund together with a breakdown of this figure by PRSI Class type. The figures for 2007 represent the most recent end-of-year returns received by the Department from the Office of the Revenue Commissioners for both employees and self-employed contributors. A breakdown of the 2008 figures will be published in the "Statistical Information on Social Welfare Services 2009" report next year.

PRSI Class	Coverage	Numbers of contributors insured — 2007		
		Male	Female	Total
A	All benefits.	1,245,686	1,147,992	2,393,678
B	Widow's/Widower's (Contributory) Pension, Guardian's Payment (Contributory), Bereavement Grant, Carer's Benefit & limited Occupational Injuries Benefits.	17,053	12,161	29,214
C	Widow's/Widower's (Contributory) Pension, Guardian's Payment (Contributory), Bereavement Grant & Carer's Benefit. Widow's/Widower's (Contributory) Pension, Guardian's Payment (Contributory), Bereavement Grant, Carer's Benefit & Occupational Injuries Benefits.	817	129	946



[Deputy Mary Hanafin.]

PRSI Class	Coverage	Numbers of contributors insured — 2007		
		Male	Female	Total
D	Widow's/Widower's (Contributory) Pension, Guardian's Payment (Contributory), Bereavement Grant, Carer's Benefit & Occupational Injuries Benefits.	36,692	46,021	82,7131
E	All benefits except Jobseeker's Benefit, Bereavement Grant & Occupational Injuries Benefits.	131	29	160
H	All benefits on discharge. Treatment Benefit, Bereavement Grant, Carer's Benefit & Widow's/Widower's (Contributory) Pension (in certain cases) during service.	7,914	416	8,330
J	Occupational Injuries Benefits.	14,436	16,065	30,501
K	None. Class K consists of Health Levy.	24,890	9,636	34,526
M	Occupational Injuries Benefits in certain circumstances.	102,731	71,004	173,735
P	Treatment Benefit & limited Jobseeker's and Illness Benefit.	14	—	14
S	Widow's/Widower's (Contributory) Pension, Guardian's Payment (Contributory), State Pension (Contributory), Bereavement Grant, Maternity Benefit & Adoptive Benefit.	265,357	70,467	335,824
Voluntary Contributors	High rate: State Pension (Transition) + (Contributory), Widow's/Widower's (Contributory) Pension, Guardian's Payment & Bereavement Grant. Low rate: Widow's/Widower's (Contributory) Pension, Guardian's Payment (Contributory) & Bereavement Grant.	1,174	740	1,914
	Total	1,716,895	1,374,660	3,091,555

### Social Welfare Benefits.

195. **Deputy Joe Carey** asked the Minister for Social and Family Affairs the average waiting time for means assessment for jobseeker's allowance, carer's allowance, non-contributory State pension, widow's and widower's non-contributory State pension and disability allowance for the mid-west region for the years 2007, 2008 and to date in 2009; the resources that have been put in place in 2009 to enhance the service for 2009 and 2010; and if she will make a statement on the matter. [41193/09]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** The statistics requested by the Deputy are not readily available in the format he requires. I do not propose to divert staff and resources to compile them.

196. **Deputy Michael Ring** asked the Minister for Social and Family Affairs when a person (details supplied) in County Mayo will be awarded farm assist. [41205/09]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** The person concerned has been awarded a farm assist payment from 26 October 2009 at the weekly rate of €339.90. A payment of €853.10 covering the period from 26 October 2009 to 10 November 2009 will issue to him today.

### **Social Welfare Code.**

197. **Deputy John McGuinness** asked the Minister for Social and Family Affairs her views on the payment of benefit to parents who have separated and have joint custody of their children; if the payment of benefit should be split between both parents; the reason benefit is paid to one parent only; and if she will make a statement on the matter. [41241/09]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** Child benefit (CB) is a tax free non means tested benefit paid monthly in respect of all children up to the age 16 years and in respect of children over 16 years of age up to their 18th birthday who are in full time education or have a disability. Child Benefit assists parents in the cost associated with raising children and it contributes towards alleviating child poverty.

Under the provisions of the Social Welfare (Consolidation) Act 2005, Child Benefit is payable to the person with whom a qualified child normally resides. The needs of the children, however, are the priority consideration in the operation of the current child benefit arrangements. The regulations governing normal residence for Child Benefit purposes, provides that a child who is resident with both parents shall be regarded as being normally resident with the mother. Consequently the benefit is normally paid to the mother rather than the father. Where there is joint equal custody, the child benefit is paid to the child's mother. The scheme does not provide for the splitting of the payment between parties in joint custody cases.

Where there are shared responsibilities for children between separated parties, there can be a wide variety of such arrangements. A substantial change in the current arrangements is likely to give rise to a range of issues which would add considerably to the complexity in the administration of the Child Benefit scheme. The current policy of paying the benefit to the mother on the basis that it is in the interest of the child has received explicit or implicit support from a number of sources such as the Commission on the Status of Women Report (1972) and the Economic and Social Research Institute's publication entitled "Income Distribution within Irish households" (1994). Nonetheless, I am aware of the need to keep this approach under review in the light of equality legislation, significant social changes and changing family demographics.

### **Social Welfare Appeals.**

198. **Deputy Bernard J. Durkan** asked the Minister for Social and Family Affairs when invalidity appeal will be heard in the case of a person (details supplied) in County Kildare; and if she will make a statement on the matter. [41251/09]

**Minister for Social and Family Affairs (Deputy Mary Hanafin):** I am advised by the Social Welfare Appeals Office that, in accordance with statutory requirements, the Department was asked for the documentation in the case and the Deciding Officer's comments on the grounds of the appeal. In that context, an examination by another Medical Assessor will be carried out. The person concerned will be notified when arrangements for the examination have been completed. The Social Welfare Appeals Office is an office of the Department that is independently responsible for determining appeals against decisions on social welfare entitlements.

### **National Parks.**

199. **Deputy Phil Hogan** asked the Minister for the Environment, Heritage and Local Government when a formal decision and statutory recommendation to the relevant local authorities is expected to be made with respect to his proposal to extend the Liffey Valley special area amenity order; and if he will make a statement on the matter. [41096/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** I refer to the reply to Question No. 997 on 6 October 2009. My Department is finalising its consideration of the relevant issues and I will shortly decide whether to give a direction under section 202(2) of the Act regarding the making of a further special amenity area order or orders.

### **Water and Sewerage Schemes.**

200. **Deputy Martin Ferris** asked the Minister for the Environment, Heritage and Local Government if priority will be given to the Listowel main drainage scheme, County Kerry, in the upcoming water services assessment of needs in view of the scale of problems the town has been suffering due to the age of the existing system; and if he will make a statement on the matter. [41112/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** The Listowel Sewerage Scheme (Nutrient Reduction) is included in my Department's Water Services Investment Programme 2007 — 2009 at an estimated cost of €0.2 million. Kerry County Council's Preliminary Report for the scheme is under examination in my Department. Local authorities were asked in July to submit an assessment of needs for water and sewerage services to my Department by 23 October last. My Department has commenced consideration of these assessments, which will form a key input to the development of the 2010 to 2012 Water Services Investment Programme. In conducting their assessments, local authorities were asked to prioritise schemes and contracts for progression over the coming years based on key environmental and economic criteria. It is anticipated that the Water Services Investment Programme 2010 to 2012 will be published in early 2010.

### **Waste Management.**

201. **Deputy Brian O'Shea** asked the Minister for the Environment, Heritage and Local Government further to Parliamentary Question No. 946 of 3 November 2009, if he will make provision in the 2010 Estimates for funding towards cleaning up a site in County Waterford; and if he will make a statement on the matter. [41145/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** As the site in question is not a closed, licensed, local authority operated landfill it is not eligible for grant assistance within the terms of the Landfill Remediation Grant Scheme operated by my Department. Therefore my Department is unable to provide funding in this case. The appropriate means by which to achieve the regularisation the site is a matter for Waterford County Council.

### **Planning Issues.**

202. **Deputy Ruairí Quinn** asked the Minister for the Environment, Heritage and Local Government if he will amend the planning and development regulations to give an applicant a right to make a submission by way of reply to a submission or observation which is received

at or towards the end of the statutory period for submissions or observations; and if he will make a statement on the matter. [41185/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** It is my Department's view that the Planning and Development Regulations 2001, as amended, currently allow an applicant to make a further submission or comment in relation to his/her planning application. My Department's Development Management Guidelines for Planning Authorities (June 2007), note, however, that if any such further information received departs substantially from the application as originally lodged, it would require re-publication by the applicant. The interpretation of the Regulations would of course ultimately be a matter for the courts in any case that came before them.

### **Water Quality.**

203. **Deputy Michael Ring** asked the Minister for the Environment, Heritage and Local Government if an appropriate assessment is required for waste water discharges by local authorities that discharge directly into marine and freshwater special areas of conservation designated under the Habitats Directive as transposed into law here by the European Communities (Natural Habitats) Regulations; the national competent or consent authority charged with drawing up such assessments; the bodies, institutions or authorities which were consulted in the process of drawing up the requirements for the assessments; the average cost and length of time for carrying out such an assessment; if the assessment template was submitted to the Directorate General for the Environment in the European Commission for prior approval; if final agreement or signing off by the National Parks and Wildlife Service was required before the assessment template was submitted to DG Environment for approval; the breakdown of assessments that finished at the screening stage compared with those which went on to have a full assessment; the role the competent authority have in collecting the baseline data against which projects are assessed; and if he will make a statement on the matter. [41186/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** It is a matter for the appropriate consent authority to ensure that any development or activity that could have a significant impact on a Natura 2000 site is granted such consent in compliance with the provisions of the Birds and Habitats Directives, as transposed into Irish law in the European Communities (Natural Habitats) Regulations.

Waste water treatment plants are generally subject to planning consent from An Bord Pleanála and to licence from the EPA. As Minister for the Environment, Heritage and Local Government, I am a statutory consultee in such applications and my Department provides scientific advice to the relevant consent authority in such matters. It is for the consent authority to undertake screening for appropriate assessment and, if required, to make an appropriate assessment of such applications, based on information made available to it by the applicant and third parties. As such, my Department does not have information on the average length of time or cost of such assessments or the number of applications that were screened for appropriate assessment or appropriately assessed.

It is a matter for the consent authority to decide whether sufficient data has been made available for it to come to a conclusion regarding an appropriate assessment. In some cases relevant data will be available from my Department and in others the consent authority may require the applicant to collect and provide further data.

[Deputy John Gormley.]

Guidance for consent authorities to meet their legal requirements in regard to appropriate assessment has been made available by the European Commission and by my Department. In September 2008 my Department issued guidance to local authorities to assist them in meeting their legal obligations in this regard in their delivery of the Water Services Investment and Rural Water Programmes. This guidance was not specifically discussed with the European Commission.

### **Special Areas of Conservation.**

204. **Deputy Frank Feighan** asked the Minister for the Environment, Heritage and Local Government if the €500 million that was secured from the EU as package for the cessation of turf cutting is still available following discussions by members of a committee (details supplied) and his Department officials. [41237/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** No specific funding has been made available by the European Union to implement a cessation of turf cutting in Raised Bog Special Areas of Conservation. Funding has been made available by the EU, within the framework of the Rural Development Programme 2007 — 2013, for the protection of Special Areas of Conservation and Special Protection Areas. Such funding is administered and disbursed by the Department of Agriculture, Fisheries and Food.

205. **Deputy Frank Feighan** asked the Minister for the Environment, Heritage and Local Government the way a figure of 35% loss of bog land has occurred in the past ten years in view of the fact that less than 1% would be caused by domestic turf cutters; if he will investigate if they are being deprived by some activities caused by others. [41238/09]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** Ireland has designated 55 Special Areas of Conservation and 75 Natural Heritage Areas for the protection of raised bog habitat. These sites include areas of active raised bog, which is a priority habitat under the Habitats Directive. Active raised bog is the area of the bog on which the indigenous flora are still growing and where peat is being actively formed. Ireland is required and has undertaken to protect the raised bog and active raised bog habitat within these designated areas and to restore the sites to favourable conservation status.

Some 90% of the remaining uncut bog in protected areas is no longer active, i.e. is no longer forming peat, due to drying out from drainage associated with turf cutting. These drying out effects reach far into the bog and as the bog gets smaller the effects on the remaining areas of active bog increase rapidly. If the turf-cutting activity continues, ultimately all the active bog will disappear. It is incorrect therefore to assume that a 1% loss of the area of raised bog through turf cutting results in a 1% loss of active raised bog.

The proportion of active raised bog habitat lost in these sites over ten years has been in the region of 35% — and this has been mainly due to domestic turf cutting and associated drainage.

### **Fisheries Protection.**

206. **Deputy Brian O'Shea** asked the Minister for Communications, Energy and Natural Resources the position regarding the recovery of salmon stocks on the river Suir; and if he will make a statement on the matter. [41117/09]

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy Conor Lenihan):** The Standing Scientific Committee in their Report on the Status of Irish Salmon Stocks in 2008 and Precautionary Catch Advice for 2009 advised that stocks of salmon in the River Suir were below conservation limits. It is calculated that in 2007 the river Suir (including Clodiagh and Lingaun waters) was meeting 71% of its conservation limit, in 2008 79% and in 2009 it reached 85%. In order to permit a harvest of fish, the stock has to be shown to exceed the required number of spawners arriving into the river. The excess over 100% is determined as surplus and determines the total allowable catch. Accordingly, based on the management advice, angling on a catch-and-release basis only was permitted on the waters of the river Suir during the 2007 — 2009 seasons. This reflected the status of the stocks of the river.

The Southern Regional Fisheries Board and the Marine Institute continue to monitor the stocks in the River Suir with a view to identifying the extent of the recovery, if any, arising from the cessation of the harvesting of salmon and any stock rehabilitation works undertaken.

As I outlined in my reply to the Deputy's previous questions, if, in the future, stocks recover on the River Suir to the extent that there is a harvestable surplus of salmon, it should be possible to allow fishing to resume, subject to quota restrictions as necessary.

I currently await scientific and management advice for the 2010 season. Following receipt of this I will publish the draft Wild Salmon and Sea Trout Tagging Regulations for public consultation.

#### **Grant Payments.**

207. **Deputy Michael Creed** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Cork will receive payment under REP scheme four; and if he will make a statement on the matter. [41091/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** REPS 4 is a measure under the current Rural Development Programme 2007–2013 and is subject to EU Regulations which require detailed administrative checks on all applications, including plan checks, to be completed before the first 2009 payments issue.

Processing of applications, including the application from the person named, has commenced to facilitate the release of payments at the earliest possible date.

208. **Deputy Edward O'Keefe** asked the Minister for Agriculture, Fisheries and Food when the single farm payment will issue to a person (details supplied) in County Cork in view of the fact that they were recently inspected and informed that payment will issue. [41098/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** An application under the Single Payment Scheme was received from the person named on the 14 May 2009. This application was selected for and was the subject of a ground eligibility and full cross-compliance inspection.

The inspection is completed and the application has now been fully processed. The 70% advance payment under the Single Payment Scheme will issue this week.

209. **Deputy Edward O'Keefe** asked the Minister for Agriculture, Fisheries and Food when single farm payment will issue to a person (details supplied) in County Cork. [41099/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** An application under the Single Payment Scheme was received from the person named on 14 May 2009. This appli-

[Deputy Brendan Smith.]

cation was selected for and was the subject of a ground eligibility inspection. The inspection is completed and the application has now been fully processed. The 70% advance payment under the Single Payment Scheme will issue this week.

210. **Deputy Edward O’Keeffe** asked the Minister for Agriculture, Fisheries and Food when payment of the single farm payment will be issue to a person (details supplied) in County Cork. [41125/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The person named is not the registered owner of the herd-number quoted. An application was received on 15 May 2009 requesting the transfer of 34.63 standard Single Payment entitlements by way of inheritance from the father to the mother of the person named. The normal testamentary documentation was requested and subsequently received and the transfer was processed on 9 October 2009. The application has now been fully processed and payment will issue to the person named in coming days.

#### **Aquaculture Development.**

211. **Deputy Jimmy Deenihan** asked the Minister for Agriculture, Fisheries and Food when the operational programmes for fishing will commence in order to allow funding for the aquaculture sector; and if he will make a statement on the matter. [41142/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The delay in the launch of the National Seafood Development Operational Programme 2007-2013 arose as a result of concerns raised, by both the Department of Environment, Heritage and Local Government and the Department of Communications, Energy and Natural Resources on behalf of the Central Fisheries Board, during the public consultation process. The concerns related to the grant aiding of projects where environmental issues had been identified regarding compliance with the EU Birds and Habitats Directives and sea lice control on salmon farms. Pending resolution of these issues, the National Seafood Development Operational Programme has not yet been adopted.

In an effort to ensure support and assistance for the continued development of aquaculture sector and the employment that aquaculture projects support, my officials entered into discussion with the European Commission who agreed to the continuation of grant aid under the previous Operational Programme 2000 -2006 until 30 June 2009. As a result of these discussions a provision of €5m was made available for aquaculture development in the Agriculture Vote for 2009 and I approved the spending of €4.5m of this for aquaculture projects in both the Border, Midlands and Western and the Southern and Eastern regions.

In order to ensure continued funding of the sector my Department is in close liaison with the Department of Environment, Heritage and Local Government, Department of Communications, Energy and Natural Resources and the European Commission with a view to agreeing an approach that will give the necessary assurances on the concerns raised that can facilitate the approval of the National Seafood Development Operational Programme 2007-2013.

#### **Farm Retirement Scheme.**

212. **Deputy Pat Breen** asked the Minister for Agriculture, Fisheries and Food the position regarding an application in respect of a person (details supplied) in County Clare; and if he will make a statement on the matter. [41144/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** An application from the person named has been received in my Department. It will be examined in due course and the details of the application, as well as the funding available, will be taken into account in reaching a decision. As soon as the decision has been made, the person named will be notified of the outcome.

### **Grant Payments.**

213. **Deputy Dinny McGinley** asked the Minister for Agriculture, Fisheries and Food when payment of REP scheme will issue to a person (details supplied) in County Donegal. [41164/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** REPS 4 is a measure under the current Rural Development Programme 2007–2013 and is subject to EU Regulations which require detailed administrative checks on all applications, including plan checks, to be completed before the first 2009 payments issue.

Processing of applications, including the application from the person named, has commenced to facilitate the release of payments at the earliest possible date.

### **EU Regulations.**

214. **Deputy Frank Feighan** asked the Minister for Agriculture, Fisheries and Food if, in view of the pan European law allowing the sale of raw milk in the EU with a special derogation to each member state, he will maintain this dispensation to farmers here. [41179/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** While the EU Hygiene Regulations introduced in January 2006 includes a derogation for direct sales at local level for primary producers, it also provides that a Member State may introduce a national measure to prohibit or restrict the placing on the market within its own territory of raw milk or raw cream intended for direct human consumption. It is a well-documented fact that raw milk is a vehicle for the transmission of several pathogens including E.ColiO157: H7 and Mycobacterium bovis. These two examples alone pose a serious risk to public health particularly in the very young and the aged.

The Scientific Committee of the Food Safety Authority of Ireland in its report “Zoonotic Tuberculosis and Food Safety” identified the consumption of unpasteurised cows or goats milk on the farm as representing a hazard to humans not only in relation to M.bovis but also in relation to other pathogenic bacteria. The report recommended that all milk should be pasteurised prior to consumption and that those who wish to consume milk produced on their own farm should use small-scale domestic pasteurisation units to reduce the risk of milk borne infection with M.bovis.

A public consultation process was undertaken last year and resulted in the receipt of submissions from interested parties relating to the proposal to extend the ban on the sale of raw cows milk to milk from sheep and goats. Following examination of these submissions by my Department’s experts it was decided, with the agreement and support of the FSAI, that the consumption of unpasteurised milk is an unnecessary and unacceptable risk to public health and that a ban on the sale or supply of unpasteurised milk from all species should be implemented.

The draft legal instrument to introduce this ban is at an advanced stage. Officials from my Department have been in consultation with the Department of Health and Children with a



[Deputy Brendan Smith.]

view to implementing the ban by means of a Statutory Instrument under the Health Act of 1947 (as amended).

Introducing the proposed ban will involve notifying the EU Commission as required by EU Directive 98/34, which deals with the provision of information regarding technical standards and regulations. This process will commence shortly.

### **Grant Payments.**

215. **Deputy Tom Hayes** asked the Minister for Agriculture, Fisheries and Food when payment will be awarded to a person (details supplied) in County Tipperary in respect of a single farm payment application; and if he will make a statement on the matter. [41183/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** An application under the 2009 Single Payment Scheme was received from the person named on 14 May 2009. Processing of the application revealed that another applicant had also claimed two of the three land parcels claimed by the person named. In keeping with standard procedures, both parties were written to in order to establish who had the right to claim the parcels in question. The person named wrote to my Department on 5 October confirming that he did not have the right to declare the relevant land parcels. As the level of over-claim is greater than 20%, no payment is due under the 2009 Scheme, as per the governing EU Regulations. A letter, outlining in detail the implications for the person named of having been found to have declared land, which he did not have the right to declare, will issue shortly. The person named will be offered the right to appeal these findings.

216. **Deputy Dan Neville** asked the Minister for Agriculture, Fisheries and Food if payment for the REP scheme will be awarded to a person (details supplied) in County Cork. [41184/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** REPS 4 is a measure under the current Rural Development Programme 2007–2013 and is subject to EU Regulations which require detailed administrative checks on all applications, including plan checks, to be completed before the first 2009 payments issue. Processing of applications, including the application from the person named, has commenced to facilitate the release of payments at the earliest possible date.

217. **Deputy Michael Ring** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Mayo will receive their 70% single payment scheme for 2009. [41210/09]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** An application under the Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on the 11 May 2009. This application was selected for and was the subject of a ground eligibility inspection. The inspection is completed and the application has now been fully processed. Payment under the Disadvantaged Area Scheme and the 70% advance payment under the Single Payment Scheme will issue this week.

### **School Transport.**

218. **Deputy Bernard J. Durkan** asked the Minister for Education and Science if provision will be made available to a person (details supplied) in County Kildare to enable them to be

collected at Caragh to continue the journey to school; and if he will make a statement on the matter. [41245/09]

**Minister of State at the Department of Education and Science (Deputy Seán Haughey):**

Under the terms of my Department's Post Primary School Transport Scheme, a pupil is eligible for transport if s/he resides 4.8 kilometres or more from her/his local post primary education centre.

As the pupil referred to by the Deputy in the details supplied resides less than 4.8 kilometres from the Post Primary centre in his own catchment area, he is not eligible for school transport. Catchment boundary transport can only be considered if the pupil is eligible for transport, in the first instance.

**School Staffing.**

219. **Deputy Ruairí Quinn** asked the Minister for Education and Science further to Parliamentary Questions Nos. 157 of 20 October 2009 and 1140 of 3 November 2009, if the education partners forwarded their views to his Department regarding the 500 new teaching positions in the Revised Programme for Government; the viewpoint of each partner; when he will make a decision to hire the new teachers; and if he will make a statement on the matter. [41088/09]

**Minister for Education and Science (Deputy Batt O'Keeffe):** My Department has now received submissions from most of the education partners in relation to the renewed Programme for Government. My Department has advised the education partners to send in any remaining submissions within the coming days. My Department officials have also arranged to meet with the education partners next week to discuss the proposals for the allocation of the additional teaching posts outlined in the renewed Programme for Government.

**Schools Building Projects.**

220. **Deputy Phil Hogan** asked the Minister for Education and Science if he will confirm receipt of correspondence from a local authority (details supplied); his views on the local authority's request; and if he will make a statement on the matter. [41092/09]

**Minister for Education and Science (Deputy Batt O'Keeffe):** Correspondence has been received in the Forward Planning Section of my Department from the Local Authority referred to by the Deputy and a response will issue to this correspondence in the coming days.

Utilising GIS, Forward Planning Section of my Department has carried out a study of the country to identify the areas where, due to demographic changes, there may be a requirement for significant additional school provision at both primary and post-primary levels over the coming years. This study has been conducted using data from the Central Statistics Office, the General Register Office and the Department of Social & Family Affairs in addition to recent schools' enrolment data.

The study indicates that the requirement for additional primary provision in years 2010, 2011 and 2012 is likely to be greatest in more than 40 locations across the country based on significant changes to the demographics of those areas. Forward Planning Section is in the process of carrying out detailed analysis and reports for each of these locations in order to identify the school accommodation requirements for each area up to and including the school year 2014/2015. School accommodation requirements in the areas referred to by the Deputy will be

[Deputy Batt O’Keeffe.]

considered as part of this detailed study of the areas identified. It is expected that the reports on these areas will be completed in the coming weeks.

As a matter of course there is ongoing liaison between my Department and local authorities to establish the location, scale and pace of any proposed major housing developments and their possible implications for school provision. This level of close cooperation is underpinned by the Code of Practice. Officials from the Forward Planning Section of my Department recently met with the local authority referred to, with a view to exploring the possibility of sharing the data on Geographical Information Systems as a further aid to the school planning process. This will be pursued further by my Department and the local authority.

### **Schools Refurbishment.**

221. **Deputy Enda Kenny** asked the Minister for Education and Science the position regarding the proposed extension to a school (details supplied) in County Mayo; and if he will make a statement on the matter. [41108/09]

**Minister for Education and Science (Deputy Batt O’Keeffe):** The extension/refurbishment project at the school to which the Deputy refers is at an advanced stage of architectural planning.

The progression of all large scale building projects, including this project, from initial design stage through to construction phase will be considered in the context of my Department’s multi-annual School Building and Modernisation Programme. However, in light of current competing demands on the capital budget of the Department, it is not possible to give an indicative timeframe for the progression of the project at this time.

### **Vocational Education Committees.**

222. **Deputy Michael Fitzpatrick** asked the Minister for Education and Science his views on whether there is potential for some training programmes which are delivered by FÁS transferring to the vocational education committees in view of the Bordeaux Communique on enhanced European cooperation in vocational education and training, November 2008 and the more unified system of vocational education and training in other European states. [41114/09]

**Minister of State at the Department of Education and Science (Deputy Seán Haughey):** FÁS, in addition to their own delivery of courses, already contract with other education and training providers for the provision of relevant courses. It is open to Vocational Education Committees (VECs) and the Institutes of Technology to bid for the provision of appropriate courses.

VECs already provide courses on behalf of FÁS under the One Step Up initiative. Examples include the Skills for Work programme delivered under the Workplace Basic Education Fund which provides education and training in basic skills at FETAC Level 3. VECs also provide courses for participants in FÁS-run Community Education schemes under the Return to Education programme. In addition, VECs provide courses under the Learning at Work and Competency Development programmes.

FÁS and the Irish Vocational Education Association (representing VECs), supported by the Department of Education and Science and the Department of Enterprise, Trade and Employment, recently signed a National Co-Operation Agreement in order to enhance co-operation and collaboration between both organisations.

### School Curriculum.

223. **Deputy Jimmy Deenihan** asked the Minister for Education and Science if he has plans to introduce sports science as a second level subject to Leaving Certificate level, including the study of dietetics, physiology, anatomy, and so on; and if he will make a statement on the matter. [41141/09]

**Minister for Education and Science (Deputy Batt O’Keeffe):** I have no plans at present to introduce sports science as a subject in the Leaving Certificate. All schools are already required to implement a physical education programme which provides options across a range of athletics, games, dance, gymnastics, aquatics and health and fitness activities. The importance of nutrition and healthy exercise are also stressed in the Social Personal and Health Education Programme in primary schools and in junior cycle, and in the Home Economics and Biology syllabuses. Human reproduction, the musculo-skeletal system, nervous, circulatory, endocrine, digestive, breathing, excretory, and cardiovascular systems are dealt with as part of the Biology syllabus.

As part of its proposals for reform of senior cycle, the National Council for Curriculum and Assessment proposed the development of a range of short courses, two of which might be studied in place of a senior cycle subject in the Leaving Certificate. Sports Studies was included among the areas where a short course was proposed. My Department made no decision on the future of short courses, but asked instead that the Council might develop exemplars so that the implementation implications could be explored. We do not have the scope for introducing Short Courses in senior cycle at present, but the matter will be kept under continuing review.

### Decentralisation Programme.

224. **Deputy Willie Penrose** asked the Minister for Education and Science the position regarding the plans for the decentralisation of 300 personnel from his Department to the site at Lynn, Mullingar, County Westmeath; the commencement date of same; and if he will make a statement on the matter. [41154/09]

**Minister for Education and Science (Deputy Batt O’Keeffe):** As the Deputy will be aware, the proposed decentralised office in Mullingar is being procured by means of a Public Private Partnership as a single Design, Build, Finance and Maintain contract in conjunction with a new headquarters for the Department of Agriculture, Fisheries and Food in Portlaoise and a new decentralised office for staff of the Department of Enterprise, Trade and Employment in Carlow. The present position regarding the Mullingar office is that planning permissions have been received for the project and discussions are proceeding with the successful tenderer with a view to finalising financial closure and contract signing.

### Departmental Bodies.

225. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Education and Science if the salaries of employees of the Education Finance Board are paid by his Department directly or from the €12.7 million contributed by the religious orders; and if he will make a statement on the matter. [41160/09]

**Minister for Education and Science (Deputy Batt O’Keeffe):** I wish to advise the Deputy that as provided for in Section 26(6) of the Commission to Inquire into Child Abuse (Amendment) Act, 2005, the staff of the Board are paid from the funds of the Board. The fund

[Deputy Batt O’Keeffe.]

is managed by the National Treasury Management Agency which makes payments to the Board as required to cover its expenditure.

Section 26(6) states as follows:

26.— (6) The agency may, in each financial year of the Board, pay to the Board out of the account a grant of such amount as the Board specifies in relation to that year towards the expenditure of the Board in the performance of its functions.

Expenditure incurred by the Board includes staff costs.

Section 30 also deals with payment by the Board of its employees which states as follows:

30.—(1) The Board shall have such and so many employees as it may determine with the consent of the Minister and the Minister for Finance.

(2) The employees of the Board shall be paid by it such remuneration (including superannuation) and allowances for expenses as the Board may, with the consent of the Minister and the Minister for Finance, determine.

(3) Employees of the Board shall be subject to such other terms and conditions of employment as the Board may, with the consent of the Minister and the Minister for Finance determine.

Funding for the Education Finance Board has been provided from a €12.7 million contribution provided by the religious congregations under the Indemnity Agreement.

### **Special Educational Needs.**

226. **Deputy Michael Ring** asked the Minister for Education and Science if equipment will be provided to a student (details supplied) in County Mayo in view of their educational needs. [41166/09]

**Minister for Education and Science (Deputy Batt O’Keeffe):** My Department has no record of receiving a recommendation for assistive technology support for the child in question. I have arranged for the details supplied by the Deputy to be forwarded to the NCSE for their attention and direct reply.

The National Council for Special Education (NCSE) is responsible, through its network of local Special Educational Needs Organisers (SENO) for allocating resource teachers and special needs assistants to schools to support pupils with special educational needs. The NCSE operates within my Department’s criteria in allocating such support.

Schools may also apply to the NCSE for the provision of assistive technology required to support pupils who have been assessed as having a special educational need that requires specific assistive technology support in order to access the curriculum. SENOs consider such applications and recommend to my Department on whether funding should be granted to the schools concerned. If sanctioned, the equipment funded is the property of the school and the use of the equipment in the home is at the discretion of the school.

All schools have the names and contact details of their local SENO. Parents may also contact their local SENO directly to discuss their child’s special educational needs, using the contact details available on [www.ncse.ie](http://www.ncse.ie).

### **School Transport.**

227. **Deputy Michael McGrath** asked the Minister for Education and Science the position regarding a school transport appeal by a person (details supplied) in County Cork; and if he will support the appeal. [41168/09]

**Minister of State at the Department of Education and Science (Deputy Seán Haughey):** My Department understands that the case referred to by the Deputy in the details supplied is being appealed to the School Transport Appeals Board. The Board is independent of my Department and it would not be appropriate for me to intervene at this stage.

### **Teachers' Remuneration.**

228. **Deputy Paul Connaughton** asked the Minister for Education and Science the position regarding the case of a person (details supplied) in County Galway regarding the correct pay scale entitlements; and if he will make a statement on the matter. [41175/09]

**Minister for Education and Science (Deputy Batt O'Keeffe):** The details of the case as outlined by the Deputy are currently being checked by officials of my Department. I will arrange for a reply to issue direct to him as soon as the matter is clarified.

### **Schools Building Projects.**

229. **Deputy Emmet Stagg** asked the Minister for Education and Science if the existing contractor for a school (details supplied) in County Kildare has withdrawn their application in relation to the completion of the new school; if he will invite tenders only from the other six valid tenderers for the original project in an effort to expedite the re-tendering of the completion of the new school. [41198/09]

**Minister for Education and Science (Deputy Batt O'Keeffe):** The Department has received written notification that the Contractor on the school building project in Kill, Co. Kildare is in receivership and that the Receiver is currently considering his options with regard to the contract. As is normal for school building projects there is a Performance Bond in place. The purpose of the Bond is to provide security for the State in the event of a Contractor becoming insolvent and is no longer in a position to complete the contract. The Department is managing the situation and is in contact with the Design Team, the Receiver and the Bondsman. It is the Department's intention to have this project back on site as soon as possible, in accordance with public procurement procedures.

### **Schools Amalgamation.**

230. **Deputy Arthur Morgan** asked the Minister for Education and Science if he will confirm that he will not proceed with the amalgamation of small rural schools as proposed in the Special Group on Public Service Numbers and Expenditure Programme. [41209/09]

**Minister for Education and Science (Deputy Batt O'Keeffe):** As the Deputy will be aware, the proposals in the report of the Special Group on Public Service Numbers and Expenditure Programmes are being considered as part of the estimates process for 2010. The decisions on all of the issues arising will be a matter for the Government.

While I will have to await the outcome of these deliberative processes, I can confirm that there are no plans to close small schools at the moment other than those that would arise in

[Deputy Batt O’Keeffe.]

the normal course under the current sustainability limits. I fully acknowledge the attachment of local communities to their schools and the association of the school with a sense of place.

However, I am of the view that my Department will have to examine the implementation of more strict guidelines in relation to the number of pupils required for the sustainability of schools. The Deputy may be aware that building projects involving amalgamation of schools already attract a high band rating within the Schools Building Programme.