

DÁIL ÉIREANN

Dé Céadaoin, 9 Nollaig 2009.
Wednesday, 9 December 2009.

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

Paidir.
Prayer.

Leaders' Questions.

Deputy Enda Kenny: Budget day is always a big day for the Minister for Finance. This is not the first budget, the Minister, Deputy Brian Lenihan, has presented but it may well be the last. We would not be in this position if the Government, of which Deputy Cowen has been Taoiseach for the past number of years, had managed the economic affairs of the people competently. Of all the budgets I have awaited, this has received the most hype. Borrowings for 2009 of €26 billion include a figure of €4 billion for Anglo Irish Bank. This is real money from taxpayers' pockets. The big idea in this budget from both Brians seems to be to create jobs by reducing the price of drink. Following the cuts that will take place in social welfare, children's allowance and for low-paid, vulnerable people, do the figures to be presented today include up to €6 billion for the further recapitalisation of Anglo Irish Bank? By itself, this would wipe out the impact of all the cuts presented by the Minister for Finance. Do the figures for 2010 include this figure of up to €6 billion of real taxpayers' money, wiping out the impact of the cuts to be announced this afternoon?

The Taoiseach: Recapitalisation arises as a result of the nationalisation of Anglo Irish Bank in that specific case and because of the investments taxpayers have made in other covered institutions. Those issues are separate from the Budget Statement to be made by the Minister for Finance today. We need a functioning banking system in order to have a proper economy. That is a continuing challenge for the Government. The real issue for the country today is to take the necessary steps to confirm, at home and abroad, our capacity to manage our affairs and take the decisions necessary to reduce costs in our economy.

Deputy Enda Kenny: I disagree fundamentally with the Taoiseach. There are problems with the public finances, the banking crisis and the recession.

An Ceann Comhairle: We are anticipating the budget debate.

Deputy Paul Kehoe: For God's sake, the Ceann Comhairle should get real.

Deputy Brian Hayes: That is not the business of the Ceann Comhairle.

Deputy Bernard J. Durkan: Deputies should take it easy; there is more to come.

Deputy Enda Kenny: Can the Ceann Comhairle clarify?

An Ceann Comhairle: Deputy Kenny is anticipating questions that can legitimately be raised in the debate on the budget.

Deputy Bobby Aylward: There are great expectations and we will still surprise the Opposition Deputies.

Deputy Enda Kenny: This is Leaders' Questions and I have not asked my second question. I disagree fundamentally with the Taoiseach. This is not a separate issue. The moneys pumped into Anglo Irish Bank, including €4 billion this year, are real moneys from real taxpayers' pockets. We cannot keep it separate in another entity, as if it is not real money affecting real people. My question concerns the figures to be presented this afternoon by the Minister for Finance. Do these figures include €6 billion to bail out Anglo Irish Bank?

This Government has talked tough about a lot of people. This morning, a Minister of State was asked on local radio if it is fair to cut children's allowance, but there was no answer. We know it is not and if the Taoiseach had followed the Fine Gael view, we would not have to.

Deputy Dick Roche: We would be bankrupt.

Deputy Enda Kenny: The Government has talked tough about everybody, but why has the Government not acted tough with the banks?

Deputy Bernard J. Durkan: Hear, hear.

Deputy Enda Kenny: In conjunction with the European Commission and the European Central Bank, can we take it that the Government will wind down Anglo Irish Bank in an orderly fashion and save the taxpayers €3 billion to €4 billion out of their pockets? My question concerns whether the figure is included in the figures to be presented this afternoon. In view of the likelihood of pouring more money down the black hole, will the Government wind down Anglo Irish Bank in conjunction with the European Commission and European Central Bank rather than having real people pay real money out of their hard-earned taxes for those who have swanned around the world—

Deputy Dick Roche: There is the soundbite.

Deputy Enda Kenny: —as if they own the place, as if they can do what they like immune from any law or any action from Government?

Deputy James Reilly: They played golf on €500,000 a year.

Deputy Paul Kehoe: There is a cosy cartel within banking.

The Taoiseach: I have made the point to Deputy Kenny that I will not speculate on any further recapitalisation required for any bank. Clearly, any future recapitalisation that may be necessary is not incorporated in the figures for today's budget.

Deputy Michael Creed: The Minister of State, Deputy Dick Roche, should keep his head down. The Dublin Docklands Development Authority did not do him any favours.

Deputy Dick Roche: What about a figure of €2.3 billion?

Deputy Bernard Allen: Humility, Deputy Roche.

The Taoiseach: The question relates to an investment—

Deputy Dick Roche: Clowns.

Deputy Brian Hayes: The Minister of State, Deputy Roche, is on the way out.

An Ceann Comhairle: The Taoiseach without interruption.

Deputy Frank Feighan: Someone should muzzle the Minister of State, Deputy Roche.

Deputy Michael Creed: The Minister of State should watch it or he will find himself a further row back.

The Taoiseach: The question relates to investment. Investment and recapitalisation do not have an effect on the Exchequer borrowing requirement. This is covered by EU rules in respect of national accounts. Regarding what must be done to avoid exposure to the taxpayer, this is the primary objective of the Government in respect of any investment made in any banks.

Deputy Enda Kenny: The Taoiseach will write any cheques so.

Deputy Eamon Gilmore: The Taoiseach seems to think that the euro that will be taken out of the pockets of families later this evening is different from the one that is paid to the banks. It is not. It is the same euro with a harp on one side and a little picture of Europe on the other. The idea that somehow it is a different kind of money is misleading people.

As we are just about five hours away from hearing what pain is going to be inflicted on families in this country, cuts in child benefit, in welfare, in the pay of people paying it out, to raise €4 billion, how many billion euro of the people's money has been paid over to the banks this year? As I read it, €4 billion has been paid to Anglo Irish Bank, €3.5 billion to the Bank of Ireland and another €3.5 billion to AIB, and that is before we come to NAMA. Will the Taoiseach tell the people, before he takes money out of their pockets this afternoon, how many billion euro have been paid this year to the banks?

The Taoiseach: As the Deputy knows, the recapitalisation that has taken place at the Bank of Ireland and AIB is in respect of preference shares that the State has taken in those banks. The Minister has indicated that ordinary shares will be involved in any further investments or recapitalisation required in the future. We are being paid for the guarantees that we have given and are ensuring that there is a return on the investment we are making in those banks.

I do not suggest for one moment that one euro is any different from another. The direct question I was answering was whether there is any prospect of a future recapitalisation of the banks being incorporated into the Budget Statement today and the answer is "No". Any investment the State makes in banks that require borrowings will be added to our debt requirement but that does not affect the budgetary figures in terms of the Exchequer borrowing requirement today. The issue for us is to see how we can have a strong, functioning banking system that will serve the economy and serve the people who depend on it.

This attempt to separate the interests of banking from the wider interest of the economy is an incorrect analysis. Every government has to invest in the banking system to provide a basis on which the economy can recover. In addition, we have to take whatever domestic policy decisions we need to bring our public finances back into order because our current position would not be sustainable if we did not take those actions. The Opposition must take that into account too.

Deputy Eamon Gilmore: The Taoiseach would like us to believe that the two things are entirely separate. He talks about recovering money from the banks. I do not know how he will do that because they are already looking for more. Anglo Irish Bank, having got €4 billion, is

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looking for another €5.7 billion; Bank of Ireland and AIB, having between them got €7 billion, are looking for another €7.2 billion.

Deputy Michael Kennedy: The Labour Party wanted to nationalise the banks.

Deputy Eamon Gilmore: The people's hard-earned money is being paid over to the banks in whatever form the Taoiseach describes and billions will be taken out of people's pockets this afternoon because the Taoiseach and his party, and their developer and banker friends, have ruined this economy.

Deputy Michael Creed: They were in Galway tent.

Deputy Eamon Gilmore: Money from the National Pensions Reserve Fund is being paid over to fund the banks because the Government for the past ten years fuelled a property bubble and stood over irresponsible lending and borrowing, without proper regulation. We are now in a situation where the banks are in trouble and the Government has to beggar ordinary people in order to pay for the economy.

Deputy Noel Dempsey: The Labour Party demanded more.

Deputy Eamon Gilmore: When we come in here at 3.45 p.m. to hear the budget, we will hear the high price that the people have to pay for having Fianna Fáil in government for far too long.

Deputies: Hear, hear.

Deputy Noel Dempsey: They would be paying a higher price if the Labour Party was in government.

The Taoiseach: I suppose on the morning of any budget there will always be a lot of political rhetoric.

Deputy Paul Kehoe: We have not heard much from the Government side.

The Taoiseach: The revisionism that is taking place is pretty predictable. Every developed country in the world faces a large and difficult economic and financial crisis.

Deputy Eamon Gilmore: It is not as big as the crisis here.

Deputy Joe Costello: This country has been on autopilot.

The Taoiseach: We have made an adjustment of over €8 billion in gross terms in 2009 through tax and changes in expenditure in order to bring public finances under control.

Deputy Róisín Shortall: How much has the Government put into the banks in the past year?

The Taoiseach: The purpose of this budget is to stabilise that deficit and to create the necessary confidence within the country, and externally, that it will manage its affairs, that this Government will take the decisions necessary to sustain public services in the future and that there is no way around that. We have a divided Opposition which, on the one hand, wants no cuts in services or welfare—

Deputy Pádraic McCormack: We have a divided Government.

Deputy Bernard J. Durkan: We have not had a Government for the past ten years.

The Taoiseach: —no cuts here or there, but, on the other, suggests that we will tax our way out of this problem by making further impositions on labour and companies. That would not maintain jobs, it would destroy them.

Deputy Seymour Crawford: The Government is closing hospitals. When will it open a new one?

(Interruptions).

The Taoiseach: In the meantime, as one comes to the end of one's contribution, the usual shouting starts.

Message from Seanad.

An Ceann Comhairle: Seanad Éireann has passed the Foreshore and Dumping at Sea (Amendment) Bill 2009 without amendment.

Ceisteanna — Questions.

Departmental Staff.

1. **Deputy Enda Kenny** asked the Taoiseach the number of occasions since June 1997 to date in 2009 on which officials in his Department, or in the agencies under his aegis, were granted either a discretionary payment or pension top-up on retirement; and if he will make a statement on the matter. [35609/09]

2. **Deputy Eamon Gilmore** asked the Taoiseach the number of occasions since June 2007 to date in 2009 on which he enhanced payments made to persons retiring or otherwise leaving his Department or an agency operating under the aegis of his Department; and if he will make a statement on the matter. [37274/09]

The Taoiseach: I propose to take Questions Nos. 1 and 2 together.

All civil servants retiring from my Department are entitled to an annual pension and lump sum, in accordance with the relevant legislation and conditions of service.

Since 1997, there have been two occasions when discretionary arrangements were made in accordance with comparable terms applied previously in similar circumstances, and were so approved by the Department of Finance. In both cases, the position vacated was that of special adviser to my predecessor. In the Central Statistics Office, the terms applicable to completion of their contracts were applied on the retirement of two former directors general.

Deputy Enda Kenny: Were the guidelines set down by the Department of Finance ever breached in the case of any official from the Taoiseach's Department? I ask because the Minister for Finance, Deputy Brian Lenihan, told the Dáil that in the case of the former director general of FÁS, Mr. Molloy, the €1.1 million golden handshake was in accordance with the rules of the Department of Finance. When Deputy Varadkar received the full information about that under the Freedom of Information Act, the internal memos revealed clearly that

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the assistant secretary in the Department of Finance told the Oireachtas Joint Committee on Enterprise, Trade and Employment and his counterpart in the Department of Enterprise, Trade and Employment that the terms given to the former director general were not in accordance with guidelines. He went on to say that he wanted to convey sanction to the proposed terms on condition that it was an exceptional case.

The Minister for Finance told us this was in order. The internal memos of the assistant secretary and the Department show that it was not in order. Is the Taoiseach concerned about this, given the amount of money involved? I heard a young woman say on radio this morning that she lives on €67 a week. Here is a golden handshake of €1.1 million, outside the guidelines laid down by the Government and the Department of Finance. Has this happened in any other Department? Is the Taoiseach satisfied that he is on top of this matter and that these things are not being sanctioned behind his back by Ministers where they consider that exceptional circumstances apply?

The Taoiseach: I do not want to paraphrase or repeat what went on at the relevant committee but it is clear that in respect of the matters to which Deputy Kenny's question refers there were issues about entitlement on the basis of dismissal and a person ending his service, and to avoid the prospect of litigation, although that had not been formally put to the authorities at the time. However, in an effort to deal with a situation where we would have a changeover of leadership in that organisation, one would move the issue quickly so it would not get bogged down in legal problems. Taking into account the conditions of service and what people were entitled to upon retirement, that package was worked out on that basis. It has been well articulated here in the House and in committees and I do not wish to say anything further about it except that it was regarded as the best way of dealing with the situation in all the circumstances.

Deputy Enda Kenny: I do not want to drag up the individual case either. It is history now — costly history. The point is that guidelines are laid down by the Government and the Department of Finance, and those guidelines were breached in this case. The Minister for Finance told us they were not breached when clearly the internal information showed that they were breached. Since that issue arose and since that matter was dealt with in the way it was, have these guidelines changed? If a case is deemed to be an exceptional one, is that brought to the Taoiseach's attention as Head of Government so he can be satisfied that Ministers down the line from him are not deeming cases to be exceptional and these guidelines can be breached, with large amounts of money paid out as golden handshakes to people?

The Taoiseach should talk to the young woman I heard on radio this morning, who lives on €67 a week, and tell her if she leaves a job she will have a proportionate golden handshake equivalent to €1.1 million. It is a very significant sum. Since that matter arose and was dealt with in the way it was, namely, the guidelines were breached, the Minister said they were not and the case was covered up on the basis of it being an exceptional case, have other such issues been brought to the Taoiseach's attention? Has he changed the rules so that he is fully in charge of this issue?

The Taoiseach: These matters were dealt by personnel staff in the respective Departments working within the overall guidelines. As I said, the circumstances that were outlined and the particular issue raised by the Deputy have been well articulated, discussed and debated in the House. The rationale for it has been explained in the House, if it is not accepted by some. This is an issue that will be carefully watched in the future to make sure we can avoid any controversy in regard to these matters. However, there is always the question of trying to avoid a situation where, by taking another approach, one might end up not being able to achieve the

objective, which was to move the people on in a way which was consistent with the overall requirements of the situation.

Deputy Róisín Shortall: I can understand that the Cabinet was very keen to get Mr. Molloy off the pitch as quickly as possible given the controversy he caused and the ongoing embarrassment he was causing to the Cabinet. However, the fact is that the Cabinet is not above the law. It is required to adhere to the law and to guidelines which cover these matters. The guidelines which came from the Department of Finance in 1998 cover situations where chief executives leave their positions and the terms under which they can receive packages. Not only do those guidelines apply to all chief executives leaving their posts, but those same guidelines were an appendix to Mr. Molloy's contract, so there is no question or doubt about the fact that those guidelines should have been applied to the severance package.

Those guidelines set out the terms in which a severance package might be enhanced in the event of a contract being terminated. That was not the case in regard to Mr. Molloy. He had tendered his resignation and, before the deal was done, his letter of resignation was with the Department of Finance.

An Ceann Comhairle: The Deputy should address this point to the Department of Enterprise, Trade and Employment, not the Department of the Taoiseach.

Deputy Róisín Shortall: I am coming to that. The guidelines state very specifically that unless the person concerned has had his or her contract terminated, Government approval is required for an enhanced package. It seems that the Minister for Finance took it upon himself to give approval to the package without bringing it to Government. Is the Taoiseach aware of the fact the Minister for Finance acted *ultra vires* in this matter? At this stage, having had an opportunity to consider all of the issues surrounding this, does he accept at this point that the Minister for Finance did act *ultra vires*, that a Government decision was required for the enhanced severance package of €1.2 million that was granted to Mr. Molloy, that the package was outside of the law and that the Taoiseach now retrospectively needs to obtain approval for that package?

The Taoiseach: I have not dealt with that specific matter since then. As the Deputy said, this matter has been dealt with by the line Department. I have received no advice to the effect that the retrospective——

Deputy Róisín Shortall: Did the Taoiseach take any advice?

The Taoiseach: The Deputy made an assertion that retrospective Cabinet approval is required for that package. That is not anything I have been advised of. I will check out that matter but I would not accept that the Deputy's assertion is correct.

Deputy Róisín Shortall: Who did the Taoiseach take his advice from?

The Taoiseach: If I may be allowed to answer the question, I will give my opinion, if the Deputy wishes. If she wants to answer it herself, that is fine. I will sit and wait for her answer.

Deputy Enda Kenny: She asked the question of the Taoiseach. She is not going to answer herself.

The Taoiseach: It is a fair question. I just want to be allowed to reply, that is all. The Deputy made an assertion that this was an illegal payment and that it requires retrospective Cabinet approval. I certainly have not been advised of that and I do not accept the Deputy's assertion

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that that is the case. Neither do I accept the assertion she makes that the Minister for Finance acted *ultra vires*. That is not my understanding of the situation, nor has anyone suggested to me that it is the case.

An Ceann Comhairle: I call Deputy Shortall for a brief supplementary question.

Deputy Róisín Shortall: I have several supplementary questions to ask. Any fair reading of the guidelines would establish, and my legal advice is to the effect that, the terms of the package came outside of the normal guidelines and, in that event, where there was an exceptional case, Government approval was required for that package. I know there was a big rush to deal with Mr. Molloy and get him out of the way as quickly as possible but the fact is that Government approval was required. The Taoiseach states he is not aware that this was the case. What advice did the Taoiseach take? The Attorney General's office is available round the clock to provide advice. This was a package that has cost the taxpayer €1.2 million and nobody thought it warranted obtaining legal advice from the Attorney General's office. It is outrageous to behave in this manner.

Will the Taoiseach undertake to go back and get legal advice on this matter? It seems he and his Ministers have bluffed their way out of this over recent months. Is he prepared to actually take legal advice on this matter?

An Ceann Comhairle: I must draw attention to the fact this is a matter for the Department of Enterprise, Trade and Employment, not the Department of the Taoiseach.

Deputy Róisín Shortall: No, it is not. It is a matter for the Government, with all due respect.

An Ceann Comhairle: The line Department is the Department of Enterprise, Trade and Employment. If we are getting into specific detail——

Deputy Róisín Shortall: With all due respect, Government approval was required and that is the legal advice on it. The Taoiseach is responsible for the fact that this was not obtained and he needs to take action on that now.

With regard to enhanced severance payments generally, what is the basis for making an enhanced payment to somebody who leaves under a cloud? It seems that this option is being used in situations where somebody has not performed properly and needs to be taken off the pitch. That is completely unacceptable. The Committee of Public Accounts, in examining the whole FÁS debacle, made recommendations that new guidelines needed to be drawn up which ensured that any enhanced pension package would relate to performance. Is it the Taoiseach's intention to bring forward new guidelines to cover this kind of scenario? Does he accept that it sends out all the wrong messages if the Government intends to financially reward somebody who has not performed his or her duties properly?

The Taoiseach: First, any revision of guidelines would be a matter for the Minister for Finance and the public service in the first instance. To come back to the specific point, I want to make it clear that the situation as it stood at the time was that the person concerned had certain rights and entitlements under the existing contracts he had as an employee of that organisation. The issue then arose on the basis of a meeting between the chairman of the board at the time and the chief executive. They discussed with him settlement terms concerning how he would move on. That was put to the Department of Enterprise, Trade and Employment and then referred to the Department of Finance. The Department of Finance advised the Minister on the matter and approval was given on that advice. That was the situation.

The extenuating circumstances surrounding the issue had something to bear on it but there were basic entitlements. There is this idea that if people were dismissed they would not have certain entitlements but they would have entitlements. The issue was that if we went down that route, would there be a legal challenge and to what extent would that halt the means by which a move could be made and a new person put in place. All of that had to be taken into account.

I do not accept the Deputy's contention that there was something illegal about this, that is not the situation. The decision was made on advice based on discussions between the chairman and the chief executive, referred to the Department of Enterprise, Trade and Employment, referred then for approval to the Department of Finance, and approved by the Minister on that advice.

An Ceann Comhairle: We really must move on.

Deputy Róisín Shortall: This is an important issue, it cannot be swept under the carpet.

An Ceann Comhairle: The Deputy should bear in mind that the line Minister is in a different Department.

Deputy Róisín Shortall: Is the Taoiseach aware that three senior officials in the Department of Finance provided advice to the effect that Government approval would be required for this package for Mr. Molloy? Does the Taoiseach accept there is a need for new guidelines covering severance packages so they relate to the person's performance in the job?

The Taoiseach: I do not have the file in front of me but I want to make clear that the advice the Minister took came from the senior official in the Department.

Deputy Róisín Shortall: Who advised the Government that approval was required.

The Taoiseach: I have not been before the committee listening to the ins and outs of this in the way the Deputy has been. I would rather have the full file in front of me because I would then have no problem answering the questions.

Deputy Róisín Shortall: Perhaps the Taoiseach will have a look at the file some time.

The Taoiseach: Perhaps if the questions were put down for the relevant Minister, the Deputy would get the full answer. I cannot be expect to have all of that in front of me.

Deputy Róisín Shortall: This has been in the public arena for long enough. The Taoiseach should have checked the file.

An Ceann Comhairle: We must bring this to a conclusion.

The Taoiseach: The Deputy cannot ask me a question and then decide if I have the information. The purpose of questions is to table specific questions to get specific answers. I have sought to extend the courtesy of replying to the Deputy based on the knowledge available to me without notice but if the Deputy wants to play another game that is her business.

Social Partnership Negotiations.

3. **Deputy Eamon Gilmore** asked the Taoiseach if he will make a statement on the outcome of his meeting on 20 October 2009 with the social partners. [38395/09]

4. **Deputy Enda Kenny** asked the Taoiseach if he will report on his meeting with the social partners on 20 October 2009; and if he will make a statement on the matter. [38483/09]

5. **Deputy Caoimhghín Ó Caoláin** asked the Taoiseach if he will report on his recent meetings with trade union representatives and others in the social partnership process; and if he will make a statement on the matter. [44309/09]

The Taoiseach: I propose to take Questions Nos. 3 to 5, inclusive, together.

The Government has made it clear for some time that the public finance position is unsustainable. Our tax revenues have fallen sharply back to 2003 levels. This means we will have a deficit in the region of €22 billion this year. To bridge this gap, we are borrowing more than €400 million per week. We have made it clear that this cannot continue.

By the end of this year, the national debt will be about €76 billion, double the level at end of 2007. Our main priority now is to stabilise the public finances. The Government has stated unambiguously that the public service pay bill must make a significant and proportionate contribution to the necessary adjustment in the public finances in 2010 and subsequent years. Furthermore, the Government was keen that this significant adjustment would be achieved by agreement.

Against this background, the Minister for Finance and I held discussions with trade union and employer representatives in Government Buildings on 20 October. In the course of these discussions, we set out in detail the context framing budget 2010 and provided an assessment of the medium-term economic outlook. We also elaborated on some of the key choices facing Government in the period ahead. Similar engagements with the other pillars of social partnership took place on 27 October last.

Following this initial round of meetings, the trade unions represented by the public service committee of ICTU proposed that the necessary adjustment could be found by means other than cuts in rates of pay. In good faith, the Government facilitated the trade unions with detailed information about the composition of the pay bill and the implications in cost terms of various potential changes. Discussions also took place with the associations representing the Garda Síochána and the Defence Forces.

On the morning of Tuesday, 1 December ICTU presented its proposal based on pursuing payroll reductions through the accelerated implementation of an agenda for change and transformation of the public service. This was a positive vision that would reflect in many respects the Government's own vision of the public service of the future, which we had provided at the request of the unions. Savings would arise over time.

Given that such transformational changes would take some time to put in place, it was suggested that an interim approach would be taken by deducting payments from the payroll in 2010 on the basis that staff would take 12 days of unpaid leave in a way which would avoid disruption of services. This approach was discussed by Government on Tuesday, 1 December. As the amount of the savings in 2010 was less than the minimum amount required, it did not provide a basis for agreement and the Government reserved its position. The Government informed the public service unions that this was not the basis for agreement and the public service unions responded by indicating that they wished to develop their proposals further.

In the Dáil on Wednesday, 2 December I confirmed that a basis for agreement would exist only if the scale of the reduction in the public service pay bill were sufficient, it were permanent in character, and any transitional arrangements did not impact negatively on services to the public. I also made clear to the House last Wednesday that proposals emerging from the discussions were considered by the Government and that it was indicated to the unions that they did not in their present form provide a basis for the Government to confirm that it could not consider other options to effect the necessary savings.

In discussions that followed, the unions felt that they would be in a position to increase the level of savings to be offered in 2010 on the basis of the structure which had been already proposed, namely, a voluntary reduction from pay associated with 12 days of unpaid leave. Discussions with management in the various sectors of the public service also clarified the nature of the change agenda which would be undertaken by agreement and these changes are significant and worthwhile. The unions also indicated their agreement that the arrangements for the taking of unpaid leave could be spread over a period of years.

It is clear that the level of savings generated in 2010 would need to be sustained and increased in 2011 and subsequent years. Accordingly, the proposals would require an assessment to be made of the level of savings generated from the change process and further discussions next year on other steps necessary to secure the necessary level of saving.

The Government considered that the proposals did not constitute a basis for agreement. This was because of the combination of the requirement that the pay savings in 2010 be accompanied by a reduction in days worked, albeit over an extended period, and that there would be no certainty about the specific basis upon which the necessary savings would be achieved in 2011 and thereafter.

The Government has made it clear that the fiscal adjustments to be made in 2010 must stabilise the public finances; reduce, on a permanent basis, the structural element of the deficit; and form part of an overall package of adjustment measures which are balanced in terms of their certainty and effect. We must now proceed to implement our plan to reduce the public service pay and pensions bill by €1.3 billion next year compared with 2009.

As I indicated in my statement last Friday, the Government is appreciative of the constructive and dedicated effort of trade union officials to develop proposals which would be helpful overall. The engagement with all of the social partners during this difficult period has been most welcome and the contribution made to discussions on these issues is very much appreciated. The Government continues to believe in the value of social dialogue as a way to maximise common understanding and engagement between all sectors. The inability to achieve consensus, although regrettable, does not alter the fact that the savings are essential. The Government must act in the interests of all our citizens.

I understand from media reports that the Public Services Committee of the ICTU has signalled that it is considering a “long and sustained” campaign of industrial action. I regret this development and hope that if any action is undertaken that it does not adversely impact on the delivery of public services especially at a time when we need to ensure we make best use of the limited resources at our disposal to protect services to the most vulnerable in our society and that we do not create obstacles to economic recovery.

Deputy Róisín Shortall: When the Taoiseach answered questions in the House on social partnership in May, he stated that it is clear there is a great deal of common ground between the Government and the social partners and that there is a strong case for the continuation of social partnership. That was the Taoiseach’s view in May but it was certainly not his view last week, given the unilateral decision taken by the Government to collapse the pay talks. In many ways, that decision by the Taoiseach sounded the death knell of social partnership. Is it not the case that the Taoiseach was within touching distance of an historic agreement that would have provided for radical reform of the public service? We know from the various documents put into the public arena in recent days that radical reform, particularly in the areas of education and health, had been signed up to and that the Taoiseach has blown it for his own political reasons. Does he see any future for social partnership? Does he see any way back from the damage he caused last Friday? Is it not regrettable that he chose to put short term political expediency ahead of the national interest?

The Taoiseach: Quite the contrary. It is not about political expediency at all.

Deputy Róisín Shortall: We had a deal on Friday morning.

The Taoiseach: Are we back into this process again?

Deputy Róisín Shortall: We had a deal on Friday.

The Taoiseach: Given that good substantive questions have been asked I would like the opportunity to reply. I listened attentively in silence to what the Deputy had to say and I would like to respond. After my first sentence, perhaps people will allow me to expand and give my side of the equation. I do not expect the Deputy to agree with everything I have to say but, perhaps, that courtesy could be extended to me as I have extended it to the Deputy.

Social partnership is about more than one pay agreement. I regret the fact that it was not possible to reach agreement. Everyone made good efforts in good faith to achieve an agreement but it was not possible. Much work was done. The strategic gains are important pieces of work that have been done sector by sector, where a common vision has been outlined between management and unions about how we could proceed with reforming of public services. Clearly much of that work was being done in the hope of also achieving agreement on the contribution the public sector pay bill would make towards the consolidation of the public finances that we will discuss this afternoon. Unfortunately, we were not in a position, for a combination of reasons which I have outlined in my reply, to reach agreement. I regret that. I did not in any expedient way seek to avoid agreement. What we had to have was a permanent reduction and an ability to see beyond 2010 that a reduction would be of that magnitude and that further reductions would be possible and further contributions from the changed programme would be able to be made.

There was also the question of the unpaid leave aspect. I can understand the negotiating position of the unions on the other side. They had come with a very restrictive mandate and that was not to accept pay cuts, reductions in rates of pay. A deduction was proposed for 2010 which involved banking equivalent unpaid days leave subsequently. It was further developed to provide that over a longer period than the original proposal would suggest. That was in an effort to see in what way disruption to levels of service could be minimised while that would take place. The problem was also that, in the context of where the proposal had been developed, further talks during 2010 would have been required on how the contribution to the deficit could be made up in the event that the changed programme would not have provided savings of €1 billion in 2010 on the pay side. I always believe that one should try to find agreement if possible but regrettably we were not in a position to find sufficient agreement on that basis.

Social partnership is a structured approach to an interaction between stakeholders in society that has to take place. One has either a structured approach to what it is one is doing or one has an unstructured approach. Having a structured approach is far better because in the modern governance of any society it allows all stakeholders to put their proposals not only on the traditional areas of industrial relations, which are quite narrow in terms of pay and conditions, but on the wider vision of a society and how one can expand equality of opportunity and improve the lot of people in society. That is what social partnership is about. While it has been fashionable to malign that process in recent times, for whatever reason, one has to acknowledge the contribution it has made. It has not been the panacea and solution to all our problems but it has been the new way for the past 20 years of trying to deal with problems and finding accommodation and a way forward. Not every side gets what it wants *in toto* but it is a means

by which a structured discussion can take place that can lead to, hopefully, coherent outcomes. It is more than a single pay agreement.

We have been able to have extended discussions on social partnership over a series of programmes. Many have taken far longer to negotiate than others because of the complexity and difficulties that have to be encountered at any given time when a programme is being formed. The idea of something beyond simply pay and conditions and the relationship between those who employ and those who represent employees, Government, farming and the voluntary and community pillar representatives is a far more inclusive concept of social dialogue than would have been the case with precursors to its emergence and development over the past 20 years.

Deputy Róisín Shortall: I fully accept that national agreements have to be about a wider vision of society. In fairness if one looks at the work various unions have done in terms of the wider economy and society generally, they have produced a good deal of material in that area. It was clear from the recent talks that the Government had no vision about where the country was going. There was an over-emphasis on cuts without any wider vision and without setting down any principles for protecting the weakest, ensuring the economy was positioned for an upturn, that training and education would be available to those who had lost their jobs, the need for a stimulus package and all those wider issues. It appears to me that the Taoiseach took a decision last Friday to collapse those talks — it is something his predecessor, for all his faults, would not have allowed to happen — and he has plunged the country into very serious industrial relations problems for the coming year. What now is his position in regard to social partnership? For example, what is the status of the Towards 2016 agreement and the Towards 2016 review and the transitional agreement concluded in September 2008? Do these documents have any standing now?

The Taoiseach: The Towards 2016 document which was devised some years ago was a ten-year framework which set out very challenging objectives for everyone in social partnership. The economic crisis that has enveloped every country around us clearly means that many of those objectives have to be modified or prioritised because they were based on a time when the foreseeable future was far less uncertain than now. That framework agreement remains in place.

I do not underestimate the level of disappointment about last week's outcome. There are issues, however, to which we will all need to return at some stage and in my opinion this is always sooner rather than later. It will be a question of how to allocate resources in order to maintain services for our people against a background of much tighter and straitened financial circumstances, of how to use such resources to the greatest effect. We are still going to have to find a way to deal with the issues being discussed last week because otherwise we put at risk the ability of the system to deliver to the people to the best possible effect, given the available resources.

From my point of view, it is unfortunate that an agreement was not possible. We had to provide for permanent reductions. There is a serious structural deficit that has to be addressed and it is about giving confidence to all sections of the community. There is wide acceptance by all sections of the community that we are all in a position where we have to cut our cloth to the current measure. We would do a disservice to everybody, including people who depend on public services, were we not to take the necessary decisions now to address the fundamental unsustainability of the current position.

Deputy Róisín Shortall: It is called social partnership.

The Taoiseach: If the outcome of the discussions does not result in the certainty and permanency which are needed, one has to consider alternative ways of going about it. I do not take away——

Deputy Róisín Shortall: It is called negotiation.

The Taoiseach: I agree, but some negotiations succeed and others do not.

Deputy Róisín Shortall: Not unilateral decisions.

An Ceann Comhairle: The Deputy should allow the Taoiseach to continue without interruption.

The Taoiseach: One proposal was referred back to the trade unions and then further discussions took place on the sectoral side. A further proposal was starting to emerge but it did not meet those tests, which is to be regretted, in my view, and people on the other side also regret it. There is the idea that, once negotiations are commenced, they have to end up successfully — that is what one always hopes for — but, unfortunately, sometimes one does not get there.

Deputy Róisín Shortall: Maybe with a bit more time, if they had started earlier.

The Taoiseach: With respect, a full divulging of the composition of the pay bill and all the necessary data was being exchanged for weeks in advance. It is all very well giving advice as to what to do a week or a month before but we had come to the substance of the issue and it was not possible to find an agreement. This is unfortunate and I regret it as much as anyone else because I had been working for it. I hope to return to working on it as soon as circumstances allow.

Deputy Enda Kenny: Last Tuesday morning, was a telephone call made to Mr. Peter McLoone on behalf of the Government to inform him that the Government had signed on for the measures which were contained in the proposals from social partnership, including the compulsory unpaid leave? I have my views on the logistical nightmare this provision would cause. As I understand it, these talks went on until 7 a.m. on Friday morning when it appears agreement was reached. With regard to the health service issues, the document clearly shows a recognition that numbers would decline in the years ahead against a background of reduced budgets and workforce numbers. It states the challenge, therefore, is not only to maintain the level, quality and safety of services, but to expand the range of services that can be easily accessed by patients and clients.

I refer to the Taoiseach's comment about providing more with less. There have always been serious difficulties in the health sector with regard to changes in rostering practices. Item No. 12 in the document refers to the introduction of an extended working day, covering the period 8 a.m. to 8 p.m., while item No. 13 refers to the introduction of five over seven rostering throughout the system. This would appear to be a pretty massive shift from the intransigence that was always shown within the health sector towards such change. I also understand that, during the negotiations, people in the education sector were actually offering new ideas to the Government. It appears that, for whatever political reason, these talks collapsed on Friday. I may be mistaken and I ask the Taoiseach to confirm it, but the union personnel say that Government had agreed the figures, that, from the perspective of the figures, their offers, in whatever way they were made up, met the demands of Government for 2010 and whatever bridging was to be there between 2010 and onwards was recognised.

It seems as if it was either internal politics or the impact of business outside saying this compulsory unpaid leave was a disaster or the reaction from the Taoiseach's own party at the meeting that seemed to cause a change of heart. Anyway, it is done now and it appears as if the social partnership model and structure that was in existence for 20 years, inadequate though it was in many respects, is now dead or certainly dead with this Government.

Will the Taoiseach confirm that an official call was made to Mr. McLoone to say that the Government had signed on for this proposal and it would be part of the process? It is obvious this would have included the support of the Taoiseach and the Minister for Finance. Did the Government accept the figures put through by social partnership? Was the collapse on the basis of 2011 or 2012? In view of the fact that the Government has consistently said that a more effective and customer-orientated delivery of public services is required — I agree — how does the Government intend to proceed to deliver on major public service reform when the structure which has been used for 20 years by Government is now dead and buried, at least with this Government?

The Taoiseach: I reiterate that the Government met as a Government on Tuesday and I communicated thereafter to the trade unions the Government position. The first basic requirement was the quantum, the amount of money that would have been generated by this proposal in the first instance, was insufficient and, therefore, the Government would reserve its position in respect of all other aspects of it because we had not reached that point of the equation. We are all mindful of the work and effort of the people involved. When people say they would like to further develop the proposal to see if it can be moved forward, then we are open to this happening. By having that continuous negotiation and that further discussion over the days, we saw further developments taking place in sectoral discussions which are of benefit and of value and which provide, in my opinion, a basis for moving forward in the required transformation of public services. The intrinsic merit remains. It is also a case of necessity——

Deputy Róisín Shortall: Goodwill does not, though.

The Taoiseach: If I may reply to Deputy Kenny, the intrinsic merit, worth and value of that remains because it is against the background of much tightened financial constraints on Government — on any Government. The issue of having to provide new ways forward that will not only maintain services and improve them for service-users, where possible, but also improve the work and the environment of service-providers and provide the flexibility and the operational co-operation between departments would be of benefit. These are important matters which need to be considered for the future. It is a question of ensuring a permanent outcome and being able to identify at this point where the 2011 savings would come, knowing the change management agenda, as ambitious as it is compared to previous agreements. The amount of money that would unlock in 2010 would not make up the difference in the bridging mechanism to which Deputy Kenny referred. Therefore, certainty about where we were going in 2011 and subsequently was not achieved at that point.

The Deputy referred to the unpaid leave issue. I did not make any public utterances at any time last week. In the course of last Tuesday, the idea emerged from some comments I heard subsequently that the strike was not going ahead on the basis that a deal had been done. That was not the position. I do not believe that, in all the circumstances and on reflection, if people were in the same position again today that position would be advisable or regarded as wise because it created a context in the negotiations which made agreement even more difficult. The message seemed to be conveyed by some, not necessarily those who were in the prime negotiating position, that a deal had been done and it was only a matter of tying up loose ends.

Deputy Emmet Stagg: Two junior Ministers were conveying the opposite message.

The Taoiseach: As we know, that was not an accurate reflection of the status of negotiations at the time.

Deputy Martin Ferris: I watched the events of last week and the Government did a good job of stage managing the collapse of the talks with public sector unions. Was the so-called revolt by Fianna Fáil backbench Deputies over the proposal for unpaid leave a real revolt? Did it not suit the Taoiseach? Did the Taoiseach support the unpaid leave proposal and, if so, what action did he take to persuade his backbench Deputies and party of its viability?

Does the Taoiseach believe the events of last week, specifically the revolt of Fianna Fáil backbenchers and the breakdown of the talks with public service unions, have undermined and compromised his position? Is it not hypocritical of those who revolted to sign up to extreme cuts in the social welfare payments made to the most vulnerable in society to avoid having any deal or arrangement with the public service unions?

The Taoiseach: I do not agree with the Deputy's contentions or theories on this matter. The Government entered this process in good faith, knowing it was difficult for all sides to try to find a common agreement on the issue. On the issue the Deputy raises, the Government considered its position on Tuesday morning and conveyed what its position was. It confirmed that the amounts that were contemplated as savings by the proposal, as developed on Tuesday morning and put to the Government by the trade unions, were not sufficient to meet the requirements of the situation. This message was conveyed as was the message that our position was also reserved on all other aspects of the proposal.

The Government was prepared, and the unions were anxious, to seek to develop the proposal and it was right and proper that we would do so. Unfortunately, despite the good work being done in sectoral discussions the following day, the State must not only act as employer because the need for wide public acceptance of any proposal to come forward is also an important factor.

The issue relating to the unpaid leave aspect of the proposal arose because of the very restrictive mandate the unions had to contend with. In other words, they did not have a mandate to negotiate a pay cut. This issue was linked, therefore, to a proposal on a deduction in pay to be compensated for by subsequent unpaid leave days, albeit further negotiated over a longer period subsequently. This formed a consensus in the union approach in terms of how the unions would negotiate and could not be broken or de-linked. In addition to the inability to identify post-2010 savings that were adequate to meet the requirements of the situation, there were factors which meant that the certainty and permanence required did not eventually evolve.

Despite comments made during the course of the week, I do not believe there was any bad faith on any side in relation to the efforts that were made. Good efforts were made and good work was done. While it is regrettable that agreement was not possible, there have still been strategic gains from the work that was conducted and we will have to revert to these sooner rather than later. I understand, however, the level of disappointment there may be about the outcome.

Deputy Brian Hayes: Will the Taoiseach place on the record of the Oireachtas Library the sector by sector draft proposals, which have been placed in the public domain by one side to the negotiations? Will he place the Government's side in the Library and submit the documents prepared by each Department which led to the draft proposals being made?

The Taoiseach: I do not see what purpose the Deputy's proposal would have. What one should rely on is the work that has been put together and on which there would have been agreement had other things been worked through. There is an intrinsic merit and a worth to these documents that should not be easily forgotten and can form the basis of work for the future.

Deputy Brian Hayes: Does the Taoiseach not accept, given the transformational nature of the proposals that were made, that the public have the right to this information? Those who maligned the process were excluded from it. We all have a right to know the scale of the potential agreement and to access the background documents surrounding the process. Placing this information in the public domain would help rather than hinder the process.

The Taoiseach: The documents, as they emerged, do not require further background information. They set out the direction of reforms and transformation that could be contemplated in the right circumstances. As I stated, these circumstances can and should arise again sooner rather than later.

An Ceann Comhairle: Before moving to the Order of Business, I ask Deputies to bear in mind that Private Members' time is scheduled to commence at noon.

Deputy Enda Kenny: While I accept the Taoiseach had to put certain matters on the record, he made some very lengthy replies.

Deputy Dermot Ahern: Opposition Deputies kept asking questions.

Order of Business.

The Taoiseach: It is proposed to take No. 41a, Budget Statement and the financial motions by the Minister for Finance, to be taken on the conclusion of questions to members of the Government. It is proposed, notwithstanding anything in Standing Orders, that the Dáil shall sit later than 8.30 p.m. tonight and the motion for the general financial resolution shall be moved not later than 12 midnight whereupon business shall then be interrupted and the Dáil shall adjourn forthwith; and, following the Budget Statement of the Minister for Finance, the following arrangements shall apply in relation to the proceedings on No. 41a: the statements of the main spokespersons for Fine Gael, the Labour Party and Sinn Féin shall not exceed 45 minutes, following the statements the sitting shall be suspended for 30 minutes and all divisions demanded on No. 41a shall be taken manually.

Private Members' business shall be No. 60, Dublin Docklands Development Authority (Amendment) Bill 2009 — Second Stage (resumed), to be taken at 12 noon and to conclude after 90 minutes, if not previously concluded.

An Ceann Comhairle: There are three proposals to be put to the House. Is the proposal that the Dáil shall sit later than 8.30 p.m. and the motion for the general financial resolution shall be moved not later than 12 midnight, whereupon business shall then be interrupted and the Dáil shall adjourn forthwith, agreed to?

Deputy Enda Kenny: I have a couple of questions on the proposal. When will we be given information on the grouping of votes which will depend on the contents of the Minister for Finance's Budget Statement? The Minister will commence his statement at 3.45 p.m. and speak for between 30 and 45 minutes. When will we be in possession of information on the grouping of votes that may take place later? If the Dáil gets to midnight without collapse — some of the Taoiseach's people are nervous that it will not — will the social welfare Bill be published

[Deputy Enda Kenny.]

afterwards? If it will be taken tomorrow after the leaders make their contributions on the budget, does the Taoiseach expect us to agree to his breaking a time-honoured rule that one publishes a Bill and leaves some period between Second Stage and the completion of the Bill? Will we have a situation where the Bill is published on the day it will be taken and rammed through before the weekend? Will the Taoiseach inform me when will we have the information about the groupings of votes? Is it proposed to publish the social welfare Bill after the question is put at midnight?

Deputy Emmet Stagg: The Labour Party will not agree to any Order of Business until the format proposed by the Government for the social welfare Bill is changed. The format as proposed excludes the possibility of dealing with the Bill as set out under Standing Orders. For example, under Standing Order 123 which deals with amendments, amendments to the social welfare Bill, if it is to be taken as indicated by Government, should have been lodged in the Ceann Comhairle's office or the questions office at 11 a.m. on Tuesday last. That is not a possibility. Will the Ceann Comhairle be flexible in accepting amendments to the social welfare Bill and will he accept amendments up to and during Committee Stage of the Bill, given the proposal from the Government? The Labour Party will not agree to this. The only reason the social welfare Bill will not be taken as promised to the Whips — that is, next week — is the fear of the Government that its backbenchers will falter under the weight of public opinion arising from what is in the Bill.

Deputy James Bannon: There is more money as it is.

Deputy Emmet Stagg: That is the only reason the Bill is being taken and we will oppose the Order of Business until the Government changes its tune on this.

Deputy Joe Costello: We are all looking for leads.

An Ceann Comhairle: I advise the Deputy that we have some discretion on the issue of taking amendments.

Deputy Emmet Stagg: This is why I call on the Ceann Comhairle to be flexible.

The Taoiseach: To answer Deputy Kenny's question first, the grouping of resolutions or the way in which we take them will be agreed at the Whips meeting at 7 p.m. this evening. The social welfare Bill will be published after the Budget Statement has been issued. It will be later on this evening.

Deputy Enda Kenny: Will it be after the Budget Statement or the vote?

The Taoiseach: I can get the Whip to confirm the actual time but it will be later on this evening.

Deputy Enda Kenny: The Taoiseach cannot confirm that the statement of the Minister will be agreed if the House does not vote at midnight.

The Taoiseach: We can issue the Bill any time. My understanding is the publication of the Bill will not be dependent on taking a vote.

Deputy Enda Kenny: The Taoiseach will not be able to put it through at all if it does not get to midnight or if, for example, some people kick the traces over there. Perhaps the Taoiseach is very confident.

The Taoiseach: We are confident enough, no more than the Deputy himself.

Deputy Enda Kenny: Is the Taoiseach fully confident?

Deputy Bernard J. Durkan: Is Deputy Mattie McGrath on-side?

Question put: “That the proposal for dealing with the late sitting be agreed to.”

The Dáil divided: Tá, 77; Níl, 69.

Tá

Ahern, Bertie.
 Ahern, Dermot.
 Ahern, Michael.
 Ahern, Noel.
 Andrews, Chris.
 Ardagh, Seán.
 Aylward, Bobby.
 Blaney, Niall.
 Brady, Áine.
 Brady, Cyprian.
 Brady, Johnny.
 Browne, John.
 Byrne, Thomas.
 Calleary, Dara.
 Carey, Pat.
 Collins, Niall.
 Conlon, Margaret.
 Connick, Seán.
 Coughlan, Mary.
 Cowen, Brian.
 Cregan, John.
 Cuffe, Ciarán.
 Cullen, Martin.
 Curran, John.
 Dempsey, Noel.
 Devins, Jimmy.
 Dooley, Timmy.
 Fahey, Frank.
 Finneran, Michael.
 Fitzpatrick, Michael.
 Fleming, Seán.
 Gogarty, Paul.
 Harney, Mary.
 Haughey, Seán.
 Healy-Rae, Jackie.
 Kelleher, Billy.
 Kelly, Peter.
 Kenneally, Brendan.
 Kennedy, Michael.

Killeen, Tony.
 Kitt, Michael P.
 Kitt, Tom.
 Lenihan, Conor.
 McDaid, James.
 McEllistram, Thomas.
 McGrath, Mattie.
 McGrath, Michael.
 McGuinness, John.
 Mansergh, Martin.
 Martin, Micheál.
 Moloney, John.
 Moynihan, Michael.
 Mulcahy, Michael.
 Nolan, M. J.
 Ó Cuív, Éamon.
 Ó Fearghaíl, Seán.
 O’Brien, Darragh.
 O’Connor, Charlie.
 O’Dea, Willie.
 O’Donoghue, John.
 O’Flynn, Noel.
 O’Hanlon, Rory.
 O’Keeffe, Batt.
 O’Keeffe, Edward.
 O’Rourke, Mary.
 O’Sullivan, Christy.
 Power, Peter.
 Power, Seán.
 Roche, Dick.
 Ryan, Eamon.
 Sargent, Trevor.
 Scanlon, Eamon.
 Smith, Brendan.
 Treacy, Noel.
 Wallace, Mary.
 White, Mary Alexandra.
 Woods, Michael.

Níl

Allen, Bernard.
 Bannon, James.
 Breen, Pat.
 Broughan, Thomas P.
 Burke, Ulick.
 Byrne, Catherine.
 Carey, Joe.
 Clune, Deirdre.
 Connaughton, Paul.
 Coonan, Noel J.
 Costello, Joe.
 Coveney, Simon.
 Crawford, Seymour.

Creed, Michael.
 D’Arcy, Michael.
 Deasy, John.
 Deenihan, Jimmy.
 Doyle, Andrew.
 Durkan, Bernard J.
 English, Damien.
 Feighan, Frank.
 Ferris, Martin.
 Flanagan, Charles.
 Flanagan, Terence.
 Hayes, Brian.
 Hayes, Tom.

Níl—*continued*

Higgins, Michael D.
 Hogan, Phil.
 Howlin, Brendan.
 Kehoe, Paul.
 Kenny, Enda.
 Lee, George.
 Lynch, Ciarán.
 Lynch, Kathleen.
 McCormack, Pádraic.
 McEntee, Shane.
 McGrath, Finian.
 McHugh, Joe.
 McManus, Liz.
 Mitchell, Olivia.
 Morgan, Arthur.
 Naughten, Denis.
 Neville, Dan.
 Noonan, Michael.
 Ó Caoláin, Caoimhghín.
 Ó Snodaigh, Aengus.
 O'Donnell, Kieran.
 O'Dowd, Fergus.

O'Keeffe, Jim.
 O'Mahony, John.
 O'Shea, Brian.
 O'Sullivan, Jan.
 O'Sullivan, Maureen.
 Penrose, Willie.
 Perry, John.
 Quinn, Ruairí.
 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.
 Wall, Jack.

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

Question declared carried.

An Ceann Comhairle: Is the proposal for dealing with No. 41a, Budget Statement and financial motions by the Minister for Finance, agreed to?

Deputy Emmet Stagg: As I indicated on the previous issue, the Labour Party will not agree to the Order of Business until changes are made to the Government proposal for dealing with the social welfare Bill. For example, the format for the Bill as proposed minimises the possibility of this House debating the various sections on Committee Stage. It is designed to minimise it. We will be asking the Government Chief Whip and the Government to change that format to allow a proper Committee Stage debate on Friday, even in the limited time that is available. We cannot agree to the current proposal. We were assured that the Bill would be taken next week. The unions were not the only ones that were deceived by the Government last week. We were misled in that regard as well. We need flexibility from the Ceann Comhairle on Standing Order 123 or there will be no debate on the Bill.

12 o'clock
 Question, "That the proposal for dealing with No. 41a be agreed to", put and declared carried.

An Ceann Comhairle: Is the proposal that all divisions demanded on No. 41a be taken manually agreed to? Agreed.

Deputy Ruairí Quinn: The Ceann Comhairle may recall that on the occasion of the last budget, there was an unseemly but necessary disruption of business at the start of the speech of the Minister for Finance. Members, who are elected to this House, were deprived of information and given a lecture about what to do with the budget documentation while at the same time, members of the Press Gallery were given documents in advance. As a former Minister for Finance, I would say it is in nobody's interest and it is not in the interest of any side of this House that we have a repetition of last year's farce. On behalf of all Members, I ask the Ceann Comhairle's office to ensure this matter is dealt with in an orderly and proper way.

An Ceann Comhairle: We are fully aware of the problem that arose and it is the intention it will not recur this time.

Private Members' Business.

Dublin Docklands Development Authority (Amendment) Bill 2009: Second Stage (Resumed).

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

Deputy Joe Costello: I wish to share my time with Deputy Quinn.

Acting Chairman (Deputy Charlie O'Connor): Is that agreed? Agreed.

Deputy Joe Costello: I compliment Deputy Hogan on tabling this Private Members' Bill. The purpose of the Bill is to give the Comptroller and Auditor General the power to audit the Dublin Docklands Development Authority and to compel the chief executive officer to attend before an Oireachtas committee to account for the authority's activities and to report on its financial accounts.

I fully support the objectives of the Bill. The DDDA was a good and exciting initiative. My colleague, Deputy Quinn, created the vision. It delivered very valuable regeneration projects down through the years. It was the jewel in the crown of State-sponsored development bodies until it unfortunately cosied up to the developer and financier, was enthralled by the get rich quick philosophy and was ultimately corrupted in its operations.

The annual report for 2008 makes sorry reading. A consolidated income and expenditure surplus of €3.7 million in 2007 had become an incredible deficit of €213 million in 2008. The reckless purchase of the Irish Glass Bottle Company site with a private developer at the height of the property boom was a disaster and more than €5 million in interest payments are now haemorrhaging out of the authority's accounts for a site that was never developed and whose purchase price of more than €400 million has now dwindled to a mere €60 million estimated value.

Professor Niamh Brennan, the new chairwoman of the authority, has admitted that the Dublin Docklands Development Authority will need an injection of at least €35 million from the State to bolster its repayments on the Irish Glass Bottle site. The section 25 planning permission granted on the North Lotts site was found by the High Court to be flawed, lacking in transparency and declared null and void. A further legal action has been initiated by Bernard McNamara against the DDDA in regard to the Irish Glass bottle site transaction.

A "systematic conflict of interest" occurred at the docklands authority in the middle years of this decade according to the chairwoman, Professor Niamh Brennan, in the annual report 2008. Crossover, high level membership of the board with directors of financial institutions poisoned the authority's operation. Thus irregularities in planning and in financing and blatant conflicts of interest have damaged the good name of the authority and crippled its operation in recent years. The docklands is now strewn with shelved, cancelled or half built projects.

The mission statement of the Dublin Docklands Development Authority was to provide economic and social regeneration for the docklands area and for the docklands communities. It stated: "We will develop Dublin Docklands into a world-class city quarter, a paragon of sustainable inner city regeneration, one in which the whole community enjoys the highest stan-

[Deputy Joe Costello.]

dards of access to education, employment, housing and social amenity and which delivers a major contribution to the social and economic prosperity of Dublin and the whole of Ireland.”

While it facilitated the construction of more than 4,000 units of accommodation and granted planning permission for 811 units of social and affordable housing under the section 25 planning scheme, it failed to provide for the housing needs of the local dockland communities. Some 369 units or fewer than half the 811 units granted planning permission have been built and only 37 social housing units have come on stream on the northside of the Liffey, Clarion Quay, and they were built eight years ago.

There are still issues to be resolved around the joint ventures with developers for the construction of residential developments in Hanover Quay, Gallery Quay, Longboat Quay and Forbes Quay. These were developments on the old 24 acre gasometer site which had been acquired by the authority through the Department of the Environment, Heritage and Local Government much earlier.

Approximately 200 units of social housing were provided to the authority as part of the public private partnership deals with no cost to the authority. At the same time, the authority drew down the real cost of the units from the Department of the Environment, Heritage and Local Government under the loans subsidy scheme. There is no mention good, bad or indifferent in the annual report as to what happened to this money which is well in excess of €50 million. The report only refers to the sale of 43 units of affordable houses on these sites.

The chief executive officer has promised to amend the accounts to reflect this substantial omission and I trust will also state what the moneys have been used for. For example, has the housing capital subsidy been used to run current budgets and other costs? Dublin City Council should step in, procure and allocate units which have been completed but on which the authority has been dragging its heels on the north side of the Liffey. For example, we have been waiting almost 18 months for 51 units in Castleforbes to be allocated.

Moreover, the local authority should for the time being be the sole authority for the granting of planning permission since the DDDA has demonstrated irregularities with developers and compromised the planning process, resulting in legal actions, loss of funds and credibility.

A headline in today's *The Irish Times* states “Gormley vows to act decisively over Dublin Docklands Authority” yet all the Minister for the Environment, Heritage and Local Government has done is to ask the DDDA to compile two internal reports on the finance operations and the planning functions of the authority. He has rejected the provisions of this Bill.

The Comptroller and Auditor General needs to audit the authority and with the injection of State funds which are not being sought, he should be able to do so.

Deputy Ruairí Quinn: I wish to put on record my view on what has happened. It is very easy at this point, because of the mistakes made in the property market, to criticise the Dublin Docklands Development Authority. The treatment of the former chief executive is something which must be revisited in due course. The membership of the board is ultimately decided by the Minister for the Environment, Heritage and Local Government. If there were cosy relationships and cross directorships, then it was for the Department, in the first instance, to take a view as to whether such appointments were appropriate. I am not aware that it intervened or expressed any such view at any point.

In regard to the Irish Glass Bottle site in south Dublin, the authority, with the support of the community council and others, acted in the best interest of that proposal. That it has now fallen in value is a reflection on the Irish property market as much as it is a reflection on the judgment of the officials, the executive and the board of the authority. I would say to my

colleague, Deputy Costello, that the one consolation is the property will become the property of NAMA and will stay within the State sector.

This is the largest area for redevelopment in the city centre. When one looks at the way in which much of suburban Dublin has moved to the outskirts of Carlow, Kildare, Mullingar, etc., we should take a much more sanguine and long-term view on the possibility for rejuvenation and regeneration in the Poolbeg peninsula than the current travails of the property permit.

I will mention something that is not in the Bill proposed by the Fine Gael Party. I can see no difficulty with or objection to the Comptroller and Auditor General examining the accounts. The authority is a semi-State body that should be accountable to this Oireachtas in the course of its activities. I do not support the proposal that the Dublin Docklands Development Authority be integrated or merged with the dead hand of Dublin City Council.

The planning proposal for section 25 gave rise to the legal action referred to by Deputy Costello. The concept of a master plan going through a planning process which enabled people to see what was going to happen and provide some certainty for the planners and developers through section 25 was innovative. By and large, it has served the redevelopment of Dublin's docklands very well. To transfer the planning functions of the authority — or the entire authority — to Dublin City Council would be a disaster.

Acting Chairman: The next speaker is Deputy Seán Fleming and there are 30 minutes in his slot. I understand he wishes to share time with his colleagues.

Deputy Seán Fleming: I wish to share time with Deputies Cuffe, Fitzpatrick, Gogarty, Chris Andrews and Cyprian Brady.

Acting Chairman: Is that agreed? Agreed.

Deputy Seán Fleming: I thank Deputy Phil Hogan, the Opposition spokesperson for the environment, heritage and local government, for bringing forward this Private Members' Bill. I chair the Oireachtas Joint Committee on the Environment, Heritage and Local Government and we have discussed the Dublin Docklands Development Authority on numerous occasions at meetings during the course of this year. I accept Deputy Quinn's comments in that it was originally set up in 1997 to secure social and economic regeneration of the docklands area.

Earlier this year members of the committee visited the area and were very impressed with the various activities we saw. Only last week the new chairperson of the authority, Professor Niamh Brennan, appeared before the committee to discuss its annual report. It was like being on a different planet from where we were earlier in the year dealing with the same organisation. That is down to the changes in the organisation in the intervening period.

I have a straightforward view. I listened to Professor Brennan at the meeting and as Chairman I put the straight question to her of why our committee should not recommend that the organisation be dissolved in view of the massive financial losses and because it will take a couple of years before it can break even. It will probably take forever and a day to repay its deficit. I was impressed at Professor Brennan's ability, competence and confidence in arguing that her team was the best organisation to bring the authority forward. As Chairman of the committee, I am willing to go along with that and give her some time.

She stated that losses have arisen and somebody will have to pick up the tab. If Dublin City Council or some other organisation gets it, somebody else would be picking up the pieces. Professor Brennan felt the authority was the best organisation to deal with the matter.

One difficulty is that it is a combined planning and development authority. Professor Brennan has indicated that separate reports are being carried out and structures are to be

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implemented to separate the two functions. There is an inevitable problem when people in an organisation want to promote planning and development, with others dealing with social and economic regeneration. It must be difficult to separate the two concepts.

Professor Brennan noted that there was a systemic conflict of interest between directors on the board of the authority and Anglo Irish Bank. That has now been excised and is no longer the case. We are picking up the pieces from these difficulties and transactions entered into. Other members of the authority, including Dublin City Council members, must have been horrified about what was happening in their name. As they are local people they were probably getting flak for some of the decisions made above their heads. It was disappointing to yesterday hear the Sinn Féin representative from Dublin city argue that the authority is very unrepresentative of the area. It was an enormous slight on the community representatives on the council, although major mistakes were made.

The Comptroller and Auditor General should not audit the authority. The auditing practices of the Comptroller and Auditor General are probably no better or worse than most of the major accounting firms in the world. It is normal procedure that non-commercial State bodies have the Comptroller and Auditor General as auditor but this is not so for commercial State organisations. The principal reason is that the Comptroller and Auditor General normally audits organisations where practically all the funding is provided by the Exchequer; the Dublin Docklands Development Authority may get little or no funding but much of what it gets is generated from development levies raised by the authority itself at local level. That commercial activity would mean it would not normally come under the remit of the Comptroller and Auditor General.

The Office of the Comptroller and Auditor General is overstretched but there must be more accountability to this House from the Dublin Docklands Development Authority. I would like to see a change in legislation on that front but there are more substantive issues to be dealt with in the authority than changing the auditor.

Deputy Michael Fitzpatrick: I am glad to have the opportunity to say a few words on Dublin docklands development. The financial summary for 2008 of the Dublin Docklands Development Authority states:

The year 2008 was unprecedented for the authority, culminating in the reporting of an operating deficit, before impairment, of €27.1 million. Taken in conjunction with losses of €67.8 million arising from impairment of property assets and adjustments of a further €117.8 million as a result of the authority's joint venture in Bepay limited, the authority is reporting a deficit for the year of €212.9 million, the most significant in the history of its operations.

Earlier this year, the Minister for the Environment, Heritage and Local Government, Deputy John Gormley, took decisive action in appointing a new chairman of the authority, Professor Niamh Brennan, who has a recognised expertise in corporate governance matters. When she appeared before the Oireachtas committee she impressed us with her knowledge and dedication to the delivery of development in the Dublin docklands in a timely fashion. She was determined that the wrongs of the past would be left behind and that the authority would move forward in a positive way.

In 2007, the authority had a surplus of €3 million. The authority is facing significant financial challenges but under the new chairman, the authority is responding to these challenges urgently and aggressively by substantial reduction in staff numbers as fixed-term contracts expire, the constant monitoring and reduction in overhead costs and discretionary spending cuts. A reduced organisational structure has been put in place.

In terms of planning applications, there is a requirement that upon receipt, applications undergo initial assessment for completeness and potential non-compliance with the terms of planning schemes. Site notices must be displayed and registered applications notified to third parties by immediately logging on to the Dublin docklands website. A process for receiving and acknowledging valid third-party submissions has been implemented and there is also a requirement that the planner, when preparing his or her report for the board, take account of the application and any valid third-party submission.

The authority is confident these measures will show a significant narrowing of the operation deficit during the current year and the chairperson of the authority has indicated this process will continue into 2011 when it is predicted the authority will return to break even or better. The likelihood is that the DDDA will post a much lower operating loss for 2009 of about €10million, compared with 2008's losses of €27 million, and that the authority expects to break even by the end of 2010.

The authority's chair and acting CEO appeared before the Joint Oireachtas Committee on the Environment, Heritage and Local Government for three hours on 1 December to discuss the authority's 2008 annual reports and accounts. The chairperson of the authority told the Oireachtas committee that the board of the authority understands that restoring public confidence in the operations of the board is a critical priority.

With that in mind, and following a request from the Minister for Environment, Heritage and Local Government, the board has instituted two reports to examine both the financial operations and planning functions. The chairman expects both reports to be finalised shortly for review by the Minister and she will co-operate with whatever action the Minister decides to take on these matters. She went on to state: "I am aware that there has been repeated suggestions that the Comptroller and Auditor General should be given a role in reviewing the operation of the Authority". However, she is firmly of the view that the reports will achieve whatever the Comptroller and Auditor General might have been able to achieve.

The executive board is responding to the turmoil in the financial property market and has sought to restructure the authority's development activities for the foreseeable future. The key risks and uncertainties facing the authority include a prolonged downturn in the property market, a further decline in the sales of affordable housing and the continued deferral of major development projects. I wish the DDDA well. Professor Niamh Brennan and the board are committed to a successful programme of reform which will see the authority return to profit and continue the social and economic development of the docklands.

Deputy Paul Gogarty: This is not my area of expertise but I had a strong view on the whether the Irish Glass Bottle Company should have been closed and the site sold in the first place. It was a regressive step. We have no glass recycling facility within the 26 counties and given that oil prices will increase over the next number of years, such an indigenous industry would have served us well. I do not know whether a facility will be resurrected on another site but we would not have experienced this scandalous waste of resources and overspending if the bottle company had been funded properly and appropriate measures put in place to ensure recycling took pride of place in the State. For example, the Green Party has called for years for refundable deposits on bottle and cans but this has been thwarted by the Repak establishment. If glass bottles were refundable, we would have an industry providing jobs during the economic downturn.

We know where we are regarding the site. I am cynical and biased about the activities of the developers and decisions makers involved over the past number of years. I do not know whether we believe Mr. Maloney or Mr. McNamara regarding who said what. When everything

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emerges, it will not look good and I suspect dodgy dealings have taken place, highlighting at the very least cronyism and back slapping in the old boy's club.

This is not the time to introduce this legislation, worthy as it is. The Minister stated recently that he appointed Professor Brennan, who is an expert in corporate governance matters. She has been charged with producing reports on corporate governance within the authority and we should wait and see. It is the role of the Ministers for the Environment, Heritage and Local Government and Finance to ensure that the authority acts in a prudent and proper way. However, the proposal to bring the authority within the remit of the Comptroller and Auditor General has wider implications for other State bodies and since the DDDA does not receive at least 50% of its annual funding from the Exchequer, it cannot come under the remit of the Comptroller and Auditor General. The Minister stated it is necessary or relevant to bring in the Comptroller and Auditor General.

I am confident that the authority's financial affairs will be managed in a more prudent manner with the oversight of Professor Brennan. That does not mean we will cast everything that took place into the dark recesses. Professor Brennan is competent and capable and she will not be influenced by the back slapping and cronyism of the past. I am confident that information will come to light and that the Minister will act in a decisive, appropriate and timely fashion. It is not time now, however, to seek that information through this legislation. It is up to the chairman to make a report. I have full confidence in her and that the Minister acted prudently and decisively regarding her appointment. It is too soon to tell but I hope a report is published soon and we can debate the issue further in the House in the near future.

Deputy Chris Andrews: I am delighted to have an opportunity to contribute to the debate as a former member of the authority during my time as a Dublin city councillor. It is important to note that many good initiatives were undertaken in the docklands leading to extensive community development, which transformed a derelict area into a vibrant community both on the north side and the south side. Deputy Costello identified a number of projects on the north side that were not undertaken but the docklands must be considered in its entirety. With regard to housing provision, it transformed people's lives, giving them great self-esteem. They moved from miserable accommodation in the locality to decent, good quality accommodation and that has made a difference to individuals and the community at large.

The Minister touched on a number of achievements in education and the authority's positive contribution in facilitating sporting organisations and groups. Children and parents worked together on different projects to build their relationships, including fathers and daughters. A new theatre will open in the area, which is positive, and various art exhibitions are held there, which have made a difference to the arts community. The docklands is a good template for future planning because it integrated the existing small community into the new larger community. The joining of the old community with the new vibrant community was almost seamless. This did not happen in other developments. As I stated at the joint committee meeting last week, there was a sense in the community at the time that this positive community development should be extended to Poolbeg. People in Ringsend and further afield on both sides of the river said this made sense because it has worked.

There are serious issues and Deputy Hogan's Bill has merit but it is great in hindsight to be able to say it was not a good idea. This development should be considered as a template for an extension to Poolbeg. I stated at last week's committee meeting that the merger of the authority with Dublin City Council should be examined. This proposal has merit in that there is a great deal of crossover between both bodies. However, the chairman made a strong case for retaining the authority as a separate entity. It would be clean and clear.

Deputy Hogan's Bill has merit but we have to wait on the two reports commissioned by the Minister. The Bill is premature but not without merit.

Deputy Ciarán Cuffe: I thank the Acting Chairman for his indulgence.

Deputy Bernard J. Durkan: A plenary indulgence.

Deputy Ciarán Cuffe: Yesterday was a good day for Dublin's docklands. It marked the opening of the red line Luas extension from Busaras and Connolly Station to The Point. The provision of high-capacity, frequent and reliable public transport to the heart of the Dublin docklands on the north side of the river can only be positive. It will be good for the residents of East Wall and for the rest of us. It will take many cars off the quays and improve matters.

The journey along the Luas red line extension traces the rise and fall of Ireland's economic successes and failures over the past 20 years. It begins with the Irish Financial Services Centre, a fairly bland corporate group of buildings. I am not a great fan of their architecture and they are fairly soulless and dull at night. However, as one continues to Mayor Square one sees a bit of a buzz. There is the National College of Ireland, the former National College for Industrial Relations. People live over restaurants and bars and there is a range of activities there. In many ways, it is a very good model of urban living for the 21st century. A bit further on is the National Convention Centre. I am not a great fan of its architecture or of the proposals to put in place many high-rise hotels there. At the next stop is the concrete hulk of Seanie FitzPatrick's Anglo Irish Bank headquarters. That in itself tells the tale of the excess of economic development in Ireland.

Deputy Bernard J. Durkan: Fair play to Seanie.

Deputy Ciarán Cuffe: It tells many tales about what went wrong in recent years.

The final stop is at The Point and there to greet us on the journey we took was Harry Crosbie, who was grinning from ear to ear. One could see the dollar signs in front of his eyes and in fairness I wish him well. He has been a strong advocate of development in Dublin's docklands over the past 20 to 25 years. He put his money where his mouth was and is, and fair dues to him. I wish him well and I believe he will be more successful with what is happening there at present.

It is worth dwelling on what worked well and what worked badly for the Dublin Docklands Development Authority. It worked well under Ruairí Quinn's vision of a stand-alone State authority that would assist in the development of a run-down area. To quite a degree, the planning powers have worked well. Where it went wrong was in corporate governance. I do not see anything wrong with appointing as directors people who bring with them their wealth of experience in the financial or banking sector. However, something seemed to go wrong when conflicts of interest arose on the board of the Dublin Docklands Development Authority. In a country as small as Ireland, there are conflicts of interest every day of the week. The trick is to declare them and put them on the table. If there is a conflict of interest or a perceived conflict of interest one leaves the room. I am not convinced that happened at the board meetings of the Dublin Docklands Development Authority.

Deputy Phil Hogan: Deputy Cuffe can vote for the Bill.

Deputy Ciarán Cuffe: That is where we need to lay down a very strong marker on how we govern and how business is conducted in the boardroom. Fine Gael's proposal to bring the Dublin Docklands Development Authority under the remit of the Comptroller and Auditor General may not be a move in the right direction because it begs the question where do we

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stop. Do we bring Bord Gais, the ESB and every authority under the remit of the Comptroller and Auditor General?

Deputy Terence Flanagan: Yes.

Deputy Phil Hogan: We call it accountability.

Deputy Terence Flanagan: Transparency.

Deputy Ciarán Cuffe: For a party that prides itself on being pro-business and removing red tape and regulation, would its proposal before us today not add another layer of complexity to development? That is why I will not vote for it.

Deputy Bernard J. Durkan: The original cop-out. I am disappointed.

Deputy Ciarán Cuffe: Let us improve corporate governance but adding more layers of bureaucracy for businesses during a very difficult time, as Deputy Hogan's proposal does, is not the way to go. His motivation is honourable and I respect him as an individual but the Bill is heading in the wrong direction.

Deputy Bernard J. Durkan: What is the right way?

Acting Chairman: I am bound to tell Deputy Cuffe that the Luas which serves the docklands also goes to Tallaght.

Deputy Ciarán Cuffe: It does.

Deputy Paul Gogarty: I knew the Acting Chairman would get it in.

Deputy Ciarán Cuffe: Not only does it go to Tallaght it brings one from Tallaght in the space of 58 minutes. Putting better public transport in place between Tallaght and The Point can only be good.

Deputy Bernard J. Durkan: And improved architecture.

Deputy Cyprian Brady: In recent weeks and months we have had much discussion, much of it negative, on the Dublin Docklands Development Authority. I want to concentrate on the positives. Since 1997, I have had personal experience of the huge benefits the authority has brought to the docklands on both sides of the River Liffey, as Deputy Chris Andrews mentioned, which were derelict and deprived areas. It has made a huge positive contribution to the development of those areas. All that positivity and progress is being lost.

Public consultation and community input have always played a part in the positive work in the docklands. The local community is represented on the advisory council, and not just by individuals from the community but also by elected public representatives in the form of local councillors. Statutory and voluntary agencies are also involved as well as the authority itself. It has always been a platform for communities in the area to put forward their points of view and ensure they are not being trodden on. This type of community consultation and facilitation is a model which is being examined in other parts of the world and it came from the Dublin Docklands Development Authority.

Various improvements and changes that have taken place have been mentioned and I will go through a few of them briefly. Hundreds of families and individuals are now in sustainable high-quality accommodation in what was a deprived derelict area. A vast number of community

development programmes have taken place in recent years with the various communities in the area. These have proven hugely successful and of huge benefit not just to young and older people but to the community as a whole. We must continue with this.

I remember when the Irish Financial Services Centre was a hole in the ground. A local employment contract was signed by the developers and local people were employed. That continued into the development of the docklands. It has proven hugely successful. I remember a lady from the Sheriff Street area comparing it to the 1940s and 1950s when people walked over the bridge at Sheriff Street to go to work in the mornings. This was happening again in the docklands area with people going to banks, offices and hotels. There was employment for people who for generations had no options and nowhere to go.

Perhaps the biggest change and impact of the Dublin Docklands Development Authority is in the area of education. Children in the docklands, particularly in the north inner city where I spend much time, are better educated, more confident and have more choices than before. Leaving education at junior certificate level or at the ages of 12, 13 or 14 to go out to try to earn money for one's family is no longer an issue in these areas.

In the 12 years since the Dublin Docklands Development Authority came into being, a vibrant, sustainable and integrated community has been created. That fact has become lost during the debate. It has always been my opinion that buildings do not make communities, rather it is people who do so. I grew up in the docklands area and I have monitored what occurred there in recent years. It was only in the past two years that financial and governance issues arose in respect of the authority. During the previous ten years, however, the authority made major progress and its work had a major impact on the local communities.

Whatever about corporate governance issues, there is no doubt but that the interests of the communities to which I refer are being forgotten. The debate on where we go from here smacks of closing the gate after the horse has bolted. There are corporate governance mechanisms in place and there are rules and regulations with regard to how State and semi-State bodies are run. We must concentrate on continuing to support the positive work that has been done by the Dublin Docklands Development Authority over the past 12 years.

Deputy Jim O'Keefe: I wish to share time with Deputies Terence Flanagan and Kieran O'Donnell.

I am absolutely amazed by the reaction of the Government to this Bill, which was introduced by my colleague, Deputy Phil Hogan. When I first saw it, my immediate reaction — on a completely non-political basis — was to say, "Hear, hear, it is time this was done". The legislation constitutes a necessary item of reform and I would have thought the debate on it would have been short-circuited by the Minister for the Environment, Heritage and Local Government indicating that the Government was prepared to accept it in principle, with the proviso that it could be tweaked on Committee Stage, and allow Second Stage to pass.

The legislation before the House has been referred to as a Fine Gael Bill. In that context, Deputy Hogan considered what happened with the Dublin Docklands Development Authority and at the Committee of Public Accounts, which reached an all-party agreement that legislation to deal with this matter should be introduced. However, such legislation never emerged. All Deputy Hogan did, therefore, was to draft the necessary Bill in respect of the all-party agreement to the effect that the Dublin Docklands Development Authority be placed under the remit of the Comptroller and Auditor General. In such circumstances, I cannot understand how any Member of the House can vote against the Bill.

As already stated, the Bill implements an all-party decision. Why was such a decision made? It happened because of people's horror with regard to the picture that emerged of the Dublin

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Docklands Development Authority. It is clear that drastic action is necessary. I have been a Member of the House for many years and having participated in the activities of the Committee of Public Accounts, I have become somewhat battle-hardened. However, I have never come across anything quite as bad as what occurred in this instance.

What makes matters worse is that this is a body which had such a bright start. Everyone accepts and agrees that it did such marvellous work. In the past six or seven years, however, it squandered the capital it built up in the context of its reputation, good name and the good work it did previously. This happened because the authority was taken over by the Dublin equivalent of those who previously occupied the Fianna Fáil tent at the Galway races. If one examines the connections among the board, Anglo Irish Bank and the developers involved, one will see a common thread emerge.

The horrifying scale of this scandal means that the taxpayer has been left completely exposed. The amounts involved are quite enormous. I refer here to the massive sum — some 26% of the whole — used to purchase the Irish Glass Bottle Company site in Ringsend and also to the loan facility, the soft loan, the guarantee and the money borrowed from Anglo Irish Bank, which is now owned by the State. It is something of a financial carousel. As the authority is not paying up in respect of this site, Anglo Irish Bank, on behalf of the State, will be obliged to foot the bill. If the carousel completes a further turn, it will be passed on to NAMA which, again, is guaranteed by the taxpayer, who is being exposed in respect of enormous sums of money.

The question arises as to the action we should take on this matter. An investigation must take place with regard to what occurred in the past. However, that is not the issue. In that context, the real issue is how we ensure that events of this nature do not happen in the future. The Comptroller and Auditor General has a role to play. I have witnessed the latter’s work in respect of many State bodies. A recent example in this regard, which garnered a great deal of publicity, was his investigation of FÁS. The Comptroller and Auditor General carries out forensic examinations in respect of the relevant details relating to any matters of concern and the Committee of Public Accounts can then not merely expose some of the horrific activities which might have taken place, but also ensure that a system be put in place to prevent any recurrence of such activities.

The Minister for the Environment, Heritage and Local Government indicated that he cannot accept this Bill, which was introduced by Fine Gael but which contemplates an all-party decision reached by the Committee of Public Accounts, and put forward a number of reasons in this regard. In that context, he referred to the State’s code of corporate governance and indicated that the Dublin Docklands Development Authority is subject to it. The code states that bodies such as the authority should conduct their business in such a way that conflicts of interests can be avoided.

When I began to consider the activities of the Dublin Docklands Development Authority, and in light of the code of corporate governance to which I refer, I was stunned when I discovered that it is the planning authority for the area that comes within its remit. It, therefore, acquires properties on the basis of joint ventures and it then, in effect, provides planning permission in respect of developments relating to such properties.

This blows a total hole in the stipulation that there should be no conflicts of interest. I cannot understand how any Government could permit the coming into being of such a scenario. What is worse is that the Fianna Fáil-led Government extended the authority’s borrowing limit in order that it might raise the funds necessary to allow it, on a joint-venture basis, to become involved in acquiring properties in respect of which it could then issue planning permissions.

How can this be justified under any system of democratic governance? The Government bears major responsibility in respect of what occurred in this instance. What I have just described strikes me as being one of the worst aspects of this entire affair.

It is clear that other elements of the State code of corporate governance, such as those relating to proper procurement practices, the rules relating to participation in joint ventures, etc., were not complied with. The Minister indicated that the accounts were properly audited. I will not criticise those from KPMG who were only doing their job in this regard. KPMG did its work, properly and efficiently, in the context of producing an audit and informing us as to what is the bad news. However, the Comptroller and Auditor General does not operate in the same way as KPMG. The latter deals with its client, namely, the authority, whereas the Comptroller and Auditor General holds a constitutional office and works on behalf of everyone in the country who pays tax. That is why we want the Comptroller and Auditor General included.

The third point raised by the Minister in defence against this Bill is that there is an oversight arrangement with the Oireachtas Joint Committee on the Environment, Heritage and Local Government. He misconstrues entirely the role of an Oireachtas committee such as the Joint Committee on the Environment, Heritage and Local Government in contrast to the role of the Committee of Public Accounts. There are two significant aspects to the Committee of Public Accounts. It works with the Comptroller and Auditor General, who undertakes forensic analysis and produces detailed figures. The Committee of Public Accounts operates on a non-political basis. It leaves politics to the line committees. The politics of this issue is a matter for the Joint Committee on the Environment, Heritage and Local Government. We need a procedure so that the figures for this authority can be forensically examined by an independent body and the matter can be dealt with by the Committee of Public Accounts. The Comptroller and Auditor General is the obvious body for this task.

The Minister for the Environment, Heritage and Local Government, Deputy Gormley, resembles St Augustine, who asked to be made pure but not yet.

Deputy Bernard J. Durkan: That is right. It did occur to me.

Deputy Jim O’Keeffe: Why does he adopt this approach if such a horror tale is unfolding before the House in support of Deputy Hogan’s Bill?

The Minister referred to the appointment of Professor Niamh Brennan. The only ray of hope I saw from this Government in respect of this horror story was the appointment of Professor Niamh Brennan. I do not know her personally although I spent a number of years crossing swords with her husband and enjoying it. Anything I have heard about her points to someone who is sincere, dedicated and capable but she is the chairperson of the authority and is committed to a certain job in this respect. She is not someone who can forensically examine the authority from the outside and report to an outside body. She must report to the board. I commend her appointment; she now has a job to do and should get on with it.

We still need an external examination of the activities of this authority. The case for the appointment of the Comptroller and Auditor General is unanswerable. We are not talking about small money; it is a substantial sum amounting to hundreds of millions of euros. The way the contingent debt for the taxpayer was accumulated points to a clear breach of the State’s code of corporate governance and to deals that are suspicious at the very least and will unfold as corrupt. Who will lay the tale before this House and before the Committee of Public Accounts unless there is an outside examination of the entire activity of the authority?

I have been a Member of this House for quite some time and I want to see a proper process and procedure. I do not know the details on the ground but I will leave that to my Dublin

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colleagues. I am well aware of the excellent work of this authority and I would like to see it fully back on track. This cannot be done until the financial boil is lanced. The way to ensure that this does not happen to the authority again, or that it operates as a warning to other authorities that may go down the same path, is to adopt the principle of the Fine Gael Bill.

The Bill proposed by Deputy Hogan is the correct approach and I do not say this from a political point of view. It is the right thing to do in this terrible situation of financial exposure for the taxpayer. It will achieve the effect of ensuring the full facts are disclosed, to which the public is entitled. The public is also entitled to an assurance that this scandal will not be repeated. The way to do so is to adopt the proposal in Deputy Hogan’s Bill and to accept the proposal that the Comptroller and Auditor General can audit the accounts and produce a full report so that the matter can be dealt with before the Committee of Public Accounts.

Deputy Kieran O’Donnell: I propose to share time with Deputy Terence Flanagan.

I support what Deputy Hogan proposes. This is a reasonable and practical Bill and I commend him on it. What is required is for the Comptroller and Auditor General to audit the Dublin Docklands Development Authority and examine the purchase of the Irish Glass Bottle site. The scale of the figures involved is amazing. That is why Deputy Hogan feels so strongly that the Comptroller and Auditor General should be appointed.

The financial statement of the Dublin Docklands Development Authority refers to net assets on the balance sheet going from €177 million in 2007 to €26 million in 2008. The consolidated balance sheet has gone from €177 billion in 2007 to a negative €48.5 million 2008. The original legislation provides that if the Dublin Docklands Development Authority cannot repay its debt it reverts to the central Exchequer. That is the key factor. We seek to protect the public purse. It is alarming that this site was bought in October 2006, when there were signals of major problems with the property market.

At the time the chairman of the authority, Mr. Lar Bradshaw, was on the board of Anglo Irish Bank and Mr. Seán FitzPatrick was on the board of the Dublin Docklands Development Authority while he was chairman of the board of Anglo Irish Bank. Some €296 million was given to Becbay Limited, a joint venture company, by Anglo Irish Bank. Over the same period, according to page 63 of the accounts, some €43 million was loaned from the Dublin Docklands Development Authority to Becbay Limited as an interest-free loan to part fund the development of the Irish Glass Bottle site. On what was the €43 million spent? Did the taxpayer get value for money and did the Dublin Docklands Development Authority get value for money?

Examining the 2008 accounts, some €118 million of the €213 million loss incurred by the business was contributed by Becbay Limited. The share of the operating loss of the joint venture was €74.8 million. The full loan of €43.04 million was written off. Page 42 of the accounts refers to an auditor report by KPMG. It is not qualified but lays an emphasis on a matter in respect of a growing concern and refers to note 1. This deals with Becbay’s ability to continue to trade. The consolidated balance sheet is minus €48 million. The company alone is plus €26 million. It is critical that the Comptroller and Auditor General undertake a proper, independent investigation on behalf of the taxpayer, without detracting from the work of KPMG.

Professor Niamh Brennan has taken steps to consider corporate governance. Already €118 million of taxpayers’ money has gone down the tubes in this investment in Becbay and the Irish Glass Bottle Company site. There is a contingent liability in the accounts of a guarantee of €29 million plus 26% of the interest incurred by Becbay. In 2008 we lost €118 million and may lose another €29 million plus interest. The Comptroller and Auditor General must investigate this loss.

1 o’clock

I am surprised that the Minister for the Environment, Heritage and Local Government last night did not accept the merit of Deputy Hogan's proposals which are very clear-cut and would look after the taxpayers' interests. We want the DDDA to function as it was intended it should but there are many unanswered questions about the common membership of the boards of Anglo Irish Bank and the DDDA. Why was €43 million given to Becbay? What was the money used for? It has been fully written off so it was of no value. There is an emphasis on material in the accounts which is based on worry about the DDDA as a going concern and the implications for Becbay. It is critical that to protect the taxpayer the Government support this Bill which is concise, direct and in the interests of the taxpayer. Anything less would be completely unacceptable.

Deputy Terence Flanagan: I commend Deputy Hogan on bringing forward this Bill. It is very worthwhile to ensure that the Comptroller and Auditor General has the powers to inspect the books and records of the DDDA and to investigate some of the wrongdoing and corruption alleged to have taken place there.

I commend the good work of the DDDA since 1997. It has rejuvenated the docklands which were a no-go area. It is doing much good work within the community. A cloud now hangs over the authority because of the Irish Glass Bottle Company site deal. Many questions remain unanswered. Deputy Hogan has been investigating this for the best part of one year but has been frustrated by the little information he has received under the Freedom of Information Act. Some of the information has been blacked out. That needs to be examined. There is a lack of accountability and the board has hidden behind a veil of secrecy, like another organisation which has also been investigated.

We welcome the new chairman of the DDDA who has been in place since March 2009. She had a hard job in trying to put together the 2008 accounts because she was not in post then, and she has a hard job ahead of her. The DDDA reported a loss of €213 million in 2008 which was the first time it was so financially badly hit. A total of €186 million of this loss is attributed to its agreement to purchase the Irish Glass Bottle Company site. Questions remain to be answered as to why it took that risk and went into a joint venture with other developers when it did not need to do so. We need to know whether there was any connection between the directors and those who benefited from the sale of this site and the DDDA. There was a serious conflict of interest when directors of the authority were receiving loans from Anglo Irish Bank and were reckless with the money. The directors must be accountable. The Government should pursue these people and hold them responsible for their bad decision-making.

The Irish Glass Bottle Company site was purchased at the height of the boom for €412 million, which is equivalent to €17.2 million per acre, an obscene sum of money to pay. The value of the site has dropped dramatically and it is worth only €50 million now. The taxpayer will have to pick up the tab to ensure that the authority continues in business while its directors have not been held accountable and nobody is taking full responsibility. Successive Ministers for the Environment were allegedly responsible for the DDDA but were making appointments which breached good corporate governance practice. They need to be made answerable and say why they made those decisions and what level of scrutiny took place before those appointments were made. The Minister and his predecessors must answer questions about the borrowing limit for the authority which increased specifically for the purchase of the Irish Glass Bottle Company site.

Why was the €43 million loan from the DDDA for the purchase of this site interest-free and unsecured? These are the kind of questions that must be answered. That it has been written off in the 2008 accounts means that it was given with very bad judgment. People must be held responsible for that. The DDDA has done much good work in the area. Tax breaks played a

[Deputy Terence Flanagan.]

major part in the development of the Irish Financial Services Centre and the rejuvenation process. There is a Luas line there and the new Samuel Beckett Bridge is to be opened but questions about some of the shady deals done hang over all this good work .

There is a fear that there is cronyism in the way the Minister for the Environment, Heritage and Local Government is appointing directors to the authority. That can only be stopped by open and transparent scrutiny of appointment of directors by the relevant Oireachtas committee where they are probed and answer serious questions to ensure that they are capable of doing the job and have the proper qualification to do so. The new chairman has a good reputation and will no doubt get to the bottom of the problems that have arisen. The Comptroller and Auditor General plays a crucial role in the investigation of various Departments and agencies such as FÁS, gets to the root of the problem and is not afraid to state who was at fault. That needs to happen.

We know the authority is in dire straits and that it is cutting costs in a way that is affecting community events and activities within the docklands at present. It is the ordinary people who are paying the price because of the recklessness by various directors of the authority. As we know, the authority is moving back from its new headquarters to its old headquarters. There have been bad management decisions and, specifically, Anglo Irish Bank officials have made many mistakes. The real issue is that there is no adequate regulation and no proper governance or accountability of Government in regard to this body. My party recently moved a Private Members' motion in regard to making CIE more accountable and ensuring that parliamentary questions are answered. That needs to happen with regard to the docklands authority. There is no political accountability and no one accepts responsibility, which is the same old story with regard to this Government.

The docklands authority has done much good work. However, it is a quango and should be under the authority of the Dublin City Council which would have much tighter control and give less opportunity for a situation like this to happen again, which we clearly do not want. I hope the Minister will support Deputy Hogan's Bill, which aims to get the Comptroller and Auditor General to immediately investigate the wrongdoing in this authority.

Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Michael Finneran): As the Minister, Deputy Gormley, indicated last night, the Government is firmly committed to ensuring that the Dublin Docklands Development Authority, like all State bodies, should be subject to highest standards of corporate governance and review. Since the authority's chair assumed her role in March of this year, she has undertaken a fundamental review of procedures and processes within the authority and is currently finalising two major reports on corporate governance for the Minister.

In that context, I would reiterate the Government's position that consideration of this Private Members' Bill is premature. A decision as to whether the governance and reporting arrangements of the authority should be changed, for example, whether to bring it within the remit of the Comptroller and Auditor General, should be informed by, and not pre-empt, the extensive work that is already underway.

In framing our response to the chair's corporate governance reviews, which I believe are due to be submitted to the Minister later this month, the Government will also have to weigh up whether it would be appropriate or feasible for the Comptroller and Auditor General to have such an auditing role, given that the authority has generally been self-funding and that the Comptroller and Auditor General's role specifically applies to bodies which receive at least 50% of their funds in a particular year from the Exchequer. The House should, nonetheless,

be heartened by the Minister's commitment to keeping this matter under review when he is considering what action and measures will be taken to address these reports.

I endorse the Minister, Deputy Gormley's, assertion, and that of many colleagues on both sides of the House, that the future focus of the authority must be on its key regeneration functions. As Minister of State responsible for housing and urban renewal, I have long had an interest in the extensive regeneration initiatives undertaken in the Docklands area over the past few years. When I gave the keynote address at the seventh annual Dublin Docklands social regeneration conference earlier this year, I was struck by the scale of the achievements over the past ten years and the tangible, positive impact that the regeneration programme has had on the lives of its citizens through access to services and education, to community facilities and to better housing.

Many of the social regeneration initiatives have been implemented by the docklands community leaders, in partnership with the authority, which has set standards for similar initiatives in other parts of the country. This is particularly true in regard to the 20% social and affordable housing initiative and the widespread use of community consultative fora.

Many Deputies have highlighted that the mistakes and miscalculations in regard to the authority's business and investment practices must not be allowed to adversely impact on the docklands and local residents who are paying the price for the behaviour of others. I agree the authority must restore the confidence of its key stakeholders — the local communities in the docklands, those who work there and the general public — as well as the confidence of the Government and the House. While the authority has had to scale back many of its activities in these financially constrained times, it has rightly recognised that it must strive as far as possible to continue the great community and education work and maintain the outstanding results that have already been achieved.

Transparency and accountability are cornerstones to restoring this trust. I am confident that the Minister and the Government will take the necessary steps quickly and decisively to address the concerns raised in the House during this debate. However, for the reasons I have outlined, the Government cannot at this stage accept the provisions of this Bill.

Deputy Bernard J. Durkan: I congratulate Deputy Phil Hogan for bringing forward the Bill, which is opportune, timely and necessary. It is necessary for a number of reasons, but not because the development of Docklands was wrong. However, the development of the docklands has been very positive. It is very important that, in association with all such positive development, we would have a situation that is clearly transparent and in which accountability is clear to all, and this should also include accountability to this House. Unfortunately, that has not been the case.

The central purpose of the Bill is that the Committee of Public Accounts would assume the role it normally has in such situations, assert itself and bring the Comptroller and Auditor General's report through the committee. As a former member of that committee, I assure the House this is a sure-fire way to ensure that everything is above aboard and seen to be so.

I am appalled at the Augustinian attitude of the Minister for the Environment, Heritage and Local Government. St. Augustine said, "Lord, make me pure, but not yet". I cannot understand why the Minister told the House yesterday that this was a great Bill which contained positive elements, but that, at the same time, it was not the right time for it. There is no better time than the present. This is what has left this country the way it is at present. It is up to its neck in debt because nobody had the guts to stand up and say that now is the time to do something about it, to interfere and to introduce accountability and transparency. That is what the problem of this country has always been.

[Deputy Bernard J. Durkan.]

Unfortunately, when the Committee of Public Accounts set out to examine any such situation, it is after the event. Why is this? It is because Ministers do not want to account to this House for expenditure within their respective Departments. It is intolerable that any Government or Minister in any capacity at any time would approve of a programme of development anywhere that would involve public expenditure for which that Minister was not accountable to the House on a daily basis. Multiply the daily expenditure in any Department and one will get the totality of expenditure for a year. If any company, body or group of agencies gets it into its head that it does not have to account for day-to-day expenditure, the culmination of which is a massive budget, then all is lost before we begin.

Rhett Butler once said to Scarlet O'Hara, when she was commenting negatively about one his unpatriotic investments, of which he had many, that there are two occasions when one can make money in a country: one is when the country is making up, the other is when it is breaking up. I do not know if this country is breaking up. However, I know that many people have seen opportunities that are not necessarily above board. This does not just apply to the Dublin Docklands Development Authority but to many other areas of expenditure as well.

I hope the Minister for the Environment, Heritage and Local Government and the various speakers on the Government side who have recognised the merit of the Bill put forward by Deputy Phil Hogan will vote in support of it and show they are in favour of honesty, integrity and positive development in this country and, most of all, accountability.

Deputy Phil Hogan: I thank all the speakers who have contributed to the debate. I thank the Labour Party and Sinn Féin for their support. I also thank Deputy Seán Fleming, the Chairman of the Oireachtas Committee on the Environment, Heritage and Local Government, and the members of that committee for their assistance in teasing out these issues over the past year. It has been ploughing a lonely furrow for the last year to ascertain what has been going on in the Dublin Docklands Development Authority, particularly in terms of property transactions. Having visited the area with the Oireachtas committee, one would be impressed with the community development, education, social regeneration and some of the programmes that are helping young people to find employment. Those were included in the mission statement under the legislation in 1997 but regrettably it was hi-jacked by people for personal gain.

The new chairman of the Dublin Docklands Development Authority, Professor Niamh Brennan, addressed the committee last week and answered some of the questions. One could see she is having great difficulty getting to the root causes of some of the problems. She will have to come back to the committee in due course and report on the 2009 accounts and indicate to us the contents of two important reports she has commissioned in corporate governance and financial probity. Those reports will assist the committee in concluding its work satisfactorily and help to ensure that we do our job properly in this House — representing the taxpayer and securing accountability for money that has been allocated and spent.

The Bill Fine Gael is putting forward is a small token in terms of honesty, transparency and accountability. Since 1922, the mechanism has existed for us to examine, through the Comptroller and Auditor General Act and the Committee of Public Accounts, what has gone on in each Government Department and agency under its control. This agency for some reason, perhaps deliberately, was given a commercial remit and was left out of the scope of the Comptroller and Auditor General. I do not know why that was done but when we see what happened in the past 12 years, we can understand that it may have been a deliberate attempt to obfuscate accountability and responsibility for financial probity.

In issues related to finance, property development and corporate governance, this organisation has not been run properly. Fine Gael seeks to put that right with this Bill and ensure it

will not happen again in that or any other organisation. If it is good enough for the State to have the IDA or Shannon Development as property holding companies, subject to the Comptroller and Auditor General, what is wrong with putting the Dublin Docklands Development Authority under the same control?

The Minister for the Environment, Heritage and Local Government had the opportunity to put himself at a considerable distance politically and otherwise from the people who caused this problem and who were engaged in the financial skullduggery that has gone on in the Dublin Docklands Development Authority, who had common directorships in organisations throughout the city and even had the assistance of Anglo Irish Bank to assist them to fund their pet projects. I outlined in detail yesterday some of the trickery used by these individuals. The Minister for the Environment, Heritage and Local Government knows well those people are a perfect example of what has been wrong with this country in the last number of years. They are a perfect example of what has brought us to this day where there will be such a difficult budget this afternoon. We are here because of their irresponsible practices, lack of accountability and inadequate policy decisions that were made contrary to the interests of the taxpayer.

Deputy Bernard J. Durkan: Rhett Butler.

Acting Chairman: Please let Deputy Hogan speak without interruption.

Deputy Bernard J. Durkan: I am merely mentioning Rhett Butler. I am being helpful.

Deputy Phil Hogan: The Minister decided to take the side of those people, and I regret that because he was not there when the authority was established. He now has an opportunity to secure a Government commitment to investigate what has gone on and to put things right, rather than taking the side of those people who were involved in malpractice, resulting in the taxpayer being down to the tune of €213 million. That is a sad reflection on the Minister.

It is an irresponsible decision by the Minister and the Government and it does not do him justice. I hear him reading these fine sounding sentences about the need for financial probity and scrutiny, but now is the time to stand up and be counted and to accept the Fine Gael Bill. He can do that without any political difficulty because he can accept the Second Stage of the legislation and if he has any difficulties, he can make amendments on Committee Stage, part and parcel of the legislative process. We in Fine Gael will accommodate him in that regard. He will then also have the benefit of the two internal reports to make the necessary changes in accountability that we seek in this Bill. What is he afraid of that stops him from ensuring we have proper accountability? I can only conclude that the classic see no evil, hear no evil, speak no evil mechanism has overcome him and that he does not want to find out about things he is suspicious of. That is not the right way to ensure proper accountability for agencies.

Deputy Cuffe said that something seemed to go wrong in the Dublin Docklands Development Authority.

Deputy Bernard J. Durkan: Ouch.

Deputy Phil Hogan: On a professional basis and as a former member of Dublin City Council, he knows exactly what went wrong. He and Deputy Gogarty had the opportunity today, after making their St. Augustine remarks, to say they would support this Bill and assert the Green Party in Government, rather than operating as Pontius Pilate on accountability in the House. They know in their heart and soul that this Bill seeks to do the right thing for the taxpayer. The reason they are satisfied not to do it, however, is that they do not want investigation, accountability or redress from those who caused this problem.

[Deputy Phil Hogan.]

I do not believe the Dublin Docklands Development Authority, which has been responsible over ten or 12 years for this problem, is the body to step back from financial ruin and resolve the issues. Those who caused the problem have great difficulty in solving it because there are so many vested interests and a pressing need to vindicate their previous actions. An independent assessment, therefore, of matters in the Dublin Docklands Development Authority is necessary. What better mechanism than the Comptroller and Auditor General, the mechanism set up by this House in 1922 to ensure these matters are fully investigated and that has stood the test of time and where Members of this House can participate as the independent accountancy and auditing arm of the State?

I agree with Deputy Cyprian Brady that there were positive developments in the community and social regeneration. The big boys in Anglo Irish Bank and the board of the Dublin Docklands Development Authority should be his target. They lost control of the organisations original objectives and used the property development and planning function for their own ends.

I want to see those who hijacked the organisation and caused these problems brought to book. I want to see redress, with those who were on the board of this company scrutinised. If they cannot be brought to book through proper structures, we are telling them they got away with it again. The nod and wink philosophy particularly evident in the transactions and policies on the property development side of the Dublin Docklands Development Authority must stop.

The Minister for the Environment, Heritage and Local Government has a great opportunity to ensure that there will be proper investigation of financial probity and the accountability structure in this House and to allow the Dublin Docklands Development Authority and the people responsible for placing a burden of €213 million on the taxpayer to be brought to account. He should support this Bill and let it pass Second Stage. The Dublin Docklands Development Authority should function under the same structures as all other State agencies.

Question put.

The Dáil divided: Tá, 69; Níl, 80.

Tá

Allen, Bernard.
 Bannon, James.
 Barrett, Seán.
 Breen, Pat.
 Broughan, Thomas P.
 Burke, Ulick.
 Burton, Joan.
 Byrne, Catherine.
 Carey, Joe.
 Clune, Deirdre.
 Connaughton, Paul.
 Coonan, Noel J.
 Costello, Joe.
 Coveney, Simon.
 Crawford, Seymour.
 Creed, Michael.
 Creighton, Lucinda.
 Deasy, John.
 Deenihan, Jimmy.
 Doyle, Andrew.
 Durkan, Bernard J.
 English, Damien.
 Feighan, Frank.
 Ferris, Martin.
 Flanagan, Charles.
 Flanagan, Terence.
 Gilmore, Eamon.

Hayes, Brian.
 Hayes, Tom.
 Higgins, Michael D.
 Hogan, Phil.
 Howlin, Brendan.
 Kehoe, Paul.
 Kenny, Enda.
 Lee, George.
 Lynch, Ciarán.
 Lynch, Kathleen.
 McCormack, Pádraic.
 McEntee, Shane.
 McGinley, Dinny.
 McManus, Liz.
 Mitchell, Olivia.
 Naughten, Denis.
 Neville, Dan.
 Noonan, Michael.
 Ó Caoláin, Caoimhghín.
 Ó Snodaigh, Aengus.
 O'Donnell, Kieran.
 O'Dowd, Fergus.
 O'Keefe, Jim.
 O'Mahony, John.
 O'Shea, Brian.
 O'Sullivan, Jan.
 O'Sullivan, Maureen.

Tá—*continued*

Penrose, Willie.
 Perry, John.
 Rabbitte, Pat.
 Reilly, James.
 Ring, Michael.
 Shatter, Alan.
 Sheahan, Tom.
 Sheehan, P. J.

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

Níl

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.
 Cullen, Martin.
 Curran, John.
 Dempsey, Noel.
 Dooley, Timmy.
 Fahey, Frank.
 Finneran, Michael.
 Fitzpatrick, Michael.
 Fleming, Seán.
 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, Conor.
 Lowry, Michael.
 McDaid, James.
 McEllistrim, Thomas.
 McGrath, Mattie.
 McGrath, Michael.
 McGuinness, John.
 Mansergh, Martin.
 Martin, Micheál.
 Moloney, John.
 Moynihan, Michael.
 Mulcahy, Michael.
 Nolan, M. J.
 Ó Cuív, Éamon.
 Ó Fearghail, Seán.
 O'Brien, Darragh.
 O'Connor, Charlie.
 O'Dea, Willie.
 O'Donoghue, John.
 O'Flynn, Noel.
 O'Hanlon, Rory.
 O'Keefe, Batt.
 O'Keefe, Edward.
 O'Rourke, Mary.
 O'Sullivan, Christy.
 Power, Peter.
 Power, Seán.
 Roche, Dick.
 Ryan, Eamon.
 Scanlon, Eamon.
 Smith, Brendan.
 Treacy, Noel.
 Wallace, Mary.
 White, Mary Alexandra.
 Woods, Michael.

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

Question declared lost.

Sitting suspended at 1.45 p.m. and resumed at 2.30 p.m.

Message from Select Committee.

An Leas-Cheann Comhairle: The Select Committee on Enterprise, Trade and Employment has completed its consideration of the Companies (Miscellaneous Provisions) Bill 2009 and has made amendments thereto.

Ceisteanna — Questions (Resumed).

Priority Questions.

Harbour Authorities.

23. **Deputy Fergus O'Dowd** asked the Minister for Transport if he has received a copy of the Deloitte report into the Shannon Foynes Port Company; if he carried out an internal investigation into alleged irregularities; and if he will make a statement on the matter. [46218/09]

Minister for Transport (Deputy Noel Dempsey): In September 2006, Shannon Foynes Port Company initiated an internal investigation into allegations made against two members of the board. This led to a number of related legal disputes and the investigation was suspended on foot of this. In October 2007, a confidential out of court settlement was reached between the parties. This process was very costly for the company.

In December 2006, the company also engaged Deloitte as internal auditors to the company. Deloitte & Touche carried out a corporate governance review of specific transactions and processes. The company subsequently forwarded a copy of the Deloitte report to my Department.

The report is confidential and is not intended for publication. It contained a number of recommendations for improving corporate governance procedures in the company and the board has confirmed that these have been implemented. The confidentiality of the report must be respected. To make public the Deloitte report would achieve little other than to expose the company potentially to further costly legal proceedings relating to the confidential settlement.

I have also received correspondence from third parties regarding alleged historical inappropriate corporate behaviour which I have forwarded to both An Garda Síochána and the Office of the Director of Corporate Enforcement. If any party has evidence of an alleged breach of the law, they should bring such evidence to the attention of An Garda Síochána.

In September 2008, I appointed a new chairperson and five other directors to the board of the company. These new appointments have provided renewed leadership and strategic direction to the company.

My Department continues to closely monitor the company's performance in accordance with normal corporate governance practice.

Deputy Fergus O'Dowd: Is it not a fact that the Minister is a shareholder in this company along with the Minister for Finance and that the findings of the Deloitte report which the Minister has in his possession states that this site of 16.6 acres is the best site in Foynes Harbour and was sold for €2.1 million to the sole bidder? There was no public auction and no competitive tendering. There was no updated valuation of the site. The Deloitte report finds that corporate governance was not fully complied with, despite legal concerns expressed by the port company solicitor and the code of practice on governance of State bodies was not being complied with. Is this not a gross abuse of the powers of individuals in the company who have not complied with the Ethics in Public Office Act or with proper procurement processes? The taxpayer is out of pocket to the tune of at least €10 million with regard to this site. Is the Minister aware that interest in the site was expressed by a company in early 2004? This interest in minuted in internal company e-mails. While it was sold to a single individual for €2.1 million

this other company bought it for €12 million two and a half years later, at a massive loss to the taxpayer. What action will the Minister take?

Deputy Noel Dempsey: As I said in my reply to the Deputy's question, what happened at Shannon Foynes Port Company during the course of this period was the subject of much investigation and the subject of a report by Deloitte. It is obvious that all was not well in the port. Weaknesses in corporate governance were identified by Deloitte. As a result, the chief executive officer resigned and new board members have been appointed. The recommendations made to me and the recommendations regarding corporate governance made by my Department to the company, have all been implemented at this stage. There is no doubt that significant difficulties arose as a result of various legal actions taken which cost the company a lot of money. The situation was far from satisfactory. However, the company must run its own affairs. My responsibility was to ensure that a new board was put in place with a new chairperson. Those matters have been dealt with. I am unable to say any more than that because of the legal situation.

Deputy Fergus O'Dowd: I welcome the fact the Minister has sent the report to the Garda Síochána. However, the fact is that the chief executive officer of this port was the sole receiver of tenders into the hiring of a boat over a two-year period and which cost the port more than €100,000. The chief executive officer granted himself that tender. No tenders were produced from anyone else and no contracts existed. It is a shameful and disgraceful issue. What is the Minister doing to ensure this cannot occur in this company or in any other harbour authority? The best way would be to make all these harbour authority companies accountable to the Comptroller and Auditor General and the Committee of Public Accounts.

Deputy Noel Dempsey: That is not really the solution to everything and the Comptroller and Auditor General is busy enough as it is. These are commercial State companies. This company in particular had difficulties. They were not operated on a commercial basis previously but this has changed by legislation. As long as such companies are left in a situation where they would be bailed out by taxpayers and where they did not have a commercial remit, there will always be such kind of difficulties. It is now up to the directors and the chief executive officer and the internal and external auditors, to ensure these practices are not continued.

Aviation Industry.

24. **Deputy Thomas P. Broughan** asked the Minister for Transport if his attention has been drawn to the impact of reductions in passenger volumes on airline carriers and new aviation infrastructure including Dublin Airport's new terminal two; and if he will make a statement on the matter. [46096/09]

Deputy Noel Dempsey: The aviation sector has been cyclical in nature and in the past decade or so, has been significantly adversely affected by events such as the September 2001 terrorist attacks, the SARS outbreak in 2003 and the record peak in oil prices in 2008. The current global recession is the latest crisis to hit the sector which historically, has had low profitability and is also known to be structurally weak due to general over-capacity.

This year is proving to be an exceptionally difficult year for the industry. The International Air Transport Association's, IATA, latest forecast is that the global air transport industry will suffer losses of \$11 billion in 2009. It has revised this estimate upwards twice since the start of the year as the effect of the recession on air travel has been more severe than initially envisaged.

Many airlines are currently undertaking radical restructuring or, in some cases, going out of business and some Irish carriers are also experiencing significant difficulties, particularly those

[Deputy Noel Dempsey.]

whose cost bases are out of line with their competitors. Airports are also being deeply affected as airlines are cutting back on capacity and routes in response to falling demand for air travel. The impact is being experienced across the world and is not unique to Irish airports.

The continued roll-out of the Dublin Airport Authority's investment programme, including the completion of terminal two which is designed to strengthen airport capacity for the long term, and the introduction of US preclearance facilities, will provide airlines with opportunities to develop and grow new services and attract new carriers to Dublin when trading conditions improve.

Deputy Thomas P. Broughan: My question to the Minister was to do with events in Aer Lingus, the joint largest domestic Irish aviation employer but the reply does not reflect my question at which I strongly protest.

Has the Minister received a copy of the Project Greenfield plan for Aer Lingus from his three nominee directors on the board? We are facing the loss of between 676 and 1,000 jobs, according to the new chief executive, Christoph Mueller. Is the Minister aware of the major plan to outsource pilots and cabin crew outside the Republic which is being undertaken by Aer Lingus and aeroplanes have left Belfast in Aer Lingus colours without a single Irish crew member aboard because of a deal with Astraeus? Does the Minister agree with the Aer Lingus proposal to register on the United Kingdom civil aviation register and effectively become a British company and off-source its pilots and cabin crew as private subcontractors based, if the company follows the Ryanair model, in Gibraltar on terms and conditions that are at variance with our Revenue and social welfare rules? This is my third attempt to ask the Minister—

An Leas-Cheann Comhairle: Before allowing the Deputy to continue, as he will be aware, under Standing Orders the Minister answers only in his area of responsibility. The Tánaiste and Minister for Enterprise, Trade and Employment is responsible for industrial relations matters. I understand the Deputy raised this issue on the Adjournment last week. While I wish to be as flexible as possible, the Minister is not accountable for the industrial relations aspects of the original question which, unfortunately, was not in order.

Deputy Thomas P. Broughan: He is the Minister with responsibility for transport. This is one of the problems with the rules of the House.

What are the implications for connectivity if Aer Lingus follows Ryanair in a race to the bottom and becomes a pale copy of its competitor? As Christoph Mueller stated in today's edition of the *Financial Times*, the company will have to link up and become part of a broader company. Is it not a bad outcome that we seem destined to lose many jobs in Shannon, Cork and Dublin? Will this not have a negative effect on connectivity?

Deputy Noel Dempsey: Any loss of employment is bad for the country and the individuals affected. Anything that can be done to avoid job losses should be done. However, it would be an even worse outcome if we were to end up with one airline operating in and out of Ireland. Competition and connectivity are cornerstones of aviation policy. The former must be supplied by at least two airlines. If one airline costs itself out of the market, we will only have one airline, which would be a bad day for the country.

Despite the current difficulties and the potential loss of 676 jobs at Aer Lingus or 1,000 jobs if pilots do not agree to the package put forward by the company, if Aer Lingus does not secure the savings it requires, we will end up with only one airline operating in and out of this country. I do not want to contemplate such an outcome nor, I am sure, does the Deputy. I accept this is a difficult matter which has employment implications. Notwithstanding this, costs

must be brought into line. Aer Lingus operates on a commercial basis and must compete. If it fails to do so, one cornerstone of our aviation policy, namely, competition, will be removed.

Deputy Thomas P. Broughan: While I do not wish to pre-judge the debate on budget 2010, has the Minister received a copy of the cost benefit analysis of €10 travel tax prepared by Amsterdam Aviation Economics on behalf of the three major airlines operating here, namely, Aer Lingus, Ryanair and CityJet? Irrespective of whether the travel tax is abolished this afternoon, as I hope it will be, will the Minister provide the Opposition with a copy of the analysis?

Deputy Noel Dempsey: I did not do the cost benefit analysis; it was done by the airlines. Obviously, they are trying their best to have the €10 airport departure tax removed. If the tax is causing such grief, perhaps they will examine some of their own charges, for instance, the on-line check in charge of €10 for each leg of a journey, the €5 administration fee for credit cards, priority boarding fees of €5, the €40 charge for reissuing airport boarding cards, infant fees of €20 and checked baggage fees. In light of this incomplete list of airline charges, anyone who seriously expects me to state that the airport departure taxes are the cause of the decline in passenger numbers, he or she is living in cloud cuckoo land.

Deputy Thomas P. Broughan: Fares are still cheaper than they were in the past. The Minister needs to learn a little about economics.

Local Authority Funding.

25. **Deputy Shane McEntee** asked the Minister for Transport the way he will finance local authorities sufficiently to improve the conditions of roads, in view of the fact that 70% of all road deaths take place on rural roads, and improvements required in respect of recent flood damage; and if he will make a statement on the matter. [46219/09]

Deputy Noel Dempsey: Since 1997, the Exchequer has provided €5.6 billion for regional and local roads. This major investment, coupled with spending from their own resources, has enabled local authorities to make major improvements in the condition and safety of these roads. When Exchequer grants for regional and local roads are allocated each year my Department does not hold back a reserve allocation at central level to deal with weather contingencies such as flooding. Holding back such an allocation would mean a reduction across all local authorities in the road grant allocations made to them at the beginning of each year.

The allocations made to local authorities are inclusive of a weather risk factor. Local authorities are expressly advised in the annual roads grant circular letter that they should set aside contingency sums from their overall regional and local roads resources to finance necessary weather related works. Local authorities are still assessing the extent of the flood damage in their regions.

The Deputy will appreciate, therefore, that I cannot at this time indicate what funding may be needed or available to address damage caused to the regional and local road network by the recent flooding. I am monitoring the position in the affected local authorities and will take their needs into account when deciding the 2010 road grant allocations early in the new year.

Deputy Shane McEntee: The Minister cited the large allocation to local authorities. As the Fine Gael Party spokesperson on road safety, I supported many popular and unpopular measures he has introduced. We must not kid ourselves. The condition of rural roads has deteriorated throughout the country. Having visited practically every county this year, some rural roads will shortly be closed on health and safety grounds.

An Leas-Cheann Comhairle: The Deputy must ask a question.

Deputy Shane McEntee: One can argue that local authorities are being provided this or that amount but none of the local authorities I have contacted has the price of a shovel of sand, not to speak of tarmac. How does the Minister intend to ensure that Ireland's road safety record continues to improve from being among the worst in Europe to among the best? If we do not mend our roads, our road safety record will be the worst in Europe again.

Deputy Noel Dempsey: While the overall amount allocated for local and regional roads was reduced last year, I maintained the level of grant aid to local authorities in the specific area of road safety. Despite the more straitened financial circumstances, about which we will hear later, I hope to be able to maintain the amount provided for accident blackspots, etc., in this year's allocation. The allocation is based on accident data and the inspection of sites and locations that have been shown to be hazardous. The Department will consult the local authorities and National Roads Authority to try to ensure the allocation is spent in the most effective manner possible.

Deputy Shane McEntee: I concur with the Minister on the identification of accident blackspots and so forth. However, as every Deputy is aware, the condition of some rural roads has deteriorated to the extent that some will be closed for health and safety reasons in the coming spring. The Minister has a responsibility to ensure county councils are properly financed. He referred to the money that has been allocated. Either the allocation is not sufficient or the councils are holding back money. I do not believe the latter possibility is the case because, as everyone knows, county councils are broke. Last week, the first black frost of the year resulted in a number of unnecessary road traffic fatalities and a large number of cars were written off in accidents around the country.

Deputy Noel Dempsey: As I stated, local authorities are told at the beginning of the year, when they receive their allocation, that they should make provision for weather conditions, including the requirement to grit roads when there is frost. The local authorities should have done this. The role of the Minister for Transport is not to finance local authorities but to supplement the grants they use on roads. In this case, "supplement" is the operative word. It is up to the local authorities to finance their roads. We pay for approximately 80% of the work local authorities do on roads but it is not my job to finance local authorities. That is the job of another Minister.

Deputy Joe McHugh: We know the Minister does not do that anyway.

Rail Services.

26. **Deputy Thomas P. Broughan** asked the Minister for Transport the recommendations he has made on the proposed public service obligation funding for Irish Rail for 2010; if he has been informed by Irish Rail of the service reductions on DART, commuter and other rail services in the new 2010 rail timetable; his plans for improved rail services in 2010, 2011 and 2012; if these plans will include a national rail freight strategy; and if he will make a statement on the matter. [46097/09]

Deputy Noel Dempsey: The 2010 provision for the funding of public transport PSO, public service obligation, services provided by the CIE companies will be published shortly as part of the budget. It will then be a matter for the national transport authority to determine, in the context of the direct award public service contracts recently concluded with the companies, the allocation of this funding across the three CIE companies.

The Exchequer subvention to Irish Rail in 2009 towards the cost of loss making services is €175.78 million — an increase of 50% on the 1997 level. Despite this high level of Exchequer

support and a fares increase of 10% in 2009, Irish Rail, in common with the other CIE companies, is facing a very difficult financial position in 2009 with a projected operating loss of approximately €16 million. In response, Irish Rail is pursuing a cost recovery plan including service changes that reduce costs while maintaining services at the highest level possible. Service and timetable changes in 2009 and subsequent years are an operational matter for Irish Rail and, in the context of the contract for PSO services, for the national transport authority.

The position in respect of rail freight is that I propose to establish a forum on the movement of goods in 2010, as set out in the Smarter Travel policy paper. My Department is currently undertaking preparatory work on the membership, tasks and timescales for the forum. The potential for rail freight and its role within an integrated freight transport strategy will be among the matters explored by the forum.

Deputy Thomas P. Broughan: Does the Minister ever examine the rail timetables? I have the new timetable before me, effective from November. It is quite clear there has been a significant deterioration in services. I am informed by Rail Users Ireland that the service between Dublin and Drogheda has been especially badly hit. The services from Dublin to Limerick and Dublin to Cork are also badly hit. The journey times are considerably longer. I am informed that during the 1940s the trip from Nenagh to Limerick took approximately 40 minutes but it now takes 62 minutes. In general terms, there appears to have been a significant deterioration. The number of trains in the southside DART network during rush hour has been reduced and the northside network is also a good deal slower. There is a litany of deterioration throughout the country. I refer to the constituency of the Leas-Cheann Comhairle. The trip from Rosslare to Galway requires four changes, which is ridiculous. The rush-hour train service on the Sligo to Dublin line has deteriorated. This timetable shows a litany of deterioration in services for commuters and rail passengers.

Is it not the case that the real author of this timetable is the Minister, Deputy Dempsey? The Minister slashed the PSO by €6 million last year. I presume it will be slashed again this evening, although I hope not. The Minister referred to the PSO but Irish Rail has always had a subsidy of between 42% to 45%, dating back to the period to which the Minister referred, namely, 1997. Is the Minister not giving the rail users of Ireland a worse service, despite the fact that only some months ago he stated he sought to get half a million people out of their cars and onto the trains?

Deputy Noel Dempsey: The Deputy frequently conveys various powers on me but I do not draw up the timetable.

Deputy Thomas P. Broughan: The Minister cut the money.

Deputy Noel Dempsey: Every now and again I examine the timetable to see the services available at various times. Iarnród Éireann is trying to make more efficient use of the capacity in place and there have been changes to services in various areas. The change is based on passenger usage and on trying to ensure in the tightened financial circumstances that it runs the trains at the times sought most by passengers, rather than running them at times when passengers are not using them and losing money.

Deputy Thomas P. Broughan: The Minister is doing the opposite.

Deputy Noel Dempsey: The Deputy is unduly pessimistic. As Members are aware, we have added the Midleton line and the western rail corridor will be opened shortly. The Navan line will be opened by the end of next year. We are moving and we will get more rolling stock in 2011. Irish Rail has a very modern fleet and it is not a case of all doom and gloom. However,

[Deputy Noel Dempsey.]

in the current circumstances there is a necessity to ensure the taxpayers' money we allocate to the various companies is used effectively and well.

Deputy Thomas P. Broughan: I accept that.

Deputy Noel Dempsey: Iarnród Éireann has a good record in this regard.

Deputy Thomas P. Broughan: Commuters are hopping mad. I understand there have been large meetings of commuters in Drogheda, who are very angry about the deterioration in the service. The opposite of the Minister's statement appears to be the case. Rush hour trains are less frequent, with greater frequency at off peak times, which no one can understand.

However, there is one good news story. At last, a new station will open in my constituency at Clongriffin but I understand we will have two trains there per hour if we are lucky. I emphasise that the Minister is the author of this timetable.

Deputy Noel Dempsey: I am unsure if a question was put.

An Leas-Cheann Comhairle: If the Minister does not wish to reply we will move on.

Rail Network.

27. **Deputy Joe McHugh** asked the Minister for Transport the proportions of the €39.6 million of trans-European cross-border funding that were spent on the Belfast to Dublin and Dublin to Cork sections of the Belfast to Cork railway line improvements; his expenditure of trans-European cross-border transport funding on the nascent DART underground project; if further trans-European transport network cross-border funding will be used to finance the Dublin DART underground project; if he will support an application to the trans-European transport network agency for a cross-border rail project from Derry city into the north-west region; and if he will make a statement on the matter. [46220/09]

Deputy Noel Dempsey: Some €13 million has been allocated to Iarnród Éireann under the EU TEN-T, trans-European transport network, programme since 2000. Some €3 million was provided towards safety and upgrade works on the Cork to Dublin to Belfast rail line under the 2000 to 2006 TEN-T multi-annual indicative programme. Of this, approximately €100,000 was spent on the Dublin to Belfast section of the line. A further €10 million was allocated to the DART underground project, which connects the northern or Belfast line to the southern or Cork line, under the 2007 to 2013 TEN-T multi-annual indicative programme. In the case of the DART underground, this funding covers the design and development process, geotechnical investigations and various surveys and studies that include topographical surveys, condition surveys, archaeological surveys and utility surveys.

TEN-T funding, if approved by the TEN-T Executive Agency of the EU Commission, is provided at a rate of 50% of total costs for studies and 10% of total costs for works. For this reason, my Department applied for support for eligible projects contained within the Transport 21 investment framework and for which supporting Exchequer funding was available.

A Derry to Letterkenny rail link was examined as part of the strategic rail review undertaken by transport consultants Booz & Company on behalf of my Department and completed in 2003. The review did not recommend investment in the Derry to Letterkenny rail link. In light of the recommendation contained in the strategic rail review, a Derry to Letterkenny rail link is not a priority for investment in the current difficult economic situation. In such circumstances, it would be difficult to support an application for TEN-T funding in respect of such a rail link.

The next multi-annual programme of TEN-T funding commences in 2013 and consideration can be given at that time to further applications for TEN-T support for studies or works.

Deputy Joe McHugh: I appreciate the Minister's dedication to rail travel. Let us consider the situation in the Minister's back yard and his support for the Navan railway line, which I welcome. My colleagues, Deputies McEntee and English, are very supportive of that project. I refer to the western rail corridor. We are joined in the Gallery today by two former Deputies, Mr. Breen and Mr. McHugh, who would have been advocates of the western rail corridor along with members of my political party.

This summer, I travelled on the Midleton to Cork railway line, which cost a total of €75 million. One cannot question the Minister's dedication to rail travel but the problems lies in connectivity.

An Leas-Cheann Comhairle: The question, please.

Deputy Joe McHugh: I remind the House that €10 million was allocated to the Inchicore to Pearse Street feasibility study which has been indicated as cross-border funding. That is a story for another day, but it is a story my constituents in Donegal find very difficult to fathom because European money for a cross-border project—

An Leas-Cheann Comhairle: Deputy, the question, please.

Deputy Joe McHugh: The true missing link is the TEN-T project between Derry and Letterkenny. All we seek is an appraisal or feasibility study and the examination of a cost benefit analysis. That is all. I welcome the fact that the Minister has indicated that perhaps in 2013 it may be a possibility.

Deputy Noel Dempsey: As the Deputy indicated, it is one that can be considered in the context of 2013. The TEN-T funding is not solely for projects across international boundaries or cross-Border in the Irish context. The goal is the better use of existing networks and the completion of missing links, both of which apply to the DART underground project, as do other goals such as crossing natural barriers, for example, the Liffey in the case of the DART underground. I accept the Deputy's point, but in the context that the decision was taken, that it was not part of the Transport 21 proposals at that time, it could not be submitted for funding, but it is open again to people to make a case for that for 2013.

Deputy Joe McHugh: The strategic rail review 2003 needs to be thrown out because it is outdated and completely out of tune with what is happening. This afternoon, the Government is going to load extra costs on private bus companies in County Donegal who are providing public services, and also on car travellers who do not have access to rail transport, as is the case in many urban areas. One has to marry what is happening now with what will happen in the future. One thing about Fianna Fáil-led Governments is that they only look to the long term in the context of the next election. We need long-term thinking and connectivity. Let us consider the possibility of getting on a train in County Kerry, going up through the western rail corridor, which the Minister has funded, and going to the fourth largest city in Ireland, Derry city, and on to Belfast. An all-island rail link is long-term thinking and given that extra costs are coming down in that regard, it has potential for tourism generation.

Deputy Noel Dempsey: Again, I am not sure whether a question was asked but, in so far as there was one about long-term thinking, I welcome the Deputy's support for measures that will incentivise people to move from cars to public transport.

An Leas-Cheann Comhairle: That concludes Priority Questions. We now move to other questions.

Other Questions.

Railway Procurement Processes.

28. **Deputy Michael D. Higgins** asked the Minister for Transport the action he has taken following the publication of the CIE commissioned Baker Tilly Ryan Glennon report on alleged irregularities in the procurement process at Irish Rail; if he has received reports he requested on major procurements at Irish Rail; his views on further measures to invigilate auditing practices at commercial semi-State transport bodies; and if he will make a statement on the matter. [45862/09]

Deputy Noel Dempsey: Following receipt of the report referred to by the Deputy, I discussed the matter with the chairman of CIE on 22 October and expressed my concern to him on the weaknesses identified and the fact that neither I nor my Department had been informed. The chairman briefed me on the background to the report and indicated that the actual loss was limited to €2.6 million. He informed me that certain staff members had been sacked, that some cases had been referred to the Garda and that most of the recommendations in the report have now been implemented.

I also sought a full report from the board of CIE on the circumstances giving rise to the Baker Tilly Ryan Glennon report, the extent to which progress has been made in implementing the recommendations in the report and the measures being taken to ensure adequate controls in expenditure areas not covered by the report. I expect to receive that comprehensive report shortly. The CIE board has been asked to address areas of expenditure not covered in the Baker Tilly Ryan Glennon report. In the meantime the chairman and the CEOs of the CIE companies have confirmed that the CIE companies are adhering to national and EU procurement rules and to their own internal procurement policies and procedures.

I will, in light of the report from the board, consider any necessary action on my part, including the need to put in place additional measures beyond those in the code of practice for the governance of State bodies relating to procurement and auditing practices in CIE.

Deputy Thomas P. Broughan: We had a lengthy discussion on the matter at the Oireachtas Joint Committee on Transport and we intend to conduct a deeper investigation. Could the Minister confirm, first, whether the total figure for losses discovered in the Baker Tilly Ryan Glennon report amounted to €2.4 million, or whether it could have been a much higher figure, as calculated by Senator Shane Ross, of perhaps €8.5 million? Were there other losses of up to €8.5 million on foot of malfeasance in the company?

Second, in regard to our previous discussion on Question Time, the Minister indicated he would request the reports on the ten largest procurements of Irish Rail during Transport 21 and its predecessor. Will he make the information on those procurements available to the Dáil and the transport committee?

The net result of the criminal misbehaviour in terms of the selling off of equipment belonging to CIE and Irish Rail was that three people left the company. The manager, Mr. Fearn, referred

to contacts with the Garda Síochána in that regard. Has the Minister made any further investigations?

I noted recently that a senior engineer of Irish Rail received an award of €190,000 from the Equality Tribunal, the largest payment in the history of the tribunal. Another senior engineer is also pursuing a case at the Employment Appeals Tribunal, and there are allegations that another senior manager is currently suspended. Is the Minister aware of whether that is the case, if that suspension has taken place and if difficulties exist with senior management? I invite the Minister to comment on that.

Deputy Noel Dempsey: The assurance I have received from the company is that the loss was limited to €2.6 million. I am aware of the speculation on a higher amount, which I have been informed was based on earlier drafts of the Baker Tilly Ryan Glennon report. It is precisely because I wished to ascertain the full facts in that regard that I asked the chairman and the board to provide me with a full report to cover not just what was in the Baker Tilly Ryan Glennon report, but the other areas to which reference has been made. I am being specific about the information I have received regarding the loss being €2.6 million, because I do not wish to be accused later of misleading the Dáil.

I am not aware of whether Deputy O'Dowd——

Deputy Fergus O'Dowd: Question No. 36.

Deputy Noel Dempsey: I am aware there was a delay but we got the ten——

Deputy Fergus O'Dowd: I got the information on the ten largest procurements last night. I thank the Minister.

Deputy Noel Dempsey: I will make that information available to Deputy Broughan as well.

Deputy Thomas P. Broughan: I thank the Minister.

Deputy Noel Dempsey: On the other matter raised by the Deputy, the Equality Tribunal award is nothing to do with misappropriation. It is a totally unrelated matter that is being dealt with directly by the company itself.

The information available to me currently is that two or three persons were sacked, cases were referred to the Garda by CIE and the report is being implemented. When that is updated, I will inform the Deputy.

Deputy Fergus O'Dowd: The point is that €325 million is paid annually in a subsidy to CIE by the taxpayer. The Baker Tilly Ryan Glennon report refers specifically to another annual internal audit report, which outlines that further significant breaches were found in areas outside the scope of that report, including significant non-compliance in the chief mechanical engineer's department. In an effort to get to the bottom of that and to provide accountability to the Dáil and to the taxpayer, will the Minister seek a copy of that report because CIE has refused to give it to me? I ask the Minister in Question No. 36 to seek that copy——

An Leas-Cheann Comhairle: The Deputy should not pre-empt a question.

Deputy Fergus O'Dowd: It refers to the Baker Tilly Ryan Glennon report. I am surprised it was not taken with this question. The key point is that there are further and other abuses going on within CIE and it is refusing to give us the facts. I ask that the Minister would insist on getting them on our behalf.

Deputy Noel Dempsey: I have asked the board for a full report, not just on the Baker Tilly Ryan Glennon report, which was the immediate focus of the question, but also in general terms in regard to procurement. I have asked the chairman and the board that the report would be made available to me. There is no doubt that the report will go to the board as it addresses all of the issues that would be of concern, especially in the area of procurement.

Deputy Thomas P. Broughan: Is the Minister aware of the suspension of any member of senior management in recent times?

I wish to make a final point on the previous question. Why did the Minister derogate Irish Rail from the European directive on consumer and passenger rights, which it appears—

An Leas-Cheann Comhairle: That is outside the scope of this question.

Deputy Thomas P. Broughan: The Minister would probably like to answer it.

An Leas-Cheann Comhairle: Whether he would like to or not, we must stay within the Standing Order.

Deputy Thomas P. Broughan: He decided not to join up for another five years. He joined the aviation one.

An Leas-Cheann Comhairle: I call an t-Aire for a brief relevant reply.

Deputy Noel Dempsey: I am aware of a recent suspension in senior management in CIÉ.

Road Safety.

29. **Deputy Dinny McGinley** asked the Minister for Transport the commitments from the road safety strategy that have been implemented to date in 2009; the commitments that remain to be implemented; and if he will make a statement on the matter. [45998/09]

Deputy Noel Dempsey: The road safety strategy 2007-12 is being successfully implemented across a range of agencies. We have seen a sustained reduction in the number of people killed on our roads. The core objective of the road safety strategy is to reduce road deaths to no greater than 60 fatalities per million population by the end of 2012. This is an average of 21 road deaths per month or 252 deaths per annum.

The year 2008 saw the lowest number of road deaths on record at 279, despite the large increase in the number of drivers and vehicles on our roads in recent years. As at this morning, there have been 225 road deaths so far in 2009. This is 40 fewer than for the same period in 2008. It is important to maintain the momentum in road safety measures, as each fatality and serious injury is a tragedy for families, friends and communities.

The Road Safety Authority's report to me on the implementation of the 126 actions in the strategy in 2008 is being finalised but it is clear that substantial progress has been made. Many of the actions for that year are completed and substantial progress has been made on the majority of the rest. Work has also begun on other longer-term actions in the strategy. With regard to my Department's 2009 actions, five have been completed and five are in hand. Two of these are included in the Road Traffic Bill 2009 published on 30 October 2009, that is, lowering the blood alcohol concentration, BAC, levels and providing for preliminary impairment testing.

The road safety strategy is challenging and ambitious and even when target dates are missed, we must not lose sight of the underlying achievement. Fatalities on our roads have fallen significantly and people are alive today that might be not otherwise be.

Deputy Shane McEntee: We are coming close to budget time and the compliments from this side of the House to the other side may be few and far between but I take this opportunity to congratulate the Minister, Gay Byrne and Noel Brett on their commitment to road safety over the past two or three years. The figures are there to prove it. Will the Minister seek to ensure that every county council appoints a full-time road safety officer? That is part of the strategy and has been very successful in my county and in Deputy McHugh's, where young people are educated by them.

Deputy Noel Dempsey: I thank the Deputy for his acknowledgement. I am sure he will not mind if I extend the congratulations to all the other agencies involved. He has been very supportive in the past of the enforcement levels by the gardaí. Much of what has been achieved has been achieved by the agencies, the enforcement agencies, education, etc., but also by motorists becoming much more responsible in what they do.

My ambition is that we have road safety officers. I have first-hand experience, as has the Deputy, of how effective that can be in local authorities. I am not sure how many local authorities have them because it is under the aegis of the Department of the Environment, Heritage and Local Government. I know quite a few have appointed road safety officers. At one stage, I wrote to try to ensure——

An Leas-Cheann Comhairle: I call Deputy Broughan for a brief supplementary question.

Deputy Thomas P. Broughan: Before we go to war at 3.45 p.m. I join Deputy McEntee in commending the Minister on the work that has been done on road safety and also the chief executive, Noel Brett, and the chairperson, Gay Byrne, of the Road Safety Authority.

I wish to ask a question on targets which have been missed. Compulsory education and training for new motorcyclists was supposed to be in place approximately a year and half ago. That has still not been achieved. Of the 230 or 240 people who have tragically died on our roads, 26 or 27 were motorcyclists.

Where are the speed cameras? A deal was done with GoSafe to provide 6,000 hours of speed camera checks per month. Why are we waiting for them? Every time we ask a parliamentary question on it, it is referred to the Minister for Justice, Equality and Law Reform.

I refer to the Road Traffic Bill. As the Minister knows, Susan Gray, a tireless campaigner for road safety, has raised issues in regard to mandatory testing. She believes the Bill, as formulated, will be problematic. Perhaps the Minister might look again at the mandatory testing area, which needs to be urgently implemented.

Deputy Noel Dempsey: We will have an opportunity to talk about mandatory testing as the Bill goes through the House. As Deputies will be aware, this has been in gestation for some time but it was not only this issue that delayed the publication of the Bill. We had to try to get this right and strike a balance between the need to do mandatory alcohol testing at the scene of an accident and the need to ensure we would not cause death or serious injury by delaying getting a person to hospital. So far nobody has come up with a better suggestion that is workable. We can come up with all sorts of suggestions but they may not be workable, feasible, constitutionally possible or whatever. If somebody comes up with a better idea which is constitutionally and legally feasible, I will certainly consider that. Currently, this is as far as we can go in this regard.

Deputy Thomas P. Broughan: What about motorcycles and speed cameras?

Deputy Noel Dempsey: I will have to check in regard to motorcyclists. Motorcyclists comprise 2% of the traffic but comprise 12% of road fatalities. It is a serious concern. I believe the Road Safety Authority has completed consultations and that it is now a matter for the Department to finalise some statutory instrument in that regard. As Deputy Broughan rightly said, speed cameras are a matter for the Department of Justice, Equality and Law Reform. It is no secret that we indicated they will be rolled out, in place and operational for 6,000 hours per month by the middle of next year.

Deputy Ulick Burke: Has the Minister committed to provide funding to the counties seriously affected by flooding and where serious damage was done to county roads and primary routes. The flooding was particularly severe throughout County Galway.

I refer to the very serious and tragic accident on the Ballindine-Milltown road, the N17, in which four young people were killed. Representations to have improvements made to that stretch of road have been made for 15 years but nothing has been done — hence we had a tragedy there. I plead with the Minister to co-ordinate all the agencies responsible, but which are denying responsibility, to do something on this issue.

Deputy Noel Dempsey: The questions are tangentially related to the original question. I have not received any reports from Galway on the damage done to roads. The flooding we saw on television will have had an effect. As I said in response to a previous parliamentary question, we will look at that when it comes in. Local authorities are directly responsible for repairing roads. We supplement the grants they make available.

The N17 is part of the national road network. We have made commitments to do a huge amount of work with public private partnership and to replace much of that road. The funding is being provided as necessary for that and it will advance.

Performance Indicators.

30. **Deputy Frank Feighan** asked the Minister for Transport the additional performance indicators which will be included in the contracts and MoUs for each of CIE company for 2010; and if he will make a statement on the matter. [45963/09]

Deputy Noel Dempsey: The contracts relating to the public service obligation services provided by the CIÉ companies are a matter for the National Transport Authority. The contracts which have been concluded by the NTA with the three CIE companies cover, *inter alia*, the quantity and quality of services to be provided, payment of compensation for the provisions of these services, performance and reporting obligations, the right of the NTA to review, amend, and alter the contracts, and the step-in rights of the NTA.

The contracts include a range of performance obligations including, for example, with bus services the number of vehicles to be in service in peak and off-peak times, the passenger capacity to be provided, the number of services cancelled, scheduled kilometres operated, and requirements relating to customer service and information. The contracts relating to rail passenger services contain performance obligations relating to the frequency and capacity of services by route, punctuality, customer service and information. In addition, the contracts require that all three companies report on a range of operational and financial matters relating to the provision of services.

The contracts strengthen the position of the funding authority compared to the memoranda of understanding which previously set out the performance obligations. The NTA will be clearer about the reporting and monitoring arrangements to apply and the role of the NTA in approving changes to the services. The details of the PSO services to be provided in 2010 will,

in accordance with the terms of the contract, be agreed between the NTA and the three CIE companies, having regard to the Exchequer subvention for CIE in 2010 and projected fare revenue.

Deputy Frank Feighan: Will this include fares? Fares for school transport have increased by 203%. What provisions will the Minister have to rein in such fare increases?

Deputy Noel Dempsey: Neither the Department of Transport nor the NTA would have any role in the setting of fees for school transport. The companies will make their submissions to the NTA in the normal way, and that will be taken into account.

Deputy Fergus O'Dowd: A key issue not involved in these memoranda of understanding or new contracts is the taking into account of commuters' views. The Minister should insist that commuters should be consulted, particularly where timetables have been changed very recently. On the northern line, trains now take longer to get to Dublin and people are extremely angry that there are more stops on the route. There was no consultation about changes and trains do not connect as they used to. There is a disparity of rights as well; if a person travels from north of Balbriggan into Dublin, the ticket terminates at Pearse Street but if a person travels from Balbriggan to Dublin, the commuter can travel anywhere on the internal rail and bus network in Dublin. Will the Minister include regular consultation with commuters, particularly before timetables change?

Deputy Noel Dempsey: That is a commercial matter for the company. The NTA will be able to specify in the contracts it signs the services required, the frequency of such services and if consumers have particular views and so on apart from raising a matter with the company, they will have the power to write to the NTA. The authority will have the right and obligation to take into account those matters in assessing the performance of the company against the contract signed.

Deputy Thomas P. Broughan: Will the memoranda of understanding relating to private transport operators include high standards for the quality of vehicle fleets? Is accessibility an aspect the new transport authority will be keen on? I support Deputy O'Dowd's point on passengers. When the Bill went through the House a few weeks ago the Labour Party tried to add a section for a passengers' champion. This would be an official within the National Transport Authority who would speak up for passengers and be accessible to them. Will that be put to the chairman, Mr. John Fitzgerald, when the Minister meets him?

Deputy Noel Dempsey: I expect the NTA to be a champion for the consumer and passenger. It is there to regulate services and to set standards to ensure transport companies deliver on their commitments under contract. The Deputy also raised the matter of fleet standards and, as I indicated, the health and safety aspects will be dealt with under legislation for the road transport operators' licence.

The reality of commercial services competing with public services is that any new PSO contracts will have to be advertised. A company which does not have high standards operating in its fleet will not be able to compete and will go out of business. The best guarantee for consumers is a level playing field on which providers will have to compete.

Public Transport.

31. **Deputy Mary Upton** asked the Minister for Transport the position regarding the appointment of members to the board of the National Transport Authority; if there will be a public competition for these appointments; the qualifications and expertise of each new appointee to

[Deputy Mary Upton.]

the board of the NTA; when the NTA will commence operations; and if he will make a statement on the matter. [45877/09]

Deputy Noel Dempsey: The National Transport Authority was established on 1 December last. Membership of the authority comprises a chairperson, three *ex officio* members and eight ordinary members. The chairperson and eight ordinary members must be persons who, in the opinion of the Minister for Transport, have wide experience of transport, industrial, commercial, financial, land use planning or environmental matters, the organisation of workers or administration.

Last March I invited applications from any person who wished to be considered for appointment as an ordinary member of the new authority. Applicants were simply required to demonstrate to me how they met the criteria in the areas referred to above. A total of 68 applications were received and I record my appreciation to everyone who took the time to submit an application.

On 1 December I appointed the following people to the new authority: Mr. John Fitzgerald, chairperson; Mr. Gerry Murphy, chief executive; Mr. John Tierney, Dublin city manager; and Mr. Frank King, Ms. Linda Saunders, Mr. Damian Usher and Dr. Berna Grist, ordinary members. The four ordinary members were chosen from the public application process and I am satisfied that they each have wide experience in relevant areas.

It is my intention to fill the remaining vacancies on the authority at an early stage in the new year. One of those vacancies is reserved for a senior NTA manager specified by the NTA chairperson with my consent. I indicated during the passage of the Bill in the House that if the transport committee wanted to make a suggestion, I was open to considering such a suggestion.

Deputy Thomas P. Broughan: How was the appointment of the chairperson — in this case Mr. John Fitzgerald — made? What is the exact remuneration packaged enjoyed by Mr. Fitzgerald and what are the terms and conditions of the job? When will the National Transport Authority be fully operational and how many staff will it have in 2010? I presume it will come under the Department of Transport Estimates that will come before us in a few minutes. Where will it be located? I assume it is operating from the DTO offices, but where will it be based? When the 2008 Bill established the Dublin Transport Authority, it was intended that the new directly-elected mayor of Dublin was to be chairperson of the authority. Does the Minister intend to proceed in this fashion? Will the mayor of Dublin elected by the people next year become the chairperson of the National Transport Authority?

Deputy Noel Dempsey: I asked Mr. John Fitzgerald if he would undertake what I regard as a very onerous task because of his experience in local government and his ability to get things done. I do not have the figure off the top of my head but he is only getting the same as any other chairperson of a non-commercial State body. It may be around €16,000. He will not be overpaid for the work he must do.

The authority will be initially located in the DTO. In the current straitened times I do not expect the purchase of any new premises for the NTA. With regard to the mayoral position, that is a matter——

An Leas-Cheann Comhairle: Members should have regard to the questions. They may have other things on their mind at the moment.

Deputy Charles Flanagan: We are in anticipation.

Deputy Bernard J. Durkan: That is hardly surprising.

Deputy Billy Timmins: If the Minister said something interesting we would listen. That matter has to be decided in the context of the local government reform Bill, which the Minister for the Environment, Heritage and Local Government has proposed. It was intended if the Dublin transport authority had been established, the proposed directly elected lord mayor of Dublin would be the chairperson. He or she will still have a role in regard to transport in the greater Dublin area but this is a national body and, therefore, Mr. John Fitzgerald will remain as chairman.

Road Safety.

32. **Deputy Ulick Burke** asked the Minister for Transport his views on the Report on Major Incidences in Tunnels, (SI 213 of 2006), prepared by the National Roads Authority; and if he will make a statement on the matter. [45915/09]

Deputy Noel Dempsey: I have responsibility for overall policy and funding in regard to the national roads programme element of Transport 21. The planning, design, implementation and maintenance of individual national road projects, including the Dublin Port tunnel, is a matter for the National Roads Authority under the Roads Act 1993, in conjunction with the local authorities concerned. I am required under the terms of the EU tunnel safety directive to transmit to the Commission a report from Ireland's tunnel administrative authority, the NRA, every two years setting out incidents that affect the safety of road users in tunnels. The first such report was submitted by me in September 2008 and covered the Jack Lynch and Dublin Port tunnels.

Two incidents were reported in the Jack Lynch tunnel and one in the Dublin Port tunnel. In all the reported incidents, the response by the Garda, fire brigade and tunnel staff ensured they were rapidly contained and dealt with in an appropriate manner. Subsequently, the tunnel operators examined all aspects of the incidents with a view to further optimising the appropriate safety procedures. The safety procedures in Ireland's tunnels are kept under continuous review. The NRA has not, and will not, allow the tunnels to be operated in circumstances, which could compromise the safety of the public. Any event that arises that could cause such a compromise results in the immediate closure of the tunnel and no risk then arises. While this causes inconvenience and disruption to traffic, it is essential to maintain the required safety standard.

Deputy Fergus O'Dowd: The last report the NRA has relating to tunnel safety is the Egis Tunnels report. The executive summary of the report was kept from me and I had to appeal to the Information Commissioner under the Freedom of Information Act 1997 to obtain a copy. It stated the result of tests confirm, "that the system is unable to provide the required level of safety, especially in the case of an event leading to important data exchanges such as an accident or fire". Serious issues regarding the safety of the tunnel arise from this report. NRA officials refused to be transparent, open and accountable before the Oireachtas Joint Committee on Transport.

Deputy James Reilly: Shame on them.

Deputy Fergus O'Dowd: Will the Minister insist on a report from the NRA regarding the safe operation of the tunnel, given the system deemed to be unsuitable for the purpose? How can that be allowed to happen?

Deputy Noel Dempsey: A number of reports were done. Two were made public under the Freedom of Information Act 1997 to Deputy O'Dowd. The first was carried out by Martin Kelly in May 2007 and is known as the Kelly report. The second is the one to which he referred by Egis Tunnels in mid-2008. That report formed the basis of the RTE "Prime Time"

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programme. The NRA dealt comprehensively with all the issues raised in both reports at a meeting of the Oireachtas Joint Committee on Transport in October 2008 and at select committee in November 2009. The Egis report concerned tests carried out in early to mid-2008 on the tunnel's main operating management systems known as the SCADA system. Those tests were to help ensure that problems associated with the system were comprehensively identified and the report covered all the main issues identified in the earlier Kelly report. While the report offered the view that the SCADA system should be replaced, all parties, including Egis Tunnels, which prepared the report, agreed suitable and adequate measures could be taken to address the problems with the existing system and those measures were taken in 2008. Other safety measures will be put in place such as the upgrading and replacement of the SCADA servers and improvements to the equipment maintenance procedures to achieve better equipment performance.

An Leas-Cheann Comhairle: I would like order in the House.

Deputy Thomas P. Broughan: Given the concerns expressed at hearings of the joint committee, does the Minister think it is time to conduct an independent review of safety in the port tunnel, particularly as there were a number of closures in the early days? Why did the NRA not include the port tunnel in the EuroTAP safety review under the 2004 directive? What was the total cost of the port tunnel? Have all the legal issues relating to the Nishimatsu Mowlem Irishenco consortium been concluded? Will someone else come along looking for more money in connection with the tunnel?

Deputy Noel Dempsey: There is an independent safety officer for the tunnel with whom Deputy O'Dowd has been in contact. The Department also arranged for an expert on the tunnel safety directive in the EU Commission to speak to Deputy O'Dowd but I do not know whether that offer was taken up. With regard to the Dublin port tunnel, the Department has been assured by the NRA that it is fully compliant with the EU directive? I am not aware that the final cost of the tunnel has changed from the figure of approximately €700 million given in the House previously.

Deputy Frank Feighan: Did the Minister read the Kelly report, which was critical of safety in the port tunnel? Did he meet Mr. Kelly? What are the Minister's views on the report?

Deputy Noel Dempsey: Tunnel safety is a matter for the NRA, which commissioned the report. I am satisfied that, according to my departmental officials, the recommendations that were necessary were implemented.

An Leas-Cheann Comhairle: I ask Members to come to order. We are transacting business.

Deputy Fergus O'Dowd: <http://en.wikipedia.org/wiki/Dublin—Port—Tunnel> — FootnoteThe only technical report available from the NRA regarding the tunnel concludes it is not safe. Is the Minister aware the NRA said it must commission a new report but it has no funding to do so? It will have to come out of next year's Estimate. The key issue is the authority is not being transparent about the facts regarding the tunnel and I urge the Minister to take this matter up with the authority directly following our representations today.

Deputy Noel Dempsey: The report dates back to 2008 and I am assured that on foot of it and the NRA's own work, all the recommendations made at the time were implemented.

Deputy Fergus O'Dowd: The NRA has no report saying that.

Deputy Noel Dempsey: Further action was taken, as I outlined earlier. Additional safety measures were introduced, including the upgrading and replacement of equipment, improvements to equipment maintenance procedures, additional monitoring of the tunnel through the establishment of a dedicated, manned CCTV monitoring system in the control room and an additional drive through patrol of the tunnel by the operator's staff. Following the introduction of those measures last year, Egis Tunnels stated it was satisfied the tunnel operator, Transroute, had taken appropriate and sufficient steps to allow the tunnel to continue to operate safely.

Public Transport.

33. **Deputy Billy Timmins** asked the Minister for Transport if CIE has submitted a programme to him for the implementation of operational efficiencies, improved timetabling and co-ordination as highlighted in the Deloitte report; and if he will make a statement on the matter. [45961/09]

Deputy Noel Dempsey: Dublin Bus and Bus Éireann report regularly on progress made in the implementation of the recommendations of the Deloitte report on the cost and efficiency review of Dublin Bus and Bus Éireann.

In line with the recommendations of the report and taking account of the need to reduce its operating deficit, Dublin Bus is redesigning its network based on the most recent pattern of demand and on reducing the number of variations of bus routes. It is also working on eliminating unnecessary duplication of services, creating even headways to improve reliability and reduce the potential for "bunching" of services.

Dublin Bus has commenced the roll-out of its automatic vehicle location, AVL, system and full implementation on the Dublin Bus fleet is expected to be completed towards the end of 2010. The information from the AVL system will be used on the real time passenger information, RTPI, units which are being procured and managed by Dublin City Council. In 2010, prior to installation of on-street signage, Dublin Bus will commence provision of RTPI on the Internet and on mobile telephones.

Bus Éireann is engaged with Pobal, the HSE, the Irish Wheelchair Association, the Department of Education and my Department in co-ordinating the better integration of various services provided by Bus Éireann, the rural transport programme and the HSE. Pilot projects currently under way will be evaluated with a view to mainstreaming across the country.

Bus Éireann has also expanded the use of double deck buses and coaches and have undertaken a "Use the Bus" type marketing campaign to increase passenger numbers

Deputy Fergus O'Dowd: Vast areas of the greater Dublin area have no bus or rail transport whatsoever due to the expansion of the city in recent years. Approximately 200,000 more people are living in the greater Dublin area and a significant number of them will not have a choice from Dublin bus. In discussing timetabling and accountability from CIE and, in particular, Iarnród Éireann, does the Minister accept that recent timetable changes were introduced on the northern line without consultation with passengers, trains are taking longer to get to Dublin and more stops are being made for longer periods of time? Notwithstanding the millions spent on improving that railway line, eight speed restrictions remain on it. Fares north of Balbriggan are almost twice what they are south of Balbriggan. Serious inequities exist for travellers from Drogheda and Laytown. Will the Minister ensure that something is done about this immediately by CIE and its companies?

Deputy Noel Dempsey: The point made by the Deputy on bus services is precisely the finding of the Deloitte report. Bus services have not changed substantially over the past 70 years and

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vast areas have grown up that are not serviced by regular bus services. This is what implementation of the Deloitte report is designed to try to counteract. Changes to timetables are operational matters for the company. I will bring the Deputy's concerns to the attention of Iarnród Éireann.

Departmental Bodies.

34. **Deputy Phil Hogan** asked the Minister for Transport if he has received reports of any alleged wrongdoing in companies or agencies under the aegis of his Department; the action he has taken as a result; and if he will make a statement on the matter. [45981/09]

Deputy Noel Dempsey: Since my appointment as Minister for Transport on 15 June 2007, the following are the only matters brought to my attention that indicated any alleged wrongdoing in companies or agencies under the aegis of my Department. An internal Irish Rail report — the Baker Tilly Ryan Glennon report — was carried out on procurement practices in Irish Rail. The position on this report has been answered in my reply to Question No. 28. The Department received correspondence from third parties in 2009 regarding alleged historical inappropriate corporate behaviour by the Shannon Foynes Port Company. This correspondence has been forwarded to the Garda Síochána and the Office of the Director of Corporate Enforcement. Correspondence was received from a third party in 2009 regarding alleged inappropriate actions by the Arklow Harbour Authority, in particular relating to overcharging of port users. A due diligence report is being prepared for the Department on the harbour and the correspondence has been brought to the attention of the person carrying out this exercise. These are the only such complaints that have been identified to me at the current time.

Deputy Fergus O'Dowd: What happened in the Shannon Foynes Port Company is not acceptable. I accept that the Minister sent the report to the Garda Síochána but we need companies such as CIE, which the Minister mentioned, and the Shannon Foynes Port Company to be accountable in a stronger and more accountable to the Oireachtas, the Comptroller and Auditor General and the Committee of Public Accounts. That is not happening under the Government and it must change now.

Written Answers follow Financial Resolutions 2010.

Financial Resolutions 2010.

Budget Statement 2010.

An Ceann Comhairle: Before calling on the Minister for Finance, I remind Members that the budget documents being circulated remain confidential until the Minister has announced them. They should not be taken or sent by any means from the House before the conclusion of his statement.

Deputy Alan Shatter: One can read it on the websites of *The Irish Times*, the *Irish Independent* and RTE.

Deputy Charles Flanagan: It is one of the most leaked budgets.

An Ceann Comhairle: I call on the Minister for Finance, Deputy Brian Lenihan, to make his Budget Statement.

Minister for Finance (Deputy Brian Lenihan): When I presented the supplementary budget to this House last April, I said we could work our way through this period of severe economic distress. Today, I can report that notwithstanding the difficulties of the past eight months, we are now on the road to economic recovery.

(Interruptions).

Deputy Brian Lenihan: It is of enormous benefit that the main political parties in this House share a common understanding of the extent of our difficulties and even if we disagree on how to solve our problems, our agreement on the amount of savings required sends a powerful signal to the rest of the world that we are able and willing to put our own house in order.

Today, I want to tell the Irish people that even though our economy is still in a weakened condition, and our self-confidence as a nation has been shaken, the Government's strategy over the past 18 months is working and we can now see the first signs of a recovery here at home and in our main international markets.

We have taken bold, decisive and innovative steps to manage our way through this crisis. In all our actions, our concern has been to protect jobs, to provide a functioning banking system and to return this economy to the path of sustainable growth. We have sought to do all of this in a manner that is fair and that protects the most vulnerable.

The measures we have taken have been commended by international bodies, such as the European Central Bank, the European Commission, the IMF and the OECD. They have also won the approval of the international markets. Tangible evidence of this is the reduction in our premium on borrowing in recent months.

We now have the confidence of knowing that our plan to return this country to prosperity is working. Yes, we have had to make some very difficult choices in framing today's budget and in doing so, we have tried to be as fair as possible. However, by taking the difficult but necessary measures now, we will rebuild our nation's self-confidence here at home and our reputation abroad.

NEXT STEPS TOWARDS RECOVERY

The Government over the past 18 months has made budgetary adjustments of more than €8 billion for this year. Had we not done so, the deficit would have ballooned towards 20% of our annual wealth, a level at which the very financial survival of this country would have been at risk. As a result of these decisive actions, we are now in a position to stabilise the deficit.

A total of €4 billion is the scale of adjustment that we planned for 2010 in the supplementary budget where we set out details to reduce the deficit over the coming years. The European Commission approved that plan but recently recommended a revised deadline of 2014 by which to reduce our deficit below 3% of GDP. We welcome this revision, but it does not change what needs to be done in this budget. The amount of €4 billion is still the right target and our strategy is on track.

In this next phase of the Government's plan we must stabilise the deficit in a fair way, safeguard those worst hit by the recession, and stimulate crucial sectors of our economy to sustain and create jobs. The worst is over.

(Interruptions).

Deputy Brian Lenihan: The international economy has exited recession. Recent indicators suggest that economic activity in this country is turning the corner, and my Department expects a return to positive growth within the next six to nine months.

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GDP has fallen by approximately 7.5% over the past year, which is the largest fall since records began. Average GDP for 2010 as a whole is projected to be down by approximately 1.25% from the average level in 2009. Consumer prices have tumbled this year, and a small decline is forecast for next year. By helping to restore competitiveness, falling prices will allow us to take advantage of the improving global economy. Falling economic prices will also cushion the effects of reduced pay and social welfare payments

The effort demanded of every citizen in this budget is substantial, but it is the last big push of this crisis. Further corrections will be needed in the coming years, but none will be as big as that being introduced today. Having already provided for an adjustment of €1 billion in capital spending, we have pencilled in an adjustment in day-to-day spending of approximately €2 billion for 2011, as strengthening economic conditions begin to assist in closing the deficit.

Our overriding objective has been to strive for fairness. Unpalatable choices will always be met with opposition. The job of Government is to distinguish between the common good and narrower sectional interests. The response to the recent flooding throughout our country has shown what we can achieve when we all pull together in times of adversity.

Deputy Bernard J. Durkan: That is a laugh.

Deputy Brian Lenihan: If we work together now and share the burden, we can deliver sustainable economic growth for all.

Deputy James Bannon: The Minister should be given more garlic.

Deputy Brian Lenihan: The economy went into reverse for three reasons: first, a steady loss of competitiveness during a prolonged boom; second, the bursting of the property bubble; and, third, an international banking crisis which triggered a worldwide recession. In the past 18 months we have put in place a range of far-reaching measures to stabilise the banking system. We took those measures not for the sake of the banks but for the sake of our economy.

We have gone through a severe and painful correction in the property market. I know this has dealt a heavy blow to individual homeowners, many of whom are now in negative equity and some of whom are experiencing difficulties meeting their mortgage repayments. However, the collapse of the property bubble has also impacted on our public finances by greatly reducing the tax take and increasing the demand for welfare payments. In the two most recent budgets, I sought to address this shortfall by introducing a highly progressive income levy and various other taxation measures. A key feature and focus of today's budget is regaining our international competitiveness.

RESTORING OUR COMPETITIVE EDGE

Unless we regain our competitive edge, we will be unable to return to the tried and tested strategy of export-led growth that ushered in the boom in the early 1990s. We must be able to compete and win again in the international marketplace.

In the recent referendum on the Lisbon treaty, the people reaffirmed Ireland's place at the heart of Europe. This was the right decision for our economy, for our future and for our children. The single currency has provided huge protection and support to Ireland in the current crisis. It has prevented speculative attacks on our currency and provided funding to the banking system. However, membership of monetary union also means devaluation is not an option. Therefore, the adjustment process must be made by way of reductions in wages, prices, profits and rents.

Some progress has already been made. Consumer prices in Ireland are now declining at the fastest rate in the entire euro area and the European Commission has forecast that — uniquely in the euro area — our unit labour costs will fall this year. However, our prices are still among the highest in Europe. During the past decade wages have gone up 70%, well above the euro area average. Put simply, we have priced ourselves out of the market. We will not be able to stem the haemorrhage of jobs until our prices and the costs of doing business here move down in line with those of our main trading partners.

WHY BORROWING MORE IS NOT THE ANSWER

Some have argued we should continue to borrow and wait for the economy to grow again before tackling the budget deficit. There are three reasons this is not a viable proposition. First, we know from the 1980s how large deficits, left unchecked, can lead to a dangerous spiral of mounting debt and ever increasing interest payments. Never again should we return to a position where all of our income taxes go to pay interest on the national debt. Second, international debt markets have become more crowded and more fragile. If lenders were to lose faith in our ability to restore order to the public finances, the consequences for our economic well-being would be profound. Third, only decisive action will restore confidence. Consumers will only start to spend and business owners will only invest and create jobs if they believe we are tackling our deficit problem now.

In our everyday lives we do not borrow to pay our household bills. We cut back and seek to live within our means. The same strictures apply at national level. Borrowing hundreds of millions of euro a week to pay for day-to-day spending is just not on. Stabilising the deficit is the next key milestone in our plan to deliver economic recovery for this country.

WHY WE CANNOT TAX OUR WAY OUT OF THIS

Others have argued for increases in taxes as a means of stabilising the deficit. However, those who demand higher taxes fail to recognise what I have already done. The tax increases contained in the two most recent budgets have placed the heaviest burden on those best able to pay. For example: a single person earning €25,000 now pays €500 more in tax and levies than in 2008; a single person on €100,000 pays around €5,500 more, or 11 times more than the person on €25,000; and at €250,000, the additional taxes and levies amount to almost €17,000 or 33 times the contribution of the person on €25,000. The progressivity of these changes is beyond doubt, but we have reached the limit. We will not create jobs by increasing the penalty on work and investment.

Deputies: Hear, hear.

REFORMING HOW WE TAX INCOME

Deputy Brian Lenihan: It is also clear that our income tax system has become very imbalanced. Next year, almost half of income earners will pay no income tax and 4% will pay almost half of the total yield. If we want to sustain high levels of Government services, this imbalance must change. The time has come to transform how we tax incomes and to simplify the position and make it fairer and more broadly based. It is my objective to introduce in 2011 a new system of just two charges on income. A new universal social contribution will replace employee PRSI, the health levy and the income levy. It will be paid by everyone at a low rate and on a wide base as a collective contribution to public services.

Deputy Olivia Mitchell: How much will people pay?

Deputy Brian Lenihan: Income tax will apply on a progressive basis to those with higher incomes reflecting their capacity to make a greater contribution. These changes pose a challenge but we cannot continue with the current system, with its myriad anomalies. I look forward to working with my colleagues in the Government on this reform and the closer integration of the tax and social welfare system.

BROADENING THE TAX BASE

In the renewed programme for Government, we have accepted the recommendations of the Commission on Taxation on the need for a property tax. Considerable groundwork will need to be done before a site valuation tax can be introduced. Work will shortly begin on the registration of ownership and the valuation of land.

The renewed programme for Government also contains a commitment to introduce a system of water metering for homes. Preparations are under way in this regard. Water charges, when introduced, will be based on consumption above a free allocation. Further details will be announced by the Minister for the Environment, Heritage and Local Government.

Deputy James Bannon: Pass the buck to the Green Party.

Deputy Brian Lenihan: These charges, like the charge on second homes, will finance the provision of local services by local authorities.

High Earners Must Pay Their Fair Share

We have set our face against increasing the burden of income tax. However, the Government wants high earners who avail of tax incentive schemes to contribute more in the current difficult circumstances. Accordingly, for the tax year 2010, the effective rate of income tax for those benefiting from reliefs will increase from 20% to 30%, on top of which they will also pay PRSI and levies. This represents a significant tightening of the restriction and it will yield approximately €55 million in a full year. The entry point to the restriction will now occur at an adjusted income level of €125,000, with the full restriction applying at €400,000. I will examine the curtailment and removal of further reliefs in the context of the finance Bill.

Our tax treatment of non-resident individuals is broadly in line with that of most other OECD countries. However, we must ensure that every wealthy Irish domiciliary who pays little or no income tax makes a contribution to the State, especially during times of economic and fiscal difficulty. For this reason, we will introduce measures which will impose on all Irish nationals and domiciled individuals whose worldwide income exceeds €1 million and whose Irish-located capital is greater than €5 million a requirement to pay an Irish domicile levy of €200,000 per annum, regardless of where they are tax resident.

Deputies: Hear, hear.

Deputy Brian Lenihan: Full details in this regard will be set out in the finance Bill. I am also introducing a package of measures to improve the effectiveness of the Revenue Commissioners in tackling the shadow economy, addressing smuggling and excise frauds and dealing with tax avoidance schemes.

Carbon Tax

The economic and social implications of climate change are immense. It is the responsibility of every Government to change behaviour to reduce greenhouse gas emissions. The most effective way to proceed in this regard is to put a price on carbon. This will encourage innovation by incentivising companies to bring low carbon products and services to the market. Changing

behaviour takes time but a start must be made. I am introducing a carbon tax equivalent to €15 per tonne. The detail is set out in the summary of budget measures. The tax will apply to petrol and diesel from tonight. Increases in home heating oils and gas will apply from next May.

The application of the tax to coal and commercial peat will be subject to a commencement order to allow a robust mechanism to be put in place to counter the sourcing of coal and peat from Northern Ireland where lower environmental standards apply. A vouched fuel allowance scheme will be developed to offset the increases for low-income families dependant on such fuels. The yield from the carbon tax will be used to boost energy efficiency, support rural transport and alleviate fuel poverty. The tax will also allow us to maintain or reduce payroll taxes.

Carbon taxes will be a feature of economies across the world in the coming years. Today's announcement sends a positive signal to those gathered in Copenhagen — working for an ambitious agreement on global climate change — with regard to Ireland's capacity to show leadership in this area. The tax changes I am introducing reflect my belief that tax can make some contribution to the reduction of the deficit and will make a larger contribution in later years. As we know from our recent history, we cannot rely solely on taxing our way out of our difficulties.

STABILISING THE DEFICIT IN A FAIR WAY

If we cannot tax our way out of our difficulties, and we all agree in this House that we cannot borrow our way to recovery, then the only remaining option is to reduce our spending. No one wants to cut spending but the cost of providing public services has to be reduced to bring it in line with sustainable revenue levels and to help restore our international competitiveness. Since 1997 we have made great strides in expanding the level of public service provision. We did so out of the best of motives and in response to public demand. Indeed many in this House criticised us for not doing more. The current cost of providing public services is not sustainable. Without any correction, day-to-day spending would be approximately €58 billion in 2010, an increase of approximately €2 billion over 2009.

Given that public service pay and social welfare each account for about one third of all day-to-day spending, reductions in these two areas are unavoidable. The measures I am announcing amount to savings of over €1 billion on the pay bill, about €760 million on social welfare, some €980 million on day-to-day spending programmes and about €960 million in savings on investment projects. Combined with other adjustments, this amounts to more than €4 billion expenditure savings compared to pre-budget estimates.

ADJUSTMENTS TO PUBLIC SERVICE PAY AND PENSIONS

In my supplementary budget, I announced my decision to have top level pay rates examined by the review body on higher remuneration in the public sector and benchmarked against those of other EU countries of comparable scale. The Government has considered the recommendations of the review body and intends to apply reductions to all public servants in the higher pay bands including hospital consultants. Based on the recommendations of the review body I propose to apply a reduction in pay of 8% for those with salaries from €125,000 to €165,000, 12% for those earning between €165,000 to €200,000 and 15% for those earning more than €200,000. These are permanent reductions that, in time, will be reflected in pension entitlements. The salary of the Taoiseach will be reduced by 20%. This reduction, together with the pension levy means the Taoiseach's salary will be cut by close to 30% in total.

Ministers and Secretaries General of Departments will take a pay cut of 15% or an overall cut of close to 25% when the pension levy is taken into account. The review body concluded

[Deputy Brian Lenihan.]

that the Constitution precluded it from recommending a reduction in judicial pay. Had it not been so precluded, the review body would have considered a downward adjustment. For the same reason the pension levy was not applied to the Judiciary although many judges have contributed an amount on a voluntary basis. The Chief Justice and the presidents of the courts have urged all judges to make the appropriate pension contribution. I will make provision in the finance Bill to facilitate these payments. Since the review body would have considered a reduction of judicial salaries, I have decided that there will be no increase in judges' pay during the lifetime of this Government. Future Governments may choose, as in the past, to continue this course of action.

Those at the top will lead by example in this national downward readjustment of pay. Legislation to give effect to these substantial reductions in senior level pay will be published shortly. I thank the review body for its work. The report will be published later this week.

It must be acknowledged that public servants have already made a very substantial contribution to the necessary reduction in public expenditure.

Deputy Finian McGrath: Hear, hear.

Deputy Brian Lenihan: The pension levy has reduced their pay by an average of nearly 7%. Their numbers have been reduced by the moratorium, the incentivised early retirement scheme and career breaks. Like many workers they have forgone pay increases. Unfortunately, more is required. The country can no longer afford a pay and pensions bill that accounts for more than a third of all day to day expenditure. Any reduction in the pay bill must be sustainable, must be applied in a progressive manner and must address the position beyond 2010.

As the House knows, there were lengthy negotiations with the public service unions in recent weeks. The Government wanted to achieve the necessary reductions by agreement and the unions earnestly sought to conclude a deal.

Deputy Emmet Stagg: Until the Minister pulled the rug from under them.

Deputy Brian Lenihan: I thank the public service unions for accepting the need to reduce the public service pay bill and for their constructive and strenuous efforts to reach an agreement on how this would be done. Regrettably, a deal was not possible. The reductions we must now make do not reflect any lack of recognition of public servants or of the quality of the work they do for all of us. They are simply a matter of budgetary necessity in these extraordinarily difficult times. Accordingly, the pay of public servants will be reduced with effect from 1 January 2010 by a reduction of 5% on the first €30,000 of salary—

Deputy Róisín Shortall: Shame on the Minister.

Deputy Brian Lenihan: —a reduction of 7.5% on the next €40,000 of salary and a reduction of 10% on the next €55,000 of salary.

Deputy Charles Flanagan: All of it will go to the banks.

Deputy Brian Lenihan: The reductions range from 5% to 8% in the case of salaries of public servants of up to €125,000. The pay of Members of these Houses will be reduced in line with that of the equivalent public service grades. Provision for these reductions will be included in legislation that I will publish shortly.

In order to avoid a destabilising rate of retirement among older public servants, the pension entitlements of those retiring in 2010 will not be affected. I accept the recommendation of the

Commission on Taxation that pension lump sums below €200,000 should not be taxed. The treatment of sums above this level and the tax treatment of pensions, including the consolidated 33% rate of relief, will be considered in the Government's national pensions framework to be published shortly by the Minister for Social and Family Affairs.

Public Service Pension Reform

Exchequer spending on public service pensions will be over €2 billion in 2010. As life expectancy improves and the population ages, this cost is set to rise. The State's pensions bill will grow from approximately 5% to 13% of GDP by 2050, with two thirds of the increase in spending going on social welfare pensions and the remainder on public service pensions. Cost increases on this scale cannot be ignored by any responsible Government determined to secure our economic future. The Government has decided to introduce a new single pension scheme for all new entrants to the public service. The legislation will be introduced in 2010 and the scheme will be in place by the end of the year. The new scheme will bring public service pension terms more in line with private sector norms. Among other things, it will change the calculation of benefits so that pensions are based on career average earnings rather than final salary on retirement as at present. This will be more equitable than the present system, which favours those with higher earnings later in their careers. The minimum pension age for new public servants will also be increased from 65 to 66 and then linked to increases in the State pension age. More details of the main elements of the new scheme are given in the summary of budget measures.

The link to earnings or pay parity basis for post-retirement pension increases is a feature of Irish public service schemes. The recent special report by the Comptroller and Auditor General estimated that the present actuarial cost of these pensions is €108 billion. A change to a CPI basis for post-retirement increases would reduce that cost to €87 billion, a reduction of 20%. On average, pay increases have been significantly greater than increases in the consumer price index. As part of the reform of public service pension arrangements, I will review the current arrangements and consider linking pensions to increases in the cost of living. Pending that review, I do not intend to apply the pay cuts I have already outlined to existing public service pensioners. These are significant changes. The Government is determined to meet the immediate fiscal problems Ireland faces and, at the same time, to make far-reaching reforms for the future.

ADJUSTMENTS IN SOCIAL WELFARE

The Government is proud of its unrivalled record in increasing the level of social welfare payments. Over the past 12 years, we have increased pension rates by approximately 120%, unemployment benefits by almost 130% and child benefit payments by over 330%. The cost of living has increased by about 40% over the same period. We extended coverage, removed barriers, and increased entitlements such that the level and extent of social support payments has been transformed beyond recognition.

We are determined, where possible, to maintain that progress in inflation-adjusted terms but we can either safeguard the generous system we have by making these savings now or we can put it all at risk by extending it beyond what resources will allow. We did not reduce welfare rates in April's supplementary budget but I signalled that rates of payment might be reduced if the cost of living fell. The overall cost of living has fallen by about 6.5% over the past 12 months, including very sharp declines in the prices of the basic necessities of food, clothing and accommodation.

Deputy Róisín Shortall: Not for social welfare recipients.

Deputy Brian Lenihan: In the case of working age rates of payment there will be a reduction of about 4.1%. Unemployment among the young is a particular concern to the Government. We want to encourage them to stay close to the labour market while at the same time providing a rate of assistance that compares very well internationally, particularly with payments in Britain and Northern Ireland.

Deputy Aengus Ó Snodaigh: The Government is encouraging them to emigrate as it did before. It is a tax for emigration.

Deputy Brian Lenihan: We know from the bitter experience of the 1980s—

Deputy Aengus Ó Snodaigh: We know the bitter experience of emigration.

Deputy Brian Lenihan: —how a welfare system out of step with labour costs in the rest of the economy can trap people in protracted joblessness.

Deputy Michael D. Higgins: That is untrue. That is a complete canard.

Deputy Brian Lenihan: That is why we are making the following targeted changes: for new applicants, the rate of job-seekers allowance and supplementary welfare allowance for persons aged 20 and 21 years of age who have no dependent children is being reduced to €100 per week and for those aged between 22 and 24 to €150 per week; and for all other cases, the rate will be reduced to €150 per week where job offers or activation measures have been refused.

Deputy Seán Sherlock: Proinsias de Rossa never took money off the poor.

Deputy Brian Lenihan: In making adjustments to social welfare rates, we recognised that consumer prices have not declined at the same rate for all groups. Older people have experienced by far the smallest reduction in living costs. For that reason and in recognition of the contribution they have made to the State the Government has decided to leave the State pension unchanged.

Deputy Emmet Stagg: The Government was afraid of them after the medical card protest.

Child Benefit

Deputy Brian Lenihan: In the supplementary budget, I raised the issue of the unfairness of paying the same level of child benefit irrespective of the level of income of the recipient. Not only is this unfair but it is also unaffordable in current circumstances. Child benefit this year will cost €2.5 billion or 12% of total social welfare spending. I had hoped to be able to introduce greater equity by making child benefit taxable or means tested but there are legal and logistical reasons I cannot do so at this stage. For that reason, the Government has decided to make the changes on the spending side.

Accordingly, the lower and higher rate of child benefit will be reduced by €16 per month, bringing these rates to €150 and €187 per month respectively.

Deputies: Shame.

Deputy Brian Lenihan: Welfare dependent families will be fully compensated by increasing the qualified child allowance by €3.80 per week so that they will not be affected by this measure.

Deputy Kathleen Lynch: What does that mean? Is that not taxing them by asking them to give up €3.80 a week?

Deputy Brian Lenihan: Low income families in receipt of family income supplement, FIS, will be also fully compensated.

Deputy Seymour Crawford: What about those on middle incomes?

Deputy Jan O'Sullivan: What about the millionaires?

Deputy Brian Lenihan: The summary of budget measures gives further details of these and a number of other more limited changes on social welfare entitlements. Social welfare spending rose in 2009 to €20.4 billion. The measures announced today will reduce social welfare spending by €760 million in 2010. Despite this reduction social welfare spending will reach €21.1 billion next year due to the sharp rise in unemployment during 2009. Of the major adjustments I am announcing today across all areas of spending, welfare is making the smallest contribution.

As a result of these deductions, rates of payment will revert to 2006 levels in the case of child benefit and just below 2008 levels in the case of working age rates for those aged 25 and over.

It is the Government's firm intention to maintain the comparatively generous level of social provision we have in this country but we are in very difficult circumstances and everyone must make a contribution. Government is about taking decisions, taking responsibility, and making choices that not all will welcome. Cutting public spending in the abstract is easy; deciding where cuts will fall in reality is an entirely different matter. Those opposite have the luxury of the former. We have the duty of the latter.

Deputy Michael D. Higgins: The Government could leave.

Deputy Brian Lenihan:

ADJUSTMENTS IN DAY TO DAY SPENDING

Over the last year we have been running to stand still in terms of spending on public services.

Deputy Bernard J. Durkan: The Minister is right about that.

Deputy Brian Lenihan: Reductions have been offset by increases mainly due to increased unemployment and higher debt servicing costs.

Deputy Arthur Morgan: They were brought about by the Government.

Deputy Brian Lenihan: In this budget the Government has decided to reduce spending on public services by almost €1 billion in 2010 compared with the pre-budget estimates. We have sought to make savings through efficiencies rather than through reductions in services, €400 million of these savings arise in the health area where various measures, including a prescription charge of 50 cent per item under the medical card scheme, are being introduced to reduce the State's medicines bill.

Deputy Jan O'Sullivan: The Minister is hitting the poor and the sick.

Deputy Brian Lenihan: The Minister for Health and Children will provide details.

The remaining savings in day to day spending will be achieved across other Departments, details of which are set out in the summary of budget measures.

[Deputy Brian Lenihan.]

REVIEW OF LOCAL AUTHORITIES

In framing this budget I have been guided by the McCarthy group's report. This group did not examine spending in the local authorities which provide critical services to communities and businesses at local level. Local authorities are a key driver of cost for business. The Government has decided to undertake an efficiency review of local authorities.

A Deputy: Another one.

Deputy Brian Lenihan: This work will begin immediately and report by mid 2010. The full details of this review will be announced by the Minister for the Environment, Heritage and Local Government.

INVESTMENT FOR RECOVERY AND EMPLOYMENT

Although public investment spending is being reduced next year, it still will be €6.4 billion or 5% of GNP for 2010 and €5.5 billion each year for the years 2011 to 2016. Tender prices for many new projects have also fallen back significantly thus enabling us to get better value for money.

In 2010, our investment projects will focus on labour-intensive areas such as schools building and maintenance, energy efficiency measures and investment in our tourism infrastructure.

Other key investment priorities in 2010 will include science, technology and innovation; promotion of environmental sustainability; implementation of green enterprise initiatives; housing and urban regeneration; the health sector; public transport and finishing the inter-urban motorways.

Deputy Seymour Crawford: What about Mayo general hospital?

Deputy Brian Lenihan: I want to draw particular attention to an initiative in the health sector. I am providing for a multi-annual investment programme in important mental health projects which are in line with the strategy set out in A Vision for Change. This investment programme will be funded from the sale of surplus HSE assets and I am allocating an additional amount of €43 million for this purpose in 2010. Further funding for mental health will be provided as asset sales allow.

National Solidarity Bond

I have received a number of proposals to establish a medium-term national savings product as an additional source of funding for capital investment. A product of this kind would enable ordinary citizens to provide money to the State to stimulate economic recovery and create employment. I am announcing today the Government's intention to introduce a national solidarity bond aimed at small investors. The National Treasury Management Agency and my Department are working on the details of the bond and I expect it will be open for investment early in the new year.

SAFEGUARDING THOSE WORST HIT BY THE RECESSION

Some have suffered more than others in this economic downturn: those who have lost their jobs or whose jobs are at risk; those who have concerns about meeting their mortgage repayments; and those affected by the recent flooding.

Helping People back to Work and Protecting Jobs.

Protecting jobs and providing opportunities for those who are unemployed to return to work and avail of education is a key priority for Government.

Deputy Bernard Allen: We have heard that before.

Deputy Brian Lenihan: I am providing nearly €136 million in funding to provide an additional 26,000 individuals with training places and supports; €56 million is being made available to FÁS for short-term courses——

Deputy Pádraic McCormack: They will get a few more trips out of that.

Deputy Brian Lenihan: ——€20 million will go to an activation fund which will involve an open call for innovative proposals that have the capacity to provide work, education and training; €14 million is being made available, in addition to €26 million from the EU, for supports to redundant workers in eligible companies under the European globalisation adjustment fund; €9.5 million is being made available as support measures for the food industry to enhance the competitiveness of this key indigenous industry; and €36 million will be allocated to an employers job incentive scheme giving PRSI exemption to encourage employers to take people off the unemployment register. The Minister for Social and Family Affairs will announce further details.

This will bring the total places available for the unemployed to more than 180,000. We are already providing substantial supports to employers through the stabilisation fund and the temporary employment subsidy scheme which will cost €165 million in 2010. In line with the Government's commitment to enhance the efficiency of the State's investment in science and technology it is my intention to create a single stream of funding in this area. To advance the smart economy, it is essential that the State secure the maximum commercial return from its substantial investment in research, science and innovation. Details of the new arrangements will appear in the Revised Estimates volume to be published in the early part of the new year.

Mortgages

All sides of this House share a concern for those who face difficulties meeting their mortgage repayments. It is important to remember that only 20 homes have been repossessed by the institutions covered under the Government guarantee in the first three quarters of this year. Mainstream mortgage lenders have adopted a responsible position towards their customers. Most recently the Irish Banking Federation issued a statement of intent which provides that where a customer in difficulty adheres to a mutually acceptable arrangement with their lender, the lender will not initiate any form of legal action against them in relation to their mortgage.

The renewed programme for Government includes a commitment to introduce new measures to protect families having difficulty with their mortgages. As a first step in this process I have asked the Financial Regulator to examine the extension of the six month moratorium on legal proceedings already in the code of conduct on mortgage arrears to 12 months for all lenders. Everyone has to play his or her part and I will require the banking industry to engage with Government to find innovative solutions to ease the burden for affected homeowners. In the supplementary budget, I refocused mortgage interest relief on those who bought their homes at the peak of the market. As a support to homeowners who now find themselves in negative

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equity, I am providing that where entitlement to the relief would expire in 2010 or after, they will now continue to receive it up to the end of 2017.

Deputy Bernard J. Durkan: The Minister would want to pay their arrears.

A Deputy: He needs to do it immediately.

Deputy Brian Lenihan: To encourage those who want to buy a house over the next three years, I will provide that qualifying loans taken out before 1 July 2011 will continue to get relief at current levels for seven years, and transitional arrangements will apply to loans taken out in the subsequent 18 months at a reduced level and duration. It is my intention to abolish mortgage interest relief entirely by the end of 2017. Full details will be set out in the finance Bill.

The Government already provides help and support for families in difficulty with their mortgages through the mortgage interest subsidy scheme. A review of the operation of this scheme will be completed early in the new year.

Responding to the Flooding

The recent flooding has brought severe hardship on communities in the affected parts of the country. I am announcing today that in excess of €70 million will be provided in the remainder of 2009 and into 2010 to help those affected by the recent flooding and fund work to minimise the risk of future incidents.

Deputy Bernard J. Durkan: They need more than that.

Deputy Brian Lenihan: The review of investment priorities which will shortly be published will also provide for continued substantial investment in flood relief. The Government is keeping this situation under review and will commit further resources as required.

STIMULATING THE ECONOMY TO HELP SUSTAIN AND CREATE JOBS

Those in business understand the connection between fiscal sustainability and business confidence but they also understand that delivering economic recovery is about more than cutting the deficit.

Deputy Shane McEntee: There is no one left in business.

Deputy Brian Lenihan: We must invest in every sector to create jobs and secure sustainable growth. Today, I am announcing a number of stimulus measures to aid the economic recovery in the short term and help ensure sustainable growth for the future.

Supporting the Retail Sector: VAT and Excise Changes

Our retail sector has been battling a steep currency depreciation on its doorstep. The main reason for the increase in cross-Border shopping is the currency differential. This is outside our control but it is within our power to reduce our consumption taxes which are among the highest in the European Union. Recent CSO data show that 44% of cross-Border shoppers buy alcohol. To protect Exchequer revenue and stem the flow of cross-Border shopping, I have decided to reduce excise duty on alcohol products.

A Deputy: It is a bit late for that.

Deputy Michael D. Higgins: The Minister is locking the stable door after the horse has bolted.

Deputy Brian Lenihan: The reductions will be as follows: 12 cent per pint of beer and cider; 14 cent per half glass of spirits; and 60 cent per standard bottle of wine.

Deputy Jim O’Keeffe: That means less food for the kids and more money for drink.

Deputy Brian Lenihan: All of these reductions are VAT inclusive. I expect the drinks industry to play its part in making the cost of alcohol more competitive. If I find this reduction has not been passed on to the consumer, I will reverse today’s reduction.

Deputy Kathleen Lynch: Call in the regulator.

A Deputy: The Minister should do the same with the banks.

Deputy Brian Lenihan: In response to many calls on all sides of the House, I have looked again at the standard rate of VAT and I have decided to reverse the 0.5% increase imposed in October 2008. This measure will take effect from 1 January 2010 and is estimated to cost €140 million next year.

I have decided not to make any changes to excise on tobacco in this budget because I believe the high price is now giving rise to massive cigarette smuggling. My responsibility as Minister for Finance is to protect the tax base. I have full confidence in the effectiveness of the current multi-agency approach but early in the new year I want to explore what further measures we may need to stem the illegal flow of cigarettes into this country.

Improving the Energy Efficiency of our Cars

The Government wants to encourage the increased use of environmentally-friendly electric cars and the development of new technology in this field. To that end, the VRT exemption for electric vehicles and the VRT reliefs of up to €2,500 for plug-in hybrid electric vehicles are being extended by two years until 31 December 2012. We will also provide support to offset the initial battery costs for such cars. This will help in fulfilling our ambitious goals to reduce transport-related emissions.

I am also introducing a car scrappage scheme, to run from 1 January until 31 December 2010. VRT relief of up to €1,500 per new car purchased will be made available under the scheme, where a car of ten years or older is scrapped under certain conditions.

Deputy Bernard Allen: What about 12-year old models?

Deputy Michael Ring: The Government is next for scrapping.

Deputy Brian Lenihan: The scheme will have the environmental benefit of removing some older, potentially less safe and polluting vehicles from the road. Details of the scheme are provided in the summary of budget measures.

Getting Credit Flowing

In light of the massive State commitment to the banking sector, I am determined that there will be a return to the taxpayers of this country in the form of credit which supports healthy Irish businesses and jobs. This is why I am establishing a credit review system. I will use my powers under the NAMA legislation to issue guidelines to all banks participating in NAMA who have an SME business, to ensure that SMEs, sole traders and farm enterprises will have recourse to an independent, external review of decisions of credit refusal by the banks. I hope

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also that banks not participating in NAMA or covered by the Government guarantee will also decide to participate. My aim is to have a simple, effective appeals process, run by people with experience and credibility. The banks must comply with the recommendations of the appeal process, or explain satisfactorily why they cannot do so.

In addition to dealing with individual cases, the credit review system will examine the credit policies and practices of the banks for all SME sectors. It will pay particular attention to sectors, such as the retail sector, including car dealerships, tourism and agriculture, where particular stresses have been reported. This will help me to decide what further action might be necessary to secure the flow of credit. I intend to publish the analysis from the review process so that the performance of the banks participating in NAMA will be clear to all.

I have asked Mr. John Trethowan, an experienced banker with a demonstrated commitment to public and social service, to oversee the establishment of this credit review system with initial administrative support from Enterprise Ireland. I expect he will start his work shortly.

Assisting Agriculture and Forestry

Agriculture is an important component of our economy——

Deputy Michael Creed: It is time the Minister recognised it.

Deputy Brian Lenihan: ——and this Government has not hesitated to offer this crucial sector support where it was most needed. We responded rapidly to the pig dioxin crisis last year, where we provided some €200 million to save that industry and the jobs within it. We have made a large investment in agricultural infrastructure through the farm waste management scheme. We remain committed to supporting an environmentally sustainable agriculture sector and are in discussions with the European Commission with a view to introducing a new five-year agri-environmental scheme. I have agreed to provide €50 million from within the existing allocation to support this scheme.

I am also providing more than €121 million for forestry and bio-energy. This includes a capital provision of €116 million to plant a further 7,000 hectares of trees next year. This demonstrates the Government's continued commitment to this vital sector as set out in the renewed programme.

Retaining a Pro-Enterprise Tax Policy

Our corporation tax rate of 12.5% has become an international brand, known the world over. It is a powerful expression of our enterprise ethos and continues to attract new business and new jobs to this country. In a time of great uncertainty for international business, it is important that we send out a clear message. The 12.5% corporation tax rate will not change. It is here to stay.

Over the last two years, I have significantly enhanced the incentives for research and development and intellectual property. I look forward to receiving the report of the innovation task force and I will explore its recommendations in the context of the finance Bill. In budget 2009, I introduced a three year corporate and capital tax exemption for start-up companies in 2009. I propose to extend this scheme to new start-ups in 2010.

Significant opportunities exist in the international financial services sector for centralising high value added activity in Ireland as this sector restructures itself around the world after the global financial crisis. Big opportunities also exist for Ireland to become the European hub for the international funds industry following recent European legislative changes. I will bring

forward changes in the finance Bill which will strengthen Ireland's competitive edge in this important sector.

Boosting Energy Efficiency to Stimulate the Economy

Boosting energy efficiency is good for the environment and for the economy. It is a growing area of innovation with huge commercial and employment potential. We are allocating about €130 million for energy efficiency measures which will include a new multiannual national retrofit programme in 2010. This will build on the success of existing schemes delivered through Sustainable Energy Ireland and has the potential to create up to 5,000 jobs next year alone.

Some €50 million of the carbon tax yield will be used to fund measures such as help for households at risk of fuel poverty to make their homes warmer. The local authorities will receive additional funding to retrofit the social housing stock. This represents a significant boost to the plan to retrofit over 1 million houses by 2025. In addition, the scheme of accelerated capital allowances for energy efficient equipment is being enhanced to include refrigeration and cooling systems, electro-mechanical systems and catering and hospitality equipment. This measure will improve energy efficiency while also helping companies under strong competitive pressure in sectors such as food and drink, retailing and distribution.

Supporting the tourism sector

The tourism sector is a critical, labour intensive indigenous sector. The overall tourism budget will be increased in 2010 to enable a marketing drive with the objective of increasing tourism numbers and revenue by 3%.

Deputy Joe Carey: What about the travel tax?

Deputy Brian Lenihan: Investment in visitor attractions will be increased threefold to €22 million.

As an imaginative initiative to increase tourism numbers next year, Iarnród Éireann has agreed to participate in a new scheme, to be developed by Fáilte Ireland, aimed at senior citizens visiting Ireland from abroad. This group will be offered vouchers for greatly discounted rail travel throughout Ireland. More information on this initiative will be given by Fáilte Ireland and Iarnród Éireann in the coming weeks when the details have been finalised.

Deputy P. J. Sheehan: What about the Swansea ferry? There was no mention of that.

CONCLUSION

Deputy Brian Lenihan: I want to recall the death earlier this year of Senator Ted Kennedy. Senator Kennedy was unquestionably one of the best friends Ireland ever had on Capitol Hill. Today, in a modest way I would like to honour the memory of a great man from a great family. The Government will provide funding for a project at the Kennedy Homestead in Dunganstown, County Wexford, from which his forefathers emigrated in the early 19th century. The development of this important visitor attraction will be a welcome boost to tourism in the south east.

The inauguration of John F Kennedy as President of the United States in 1961 gave a powerful sense of hope, possibility and self-belief to Irish people all over the world. A recent survey commissioned by *The Irish Times* found that 84% of those surveyed think Ireland needs to start believing in itself again.

(Interruptions).

Deputy Brian Lenihan: Yes, we have endured a traumatic 18 months.

Deputy Emmet Stagg: I wonder why.

Deputy Brian Lenihan: The speed and ferocity of the recession has knocked us off our stride but the innate advantages that brought us the boom have survived the downturn. We have taken a step back——

Deputy Pádraic McCormack: Several steps back

Deputy Brian Lenihan: ——but we have in place a plan to take us forward on the path of sustainable economic growth. That plan is working. Unemployment will not be as high as previously forecast, our tax receipts have begun to stabilise, consumer confidence is beginning to revive and our export figures are the healthiest in Europe.

As we begin to emerge from the unrelenting economic gloom of the last 18 months, we need to rediscover our optimism and our self-belief.

Deputy James Reilly: Is this another call to patriotic action?

Deputy Brian Lenihan: Now more than ever, we need that confidence on which business and work thrives. The measures contained in this budget, some of them unpalatable, will engender that confidence.

We have taken the hard decisions but we have been fair. We have preserved the real value of social welfare for those most in need. We have protected older citizens. We have reduced the cost of public services. We have taken action on credit to protect borrowers.

Deputy Jim O’Keeffe: Taken action to protect the lenders.

Deputy Brian Lenihan: We have cut taxes to protect jobs in retail and tourism. We have maintained significant investment spending to promote future growth. We have announced measures to save jobs, stimulate employment and protect the environment. Our plan is working.

Deputy Michael D. Higgins: May the Lord have mercy on our soul.

Deputy Brian Lenihan: We have turned the corner. I commend this Budget to the House.

Deputies: Stand up, stand up.

Deputy Michael Ring: Where is the standing ovation this year? Where is the Fianna Fáil choir?

Deputy Bernard J. Durkan: They failed to rise to the occasion.

An Ceann Comhairle: The statements of the spokespersons for Fine Gael, the Labour Party and Sinn Féin shall not exceed 45 minutes in each case.

Deputy Richard Bruton: This draconian budget should not be happening today. It is happening, however, because Fianna Fáil failed to heed the warnings and drove this economy on to the rocks. Even now, the thinking behind this budget is short-sighted. It is sucking us into a cycle of more job losses and higher debt. People will hurt badly after this budget, people who had no hand, act or part in creating the problem that we now face.

This is a jobless and a joyless budget. It offers no vision that would rebuild confidence, it serves only to get the Taoiseach and his Ministers to the end of this week.

The only way to break out of the cycle that has been created is with a convincing jobs strategy and that strategy is simply missing. This requires real leadership from Government. We saw that sort of real leadership 50 years ago from Lemass and Whitaker, who offered a clear vision of how Ireland could be different, who had the determination and the courage to take action to overcome vested interests, to confront problems with bold vision. Such vision is sadly absent from their successors. That is the tragedy we face today.

Many will feel the force of this budget pushing them down. None, however, will nurture the belief that it will put the country back on its feet. We expected to hear Ministers lead by example. The supposed cut of 15% in Ministers' pay and 20% in the Taoiseach's pay is a sham. It ignores the 10% we were told they were taking in April. The truth is that the real cut Ministers are taking is 5%. By comparison, someone earning €45,000 in the public service is expected to take a bigger cut than Ministers. Those on social welfare with two children are expected to take a bigger proportionate cut than Ministers. This is a deception.

We are still waiting to hear from the Minister what Anglo Irish Bank will suck out of next year's budget, an issue on which he has remained deafeningly silent.

People are approaching this budget with anger and fear. They are angry about the warnings that were not heeded and the prevarication that failed to address problems. They are angry at the negligence that underpinned this and that no one has been held to account for the catastrophic failures that have brought us to this pass. They are fearful for their futures and the futures of their children.

They expected to see in the budget the start of a real transformation, an attempt to transform politics, to transform our economy and public service, all with the purpose of creating jobs. That is what people expected and they have been dismally disappointed by what we have seen today.

Instead of the Minister taking the radical steps to recondition an engine that this Government has brought to a standstill, ordinary people are being told to get out and push. That is not fair and is not sufficiently visionary to address the scale of the problems we now face.

The actions taken in today's budget will do more to prolong this recession than to shorten it. Once again, we see the Minister go back to the old reliable of slashing investment not only this year and last year, but next year and the following year. We have never seen an economy come out of depression by slashing investment, the sort of investment that should be creating infrastructure fit for a modern age. The Minister is standing back and allowing that infrastructure to be neglected.

The Minister is failing to confront the cost problems that are dragging business down. Where is the radical idea to cut PRSI on employers, to give those employers who are hanging on by their fingernails a chance to survive and to see out this Christmas in the hope of something better in the new year? The Minister has failed those employers.

The Minister is also pretending the credit problem is solved and setting up a review. The people did not want to hear that; they wanted to see concrete action that would transform the credit situation. The banks came in here last week and told us the transfer of money to NAMA would not make a cent of difference to availability of credit. That is a catastrophe that will destroy strong businesses, businesses that will be sucked down by the failure of credit.

The Minister is ducking the challenges we face by offering an accountant's budget. This budget is a recipe for staying in this hole for the next year, looking to the same people for the same sacrifices — the carer, the family struggling on low income and the public servant on low income. That is what the Minister for Finance has dressed up today as a positive contribution. The truth is that creating and sustaining employment should have been the be-all and end-all

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of this budget. That is the sole challenge we have to face. It would have been a far more fitting tribute to President Kennedy to have tried to stem emigration from this country—

Deputies: Hear, hear.

Deputy Richard Bruton: —than to come up with a shallow gesture of recognition. In the past two years 12% of Irish employment in business has disappeared, 22% of people, one in five, have taken a cut in their working hours. Some 90% of those job losses have hit people under the age of 30. These are the people who are carrying the can of the bad management of this economy. Those young people are the building blocks for the future. We cannot afford to allow, by the Minister's inactivity, those people fall prey to unemployment and emigration as occurred in the past. This budget is one where his courage has failed him. He has refused to take on the challenge of recreating a strong economy in Ireland. That could have been done by the type of policies our party has put forward, a radical programme to bring in private money to invest in the infrastructures we need to get out of the hole we are in.

We need a modern electricity network, a strong broadband system, a modern water system and we need to put sound energy efficient systems into our housing and building stock. These are things we need and the money is not there to provide them unless the Minister creates a vehicle to drive it. He has stepped back and failed in that area. That is the tragedy.

We should have seen the Minister start to address the challenge of regaining the competitiveness of Ireland and that has failed. He has offered the rhetoric of the smart economy. I heard him use words such as e-enabled, renewably resourced, smartly networked, carefully husbanded. These are words that trip off the lips of Ministers but the truth is that 40% of the water we produce leaks out of the system. We have 5% of the broadband speeds of our competitors. We fail to realise the potential of renewable energy compared to countries that do not have a fraction of what we have available to us. That is a failure of vision. It is possible for the Minister to address those issues if he had the vision to do it but that vision has failed him.

We have to break out of this vicious cycle in the public finances. Slide rule accountancy will not crack it. The Minister has made provision today for €4 billion in cuts but the 75,000 extra people he forecast will be on the dole will cost €1.5 billion in lost revenue, re-impacting the deficit. He has admitted that interest on the debt will rise by €2 billion next year, that is €3.5 billion of the €4 billion that he has pushed people so hard to deliver, has just been wiped away. We are in a vicious cycle that we are not breaking out of because the Minister sees only the narrow issue of correcting the public finances and not the wider issue of addressing the economic weakness and how we rebuild our economic strength. That has failed us in this budget.

The Minister surely had to face up to the situation regarding Anglo Irish Bank. The dogs in the street say that €6 billion will be needed for the bank during the course of this year. Where is that provided for in this budget? One cannot pretend it will come from thin air. It has to be provided for and we have to budget for it. We have to know where it will come from and if it will be added to the national debt? It is not credible until the Minister addresses those issues.

At the end of this budget the Minister will borrow close to last year's amount. We will be funding an incredible 29% of our net current spending on tick, on borrowing, which is an appalling figure. That is what the Minister has achieved having asked so many people to take pain. By 2013 his own predictions say that 71% of our income tax will be absorbed in paying interest, that is 71% of the sacrifices people make to pay income tax will be wiped away. That is a cycle the Minister has to break but it can only be broken if he has a strategy to address economic growth.

Deputy Pádraic McCormack: Hear, hear.

Deputy Richard Bruton: The Minister talks about having better economic growth and says the worst is over. That is a like George Bush announcing “Mission accomplished” when he went to Iraq. The truth is that these numbers are purely speculative. He has not addressed the strategies that can bring us that growth, create the employment opportunities, give us the competitive infrastructures and bring down costs. That is the tragedy. Restoring confidence is vital to our recovery. People will not invest if they are fearful and they are fearful. The Minister has forecast that next year private investment will fall by 40%, a catastrophic figure. It illustrates that people are not confident the Government has a strategy that will bring this economy on a road where they can see where they are heading and have a credible belief in what is being done. We cannot break the cycle if investors and families do not have the confidence to go out and spend. That is the position we are in. One needs more than vacuous claims that the worst is over, one needs to see action, a strategy, a plan. That is the void that has been left unaddressed.

Front-line services have been hit hard in this budget because the Minister was not willing to face up to the much more radical change demanded by the McCarthy report. That is the incredible part of it. The Minister commissioned a report that demanded that he address issues. Some 43 rationalisations were identified by the McCarthy process and not one of them has been taken on. I suppose that is not surprising because in last year’s budget the Minister announced that there were to be 30 rationalisations involving 41 agencies. What happened? Half of them have not been touched. The total savings to date from those rationalisations is €3.4 million, less than 1.5% of the budgets involved. The Minister has failed to create the tools to make rationalisation happen. He has failed to move staff from where they are not needed to where they are needed. He does not have a system for doing that and he does not have the tools to give managers the power to rationalise the way they do their business. He has left it to the 11th hour to try to address those changes. We come back to this budget and see that the focus has been on the front line and not on the changes we should have seen. These changes will be hard on people.

The Minister is asking people on the drug refund scheme to pay €120 per month whereas at the last general election the amount was €85. He is asking people on medical cards to pay 50 cent per prescription. In the UK when such a cost was introduced it exempted the lowest one-third of the income profile. Patients do not decide what is prescribed on their medical card, doctors decide that. That patients on €180 per week, according to the means test, are being asked to pay up to €10 per month will not save us on our drugs bill. To do that one has to be radical about using generic drugs and look at new prescribing practices, not asking the weakest in our community to contribute.

The Minister is asking carers who are saving the State a fortune to take a cut of €8.50 in the amount of money they receive. Where is the fairness in that? He is asking widows and invalids to take that cut, simply because they are under the age of 65. Why were such people not exempted? The value of the work of a carer, for which the Minister will pay €212 per week, runs to €1,000 per week. That is what a carer means to a family, and it does not mean simply a monetary saving. It means that the patient is in an environment in which he or she wants to be and getting the care they want.

The Minister needed more imagination. He has hit people who are down. The fact that he has hit child payments is very short-sighted because young families have borne the brunt of the recession. They are the people who paid excess prices for houses in the upswing and are now in negative equity. Some 35,000 of them face repossessions. There are 350,000 families in

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negative equity and the Minister's gesture to them is inadequate, it is pathetic. Where is the work of the Government group that was address these problems?

We were told in the programme for Government that this would be a priority but this has not been reflected in the budget. What other group is more important than families who are under threat of losing their homes? We expected to see provision for them and we expected to see the needs of the victims of this recession addressed. The Minister has provided for 26,000 job placements for the 420,000 who are out of work and this is welcome but far more welcome would be a radical economic plan to drive employment growth. Fine Gael's economic plan to do this builds to a potential of 175,000 jobs after four years. That is the sort of vision we needed, the sort of commitment that was possible for the Minister to take on. He has short-changed people who ought to have been at the heart of this budget. Time and again we have heard the former Minister for Finance, Deputy Cowen and again as Taoiseach, talking about the seismic shift of reform in the public service. We have heard all the rhetoric but it has produced nothing. Today we see the evidence of this. The McCarthy report set out cuts that could be achieved in the area of social welfare and there was a shock and a sharp intake of breath from people who hoped we would not be reduced to such action. The report also looked at areas other than social welfare; it considered efficiencies in the spending system and in rationalisation. The Minister has adopted none of the rationalisation. What is worse, he has adopted 42% of the savings on the social welfare side but only 25% in the non-social welfare areas. This was the difficult area, the area that required Ministers to apply a bit of imagination, to actually invest their intelligence in changing the way they ran their system, to get more with less. The Minister shirked that responsibility to make those reforms and as a result it is the front line, those low-paid public servants who will pay from the very first euro. It is people on social welfare under 66 years who will pay. The Minister has asked them to pony up because he was not willing to confront the sort of change that is needed.

The Government should have adopted each proposal in the McCarthy report as it came, and be seen to be driving a rationalisation programme from the outset, sitting down and negotiating with trade unions from the very start and announcing that this was part of a jobs strategy. It should have appealed for solidarity from all those working in the public service as well as the private sector in order to create an employment strategy. Instead the Government has disastrously mishandled those negotiations and it has left us with the public service that is angry and demoralised. This is a tragedy. Most people I talk to in the public service know that costs in the public service will need to be cut if we are to trade our way out and rebuild a strong economy that creates employment. They know that but they want to be part of a strategy that shows solidarity with something bigger that is being created, a real employment strategy. The Minister did not go to them with an employment strategy in which they could believe, in which they could see that their sacrifice was going to be contributing to a bigger picture, an agenda of change, not just in the public service but reinvesting in the economy and reinventing the economy. The Minister went to them with a demand for pay cuts alone but where was the wider strategy to bring down costs, where was the commitment to confront boardroom pay, the rip-off that we see in our shops every day? Where was the commitment to drive down utility prices, to freeze Government charges? Where was the commitment to cut commercial rents that are killing businesses by the day? The Minister needed to show that the effort he was asking for from public servants — which was valid — was matched by an equal determination to confront costs right across the economy. We have lots of people in the sheltered sector who are not confronting those costs and who are making businesses go to the wall. If the Minister could have enlisted people's support behind such a strategy, they would respond but the Minister lacked the ambition and the determination to take on those interest groups who have been

too cosy, too close to Government in the past. This is what has let us down. We have been left with damaging cross-fire between the public and the private sectors. The public sector will never succeed without a vibrant private sector and the private sector will never succeed unless the public sector can be reformed and become more effective. We work together. We needed a sense of togetherness and willingness to confront these problems together and instead the Minister has left a residue of bitterness and division which is doing us no good.

It was vital that people should regard this budget as being fair. We expected much more in terms of asking people who are better-off to contribute to the cost. Fine Gael proposed that those earning over €75,000 would pay the full 4% PRSI levy all the way up but that was not adopted. We proposed radical reform in pension relief, targeted at the higher paid and that has not been adopted. We proposed the wiping out of many of the tax shelters but that has not been adopted.

Deputy Brian Lenihan: It has been adopted.

Deputy Richard Bruton: I agree the Minister has adopted the residency rule and set a maximum tax but the figures tell it all. Nothing will be achieved from that measure this year and even next year it will only be €55 million. We were targeting a contribution of 600 million contribution from the better-off in our community. That balance was needed and it has been missed. However, there is a greater unfairness in this budget. Where is the fairness in the way the banking crisis has been handled? How could it be fair that those who created this problem still circle the wagons and appoint two insiders to run those banks that brought us to our knees? How can it be fair to ask the taxpayer to shoulder an extra €7 billion in paying for these impaired assets simply to protect the professional investors in these banks? How can it be fair that good businesses are now perishing because what the banks are doing is using the money the Minister gave them to protect their interests, not to rebuild a strong economy that is conscious of the needs of small business? They say that is what they are doing and that is what one would expect them to do unless the Minister intervenes to make it different.

Who is being brought to book for all this? That is what people ask me every day and I am sure they also ask the Minister the same question. Who is being brought to book for the appalling things that were done in our banks? No one has yet been brought to book. Where is the change so that we can be sure that what happened in the past will not occur again? We still do not see that change happening.

There is a void at the heart of this Government, a void in the nerve centre of this system of governance that should be driving Ireland to have a revitalised public sector at the heart of economic growth. This is a unique time of opportunity for the public sector. It controls assets that are vital to our recovery and it controls budgets that have to be managed effectively. It needs leadership in this budget and it has not happened. Fundamental changes have to start with politics and we have not seen that here. We have not seen it in the way Ministers are dealing with their own pay nor have we seen it in a willingness to confront the fact that the Oireachtas has become too big. Fine Gael has proposed getting rid of the Seanad and reducing the size of the Dáil. We should start by reforming these Houses as part of a bigger, ambitious plan to reform the country.

This is the 50th anniversary of the Lemass and Whitaker economic plan for development. Things were very similar because then as now, Ireland had years of failed policies and then as now, there were powerful interests that did not want to see change. However, what happened then did not happen now; then we had Ministers who were willing to set ambition out to be determined to confront change, to take the actions that were necessary. That is the sort of leadership we need again. The Government has failed to seize the moment. I suspect that

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because it is the architect of much of what has gone wrong, it has spent too much time in denial, too much time in explaining and pretending it was not its fault, to actually have the courage to make the changes we need. This budget has not started to shape the authentic economy to rebuild this country. It has not started to shape a modern public service that could rebuild the lean, fit and quality public service that is needed for the future. It has not started to mould a social contract which people could believe in, a social contract built around reform in our health system so that the two-tier service could be ended, a social contract around reforming the pensions system so we would not have people abandoned — as happened the workers in Waterford Crystal — with nothing. We need to see that thinking coming from the heart of Government. We need that sort of leadership. History has taught us the folly of many armchair generals who were too preoccupied with themselves to keep up with changing technology and who were oblivious to warnings, who produced moth eaten strategies as if they were a modern way of fighting wars.

What did they do? They sent young people over the top into the teeth of gunfire which mowed them down. In many ways, we are in an economic war. Our defences are weak, our equipment is not modern and our generals have failed us. We need real leadership from Government. At its core, what is wrong with this budget is that leadership has been lacking. It is further proof that those who got us into this mess do not have the ability to fix what they have broken. They do not have the vision, authority, courage or policies.

Deputy Joan Burton: The other day, Goldman Sachs circulated a note about the Irish budget which referred to the remarkable degree of consensus in Ireland about the necessity for budget adjustments. I will cite one sentence from the document. It states: “Although the government, the opposition and the trade unions continue to debate where and how the knife should fall, there is little or no dispute about when and how much the budget should be cut”. The Minister had a remarkable consensus available to him, from the Fine Gael Party and Labour Party as well as the trade union movement. One could never have imagined one’s party giving such an advantageous start to any Government. This could have been a consensus budget as it was a classic “all jump together” moment, an opportunity for burden sharing by everyone but the Minister blew it. The budget is straight out of the Leona Helmsley school of thought in which burden sharing, like taxation, is only for the little people. Social welfare payments have been reduced by €8.30 per week for carers, widows and widowers aged under 66 years, lone parents, people on disability and even blind people.

The Minister has some nerve quoting Ted Kennedy, the champion of the poor and fairness in America who, like Warren Buffet and Bill Gates, was not afraid to say that rich people in a republic should pay their fair share of tax. He estimates the contribution from the wealthy will be €55 million or approximately 1.5% of the total budget adjustment package of €4 billion. That is the fairness and burden sharing in the budget. It is the cleaner with two children working in the public services who will carry the bulk of the burden, although she will undoubtedly be delighted to have a job, as I am sure the Minister will not stop reminding her.

The Minister barely mentioned the National Asset Management Agency or banks. Last month, we had the establishment of NAMA which was, in many ways, the bailout of the guilty who, aided and abetted by the Fianna Fáil Party, drove the economy to ruin. Today, we have the slaughter of the innocents. This morning, I heard Ryan Tubridy ask listeners to suggest titles for a Christmas hit single. Fianna Fáil’s hit single for Christmas will be, “I saw NAMA killing Santa Claus”. Parents should know that child benefit is being cut to pay for the bailout of the banks and developers. That is where the hole is in the budget. The Government had to borrow €7 billion extra this year, €4 billion of which was given to Anglo Irish Bank while €3

billion from the National Pensions Reserve Fund was given to the two largest banks. Let us not be under any illusion; the ghost at the feast, the unmentionable, is the bailout of the banks and developers.

I am glad the Minister came into the House with his tail between his legs and reversed the 0.5% increase in VAT, the single most disastrous action he took in the early budget for 2009. His half point VAT mistake sent shoppers scurrying over the Border to queue in ASDA in Enniskillen and Sainsburys in Newry.

The Minister also reduced excise on alcohol and introduced a scrappage scheme for cars. Reading the leaked details of the budget in newspaper reports, I concluded that the Minister's decision to cut the cost of drink and cars makes his budget a kind of "Top Gear" budget for lads, of which Jeremy Clarkson would approve.

Deputy Ciarán Cuffe: The measures relate to green cars.

Deputy Joan Burton: It is not that these measures will not act as a stimulus, it is that budgets are about choices and the Minister chose to impose the burden of pain on families with children and those on social welfare aged under 66 years. As I stated, the burden sharing introduced in the taxation measures for the higher paid amounts to less than 1.5% of the total €4 billion adjustment.

It is a heartbreaking time for parents of young graduates and apprentices in many trades. The saddest aspect of the Minister's pre-budget outlook was his acceptance that unemployment would increase by a further 75,000 next year. Employment in agriculture has declined by 15%, whole classes of nurses, all of whom were trained at considerable cost to the State, have departed to work in hospitals in the United Kingdom and elsewhere, and newly qualified architects, solicitors, civil engineers, trainee teachers, construction apprentices are finding it impossible to find jobs at home. If this is the fate of those with qualifications, how much worse is it for the early school leaver and young unemployed person? This is a nightmare scenario for the individuals affected and their families and no less a nightmare for the whole country.

History teaches us the lesson that youth unemployment and unemployment among people aged under 25 years causes permanent scars, its effects last a lifetime and economic recovery does not guarantee that the scars will be healed. Employment must, therefore, be the main focus of policy. The Labour Party accepted the €4 billion adjustment so as to protect our country's international credit rating and make the cost of borrowing as cheap as possible. We added an additional €1.8 billion in our document to allow scope for a jobs initiative. The Minister is so obsessed with rescuing banks at any cost that he cannot face the awesome jobs and employment challenge that should engage his attention night and day.

John B. Keane wrote a great play titled, "Many Young Men of Twenty Said Goodbye". Today, many young men and women will say goodbye after Christmas because they must take the decision to leave, as people all over rural Ireland and every town and city know. Is this the legacy the Minister wants from his time in office?

The Minister claims to have a smart economy strategy. Where is it now, a full year after its launch? He devoted enormous energy and resources to protecting the property economy through NAMA but has not devoted a fraction of that energy to the knowledge economy. Where are the internships that can offer a bridge for young graduates and apprentices? If a newly qualified person becomes unemployed for a long period, it is difficult to reintegrate him or her in the labour force when the recession ends two or three years later. If they are unable to secure job experience on leaving college, younger graduates will take up the opportunities to acquire experience when the recession is over. The way the Minister is treating young,

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unemployed people is a real problem and the measures in the budget today hardly touch the surface of the issue.

I refer to child benefit. The Minister flagged this issue very well and has decided to make this cut in respect of women and children the centrepiece and the heart of his strategy, aside from the reduction in public service pay. I recall the day early in May 2007 when the professor, Deputy Bertie Ahern, called an election. The Minister, Deputy Brian Lenihan, had an early morning job to do. It was a Tuesday morning in May 2007, the monthly child benefit payment day, but there would be no ordinary payment that day; it would be a bumper payment day. The previous December, the other Brian, the then Minister for Finance, Deputy Cowen, had made a special budget day announcement that child benefit was to increase in 2007 by €10 per month per child. This would not happen immediately and mothers would have to wait for several months. They would have to wait until May to get the increase which, by coincidence, would be the election month. Mums in the post office queue in Blanchardstown were looking forward to a bumper payment, and to make the day extra special, there was the then Minister of State with responsibility for children, Deputy Brian Lenihan, walking along the queue shaking hands and kissing babies — I am unsure about that part of it as I did not see him doing that — and reminding everyone that Fianna Fáil was the party that looked after child benefit.

Deputy Brian Lenihan: That is because it never happened.

Deputy Joan Burton: It would be something for them to remember on election day some weeks later, and they did so. That day in May 2007 the Minister, Deputy Brian Lenihan, was top of the Blanchardstown post office walk. Today, what has the Minister to say to those mothers? I can inform the Minister, Deputy Brian Lenihan, that *mná na hÉireann* are not fooled that easily. It was exactly the same five years earlier. The Minister and other Fianna Fáil Deputies could boast to senior citizens over 70 years that they would automatically get medical cards.

Deputy Bernard J. Durkan: That is right.

Deputy Kathleen Lynch: Hear, hear.

Deputy Joan Burton: That promise helped the Minister to win power in the 2002 general election. Later, he figured he could play ducks and drakes with those people but, as it turned out, that was not the case. Perhaps it will not be the case with *mná na hÉireann* either but we will have to wait and see. Women might think about this matter at some length and let us see what they decide to do.

Deputy Paul Gogarty: We are parents as well.

Deputy Joan Burton: I hear sports shops are doing a roaring trade in single golf clubs this Christmas. With a possible election next year, one never knows when a club might come in handy to deal with men who break their promises. The Minister should ask Tiger Woods about it.

Deputy Paul Gogarty: If the Deputy was playing golf, she would have just scored an albatross.

Deputy Kathleen Lynch: Deputy Gogarty should come back; he is so funny. He should not go.

Deputy Joan Burton: I have read scores of articles by people who argue that child benefit payments are of little importance, including journalists and academics who argue it would make

no difference if the payment were restricted. Most of these articles were written by men, none of whom could state absolutely that he spoke for his wife or partner. I have yet to meet a mother of young or teenage children who says casually that child benefit has no importance to her. Perhaps I do not mix in circles where this benefit is a trifle. Certainly, I do not represent a constituency that places no value on the advantages of universal child benefit.

Almost every day I hear the voice of Marian Finucane on radio advertisements for the Simon Community, as I am sure everyone here does. She tells us that the current crisis has brought community services to breaking point. I hear the same message from Professor John Monaghan of the Society of St. Vincent de Paul. Are these societies lying? Is the Simon Community faking its message this Christmas? Is the Society of St. Vincent de Paul out of touch? Are they saying social welfare in Ireland is so generous that it can be cut? I have yet to hear a person who is genuinely in touch with ordinary families in the community who will say up-front that social welfare in the Ireland of 2009 is excessively generous and ought to be cut.

The Minister, Deputy Lenihan, should note that in this budget he looked for soft options and he believes child benefit is a soft option. He believes the recipients of social welfare are soft options. The Minister had a choice. There are thousands of tax exiles in Ireland, super-wealthy individuals. They boast of their contributions to charity and good causes. That is all very admirable but in a republic it is no substitute for paying one's fair share of income tax. I welcome the measure but I note the very careful phrasing of the reference to the possibility of a levy on tax exiles. We will know more when we examine the finance Bill.

There are poor bankers — God love them — struggling through the business pages with the awfulness of €500,000 per year. They do not have to contribute anything extra as a result of this budget in so far as I figure it. I am not aware of from where their extra contribution comes. The Minister, Deputy Lenihan, had a simple choice today of who to face down. Would it be the tax exiles, the poor bankers on only €500,000 per year or the mothers of Ireland? He made the choice and it says a good deal about the Minister, his values and his priorities.

Child benefit has been a success story, lifting the most vulnerable group of children out of consistent poverty. I congratulate Fianna Fáil on past increases in child benefit, as does everyone in the Opposition. Child benefit has succeeded in lifting children out of poverty because there was no means test. Ireland did away with tax allowances for children many decades ago. Universal child benefit has been the principal policy to help families with children and the principal recognition by society that raising children deserved financial support and recognition by the Government. As Members are aware, in the tax code a person with two children pays the same tax as a person with no children. A family or couple with three children pays the same tax as a couple with no children. However, we recognise children and the cost to their parents of rearing them through child benefit. I am perplexed that every time in the recent series of crises, budget adjustments and emergency measures that the Minister appears to pick on children.

The Minister increased class sizes. He slowed down the building of schools. He slashed support for child care. He abandoned plans for preschool education. We know that during all the years of our prosperity, we succeeded in lifting one child in every five who lived in consistent poverty in Ireland out of that poverty, from just below the poverty line to just above it. That is an important success in this country, because we are not a very equal society. Income is distributed very high up and there are very many people congregated at very low levels of income.

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Why did the Minister dump a winning formula? Those who advocate social welfare cuts have it back to front; instead of cutting social benefits, we should protect them, especially for those at the bottom of the benefit scale. In this crisis, precisely because it is universal and efficient, social welfare offers an immense advantage in a recovery strategy. This is acknowledged by people in the Treasury and the Federal Reserve in the United States. Social welfare spending in European economies is a unique stimulus package that allows people on the very bottom to be able to spend. Today, the Minister has cut their spending power across a significant spectrum. The sum of €8 a week does not sound too much to people in this House but it is an awful lot to a widow. Likewise, a €4 cut in child benefit does not sound too much in this House but it is an awful lot to people who are buying sliced pans and sausages as the mainstay of their shopping trolley to feed their children. When one goes shopping, one can see the differential in different trolleys; who has the fresh meat and who has the sausages and the sliced pans piled up in the trolley.

It is not a good day for the people with the cheaper trolley. Let us not fool ourselves that it is; it will be tough on them. They will have to make hard choices about their children. Protecting benefits is simple, direct and progressive. It is a highly efficient way to prevent poverty and sustain purchasing power for the vulnerable in our population. Reducing benefits will save money. A rough calculation of the budget indicates that €778 million of the €4 billion cut is from the social welfare package and approximately €500 million has been cut from education. Those are the headings that are taking the brunt of today's cuts. It cannot be good for the economy that the Minister has cut purchasing power and it is certainly not good for the health of our society at this point.

One thing that scares me about the Minister is that he seems to be crushed by economic dogma that essentially comes from the right. He is a pleasant man but he seems wedded to a right-wing view of society and recovery. I prefer to think outside the box. The dogma that is coming at us, day in day out, is from the same people who cheered on the calamitous building boom for years and ignored the early warning signs of a banking collapse. I cannot understand why so many economists in this country deride the idea of stimulus. Why are many European economies showing some modest signs of recovery while ours continues to lag behind? The Minister promised the previous Fianna Fáil Ard-Fheis that, on his watch, Ireland would be the first country out of recession. That has not happened and it is not going to happen.

Why are we still in deep recession with growth prospects stubbornly elusive? It is because the Government's policies are very much at variance with the formulas pursued by many others. Unlike countries that have poured money into consumer demand and public projects, the Government has preferred to give our money to banks in the hope that some of it trickles through to the general economy and to businesses and enterprises; trickle down, that old favourite tune of the right wing. It has not done so and there is no prospect of any change in bank policies. Good luck to the new committee set up by the Minister. We met with Mr. Boucher and Mr. Sheehy for several hours approximately two weeks ago and they stonewalled on every single demand from Deputies on all sides about credit flow. Mr. Sheehy was the most frank because he is close to retirement. He just said that it is not going to happen. All that has happened is that bank debt has been converted into taxpayer debt with catastrophic effect on our sovereign debt capacity.

All around Ireland businesses are closing. Businesses need customers but customers need confidence to get out and spend. Confidence is the most elusive but most vital ingredient of economic policy. One cannot bottle it or buy it and there is precious little in today's budget that

will inject any ray of confidence into the households of this country. I am sure the Taoiseach is aware of an amazing fact, namely, that there are savings in this country of €81.5 billion. The savings have been galloping up, just like in Japan in its lost decade, and in Germany for a long period, which is where much of our cheap credit came from. Germans did not want to buy new kitchens and the Japanese did not want to buy anything new at all. We are doing now what they did; we are saving more.

As a result, customers have stopped going to shops. People are nervous about the future. They have stopped going to shops in the Republic because they know they are being ripped off, for example, on the sterling exchange rate. There is footfall in shopping centres and shopping malls in Dublin and its outskirts and in towns around the country. People walk around the shops but one sees very few shopping bags. In previous years at Christmas time people were laden down with shopping bags. If one walks over to Grafton Street one will see only one or two stores with big crowds. The budget ought to have been directed at those people. Let us imagine if just 10% or 20% of those savings that are building up were released for spending into the economy. It would transform the Minister's take from VAT and other taxes. However, the budget had just one focus and that was just too narrow for the times we live in. The economy certainly needs medicine. The virus injected by successive Fianna Fáil Ministers for Finance into our economic bloodstream has made painful medicine a necessity, but the patient needs nutrition as well as medicine to stage a full recovery. Today's budget is strong on medicine but sadly thin on nutrition.

I wish to address the issue of fairness and tax. Fianna Fáil made a conscious decision today not to in any way change the tax burden, except to a limited degree, on high income earners. Fairness is probably the most vital ingredient that can unite people in the challenge we face to restore national solvency. Fairness unites; the Minister's package will divide. More than ever, we need a one-Ireland mentality, a one-nation vision that can demand burden sharing on the understanding that it is shared by all in proportion to their ability to take the pain.

I have been appalled by the vicious smearing of public sector staff in recent weeks in which Ministers have connived. If there is to be a blame game, they want to have someone else in the firing line. They have let loose the dogs of war on every public employee. Why should the private sector go down this cul-de-sac? It is private sector businesses who benefit most from public spending. It is private businesses that build the schools, supply the hospitals and sell computer services to the State. The State is the biggest customer of indigenous private business. The campaign to denigrate the public sector is no great help to business. In a way, it is biting the hand that feeds one. If one cuts public funds, it is private business that takes the biggest hit. Let us make no mistake; we are genuinely all in this together. The Government that divides our people at a time of crisis does not deserve to govern.

I said in the House recently that there was a lesson to be learned from the peace process. Nothing is agreed until everything is agreed, and we all jump together. The word "all" is one of the simplest in the English language. It means the public sector, every rank and every grade. It means the professions in the law, medicine and accountancy. It means the well-paid executives in the banks, commerce and industry. It means those who did exceptionally well from the boom years, of whom there are many. Did the budget ask a fair amount of sacrifice from all those people? I do not think it did. Many of the tax shelters remain firmly in place. A feature from a recent edition of *The Sunday Business Post* promoted a holiday home scheme in County Wicklow. It is in a beautiful part of the garden county, however, the focus of the feature is not the gorgeous scenery but the attractive tax breaks that come with the purchase. There is no

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sign there of any let up in the availability of this and other kinds of breaks that so corrode our tax code of its progressive character and fairness.

The reports of the Revenue Commissioners still tell amazing tales of high earners with incredibly low effective tax rates. The restrictions in the 2006 budget only scratched the surface. I welcome the further restriction today. However, I remind the House of what Mr. Cliff Taylor wrote in the *The Sunday Business Post* last Sunday.

A study of those who were aggressively claiming tax reliefs — many of them related to property — showed that the €500,000-plus income group [that reference is to persons who each have an income of 500,000 or more] had increased their tax contribution, but just to the bare 20 per cent.

The Minister has proposed to increase that by another 10%, but as he said at the start of his contribution, the marginal rate of tax on the average civil servant or private sector worker who earns above €60,000, €37,000 in the case of a single person, is approximately 53% and their average rate of tax is much higher than what the Minister is proposing today.

It is an ancient tale. When these people call for low taxes, they often mean simply no taxes. If we take the relief for pensions, we had startling and valuable information from the ESRI last week on this topic which revealed a staggering €2.9 billion cost for this heading on its own. That is €2.9 billion per year in tax reliefs for pensions. Deputies should know that the top 20% of earners take two thirds of all the pension-related tax reliefs. A miserable 1.1% goes to the bottom 20% of earners. We allow a pension pot to go as high as €5.4 billion. In the UK, it is less than half of that. Why not reduce the limit to €3 million? It would still be very generous. We allow tax free lump sums up to € 1.3 million. That could be capped at €150,000 or €200,000. The ESRI identified savings of €500 million.

The Labour Party did not go that far in its pre-budget plan. We suggest a yield from savings — reductions for the people at the very top — of €330 million. As long as these tax expenditures remain such a dominant feature of tax policy, the goal of tax justice will remain a fantasy. The measures taken so far to remedy this injustice have been half-hearted in the extreme and this tepid approach has been repeated in today's budget.

This Government has no reputation to lose but it has choices to make. Tax justice decisions are always hard to make — hard choices that Ministers pretend to make but which they never stop dodging. The Minister for Finance dodged many of the hard choices today.

One of the difficulties is that our economy is experiencing the worst recession most people alive have ever experienced or, I hope, will ever experience. It is already worse than the 1980s and it is not over yet, certainly not in this country. Fortunately, the remedial measures adopted by the European Central Bank and other central banks have so far staved off a full slide from recession into total depression. That might change if the ECB takes a harder line on credit or on interest rates. It could also change if we go too fast down the road that the Minister has mapped out today.

The consequence of cutting back on everything in sight is to push the country into a depression. That is a mad recipe for rising unemployment, social disruption, deeper poverty and falling living standards. The philosophy behind this budget has the potential to push our economy into a death spiral of decline. Above all else, there is no clear message of hope from this budget for the hundreds of thousands of people on the live register and the 75,000 additional people who Fianna Fáil plan to have on the live register next year.

Taxes are down and the deficit is out of hand. What does Government do? It cuts spending power in the economy even more. Immediately, consumers spend less and less. By cutting welfare payments and child benefit, families have less to spend and tax yields drop further. That is the death spiral and it haunts this budget like the ghost of Mr. Micawber.

We have an economic crisis on our hands, we have an unemployment crisis and we have a credit famine. However, this Minister is dealing with these crises solely as national debt and banking crises. That is too narrow a focus.

There is a character in Roman mythology called Janus who showed two faces to the world looking in opposite directions at the same time. This Government is like Janus. One face tries to be the responsible and prudent manager of the nation's wealth, stabilising the budget and coming to grips with a new cold financial reality. Then we have the opposite face, the obedient agent of a reckless gang that brought this country to bankruptcy and ruin.

Deputy Liz McManus: Hear, hear.

Deputy Joan Burton: This gang has to be rescued and bailed out at any price. The Minister uses every device under the sun to hide the cost from angry citizens of the bailout of his gang. We have NAMA, special purpose vehicles, off-balance sheet borrowings and direct injections of scarce capital with no prospect of return. The National Pensions Reserve Fund has been raided to support the rescue and annual interest payments on the money borrowed runs to hundreds of millions. This is the cost we, the people, must pay in the vain hope of getting this gang back to business as before. This set of Ministers has no notion, no vision whatsoever, of an economic revival that has a focus other than the dream of restoring this small group back to the dominant place it had before. That is the real face on display here today. The Government ran the country pretty much entirely for the benefit of this group. Now it plans the budget entirely to pay the cost of the clean up and restore the gang to its commanding position.

It cost us €4 billion to rescue Anglo Irish Bank in 2009, money we had to borrow and pay interest on. The interest cost alone in 2010 for the €4 billion for Anglo Irish Bank will probably be as high as €200 million. That is almost as much as the amount to be raised in cutting child benefit. Another way to look at the cut in child benefit is to say that it is just to pay the interest on the Anglo Irish Bank injection of €4 billion in 2009.

We know from newspaper reports today that there will be more borrowing for this bank and other banks. We hear the banks could need another €9 billion from the State next year — €4.8 billion for AIB, €2.8 for Bank of Ireland and €2 billion for Irish Nationwide Building Society, which is a tiny building society. We are taking €8 billion in toxic debts and we are talking about putting €2 billion into a tiny building society which was meant to help people get mortgages to acquire a home.

Deputy Ruairí Quinn: All we got was the two fingers.

Deputy Joan Burton: It is stunning. All told, the taxpayer could be on the hook for a cool €15 billion over the next two years to fulfil Fianna Fáil's strategy for the banks. This assumes NAMA breaks even and does not become a multi-billion euro drain on the taxpayer each year. The what may be termed the "washing one's face exercise" about NAMA is only for the first few months to the first year of its operation. These numbers put today's horror budget in the ha'penny place.

The Minister should not pretend there is no link between the rescue of Anglo Irish Bank and the budget crisis we face. That pretence is at the heart of his budget strategy. It has those

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two faces — one is the harsh discipline for every citizens, including social welfare recipients and public servants, and the other is the blank cheque to transfer the debts of bankrupt developers to the taxpayer.

The bond market and not the EU Commission will make the call on our national solvency. Bond investors are fully aware of Government borrowing under every heading. A borrowed euro is a borrowed euro no matter how it is described. The issue for bond investors is the risk of default. Borrowing to shore up a zombie bank commands a higher risk premium than borrowing for reflation. The Government should think about that.

In the past few months, the Government has relied heavily on an echo chamber of sympathetic voices to make its case in the media. This echo chamber has drowned out the voices of anyone who wished to make a sane case for a different approach to economic recovery. It is not healthy in a pluralist society to have only one set of opinions repeated day in, day out as gospel truth. We are paying a ghastly price for allowing this to happen in the boom years when all sanity went out the window and any dissenting voice got short shrift and when a Taoiseach suggested the suicide option to anyone who did not like what was happening in our country.

The echo chamber recycles the same mantras, namely, there is no alternative, it is the only game in town, we are where we are and the blame game will get us nowhere. We hear these repeated *ad nauseam* and any deviation from the line is rejected out of hand. We experienced it heavily in the debate on the bank guarantee and when we hear the green jersey slogan trotted out by Fianna Fáil, we know something dodgy is afoot; so it proved in the case of the Anglo Irish Bank shenanigans which has cost us so much in cash and reputation.

Let us have no more of this. Cuts are not the only option for national recovery and there is a case for stimulus and an alternative to NAMA. It is time to restate the case for equality as a major force in policy. Societies that value equality and promote it in their economies have succeeded best, and the evidence has been painstakingly collected over 30 years and published in the past year. It promotes better health, a better quality of life, better educational outcomes, a better sense of security and well-being.

This budget does nothing to make Ireland a more equal society. It goes in exactly the wrong direction. It will increase personal stress, erode confidence, and damage social solidarity. Its economic effects may well be calamitous and its social effects certainly will be.

I recommend that the Labour Party vote down this budget. In the examples at the back of the budget we have Eileen and Dominic, one of whom is a civil servant and the other is a house husband. They face a cut in their gross pay of €2,625 a year, or approximately €50 per week. In this example there a child in the pre-school age group so they are credited with a gain from the Government of nearly €2,500. In a second example, of Kate and David, their losses are €2,600 a year, which is over €50 per week or 4% of their income. There is no adjustment at the upper end of the scale.

Many civil servants are willing to make sacrifices but the mantra that everybody wants to hear is about fairness. Those who have the most should bear a proportionate share of the burden that they are better fitted to carry. It is a regrettable budget for carers. The cut of €8.30 a week in respect of them does not mean an awful lot to many in here because Deputies are well paid and we can take our share of any cuts imposed on us. I feel sorry for people like carers and widows. I know the McCarthy report felt that widows seemed to have it easy but many widows, particularly younger widows, do not have it that easy. The reduction of €8.30 a week will come hard to them on top of a reduction of €4 per week in child benefit for each child.

Deputy Liz McManus: Hear, hear.

Deputy Arthur Morgan: We have heard it now. So the worst is over, as we have been told by the Minister for Finance. He did not say for whom the worst is over. It may well be over for the corrupt bankers and the golden circle of speculators protected by the Government. The worst is not over for the almost 500,000 people on the live register. It is not over for those people who are living through the worst every day and struggling to keep families together and buy clothes and food for them. These are people who have lost their job in the construction sector or who were involved in small businesses. The worst is not over for them.

I wonder did the Taoiseach or his Ministers speak with real people to find out what the worst really is in this State. Have they spoken to people in towns around the State, from Cork to Mayo, Dundalk to Donegal and Galway to Dublin to find out what is the worst for them? The worst is not over for those people.

Have members of the Government spoken to people in rural Ireland about how even as we speak they are preparing to head to airports with children or going to meet ferries so that their children can go overseas to find the jobs which the Government has allowed to be destroyed in this State? Have they spoken to parents who are worried about sons and daughters falling into despair and depression because of the hopelessness currently experienced? Where is the hope for them and when will the worst end for them?

The Government has told us it is too complicated to bring in a taxation system to capture those people earning more than €2,000 a week or it is too complicated to standardise tax reliefs. I meet people all the time, particularly in recent months, who are widows, who have disabilities or who have lost jobs and businesses. They wish it could be too complicated for the Government to cut their welfare income, such as the €204 per week or the Christmas bonus. Of course, that is not too complicated and it can easily be accomplished. The Government is shaking ordinary workers and the unemployed to try to get the last few cent from their pockets. It is grossly unfair. The Government is driving people into poverty and into the hands of money lenders. It is driving people to the offices of the Society of St. Vincent de Paul.

This budget goes against young people, who are experiencing the highest rates of unemployment in any sector. Young couples who took out mortgages and bought homes in the past few years are now suffering significant negative equity but the Government has attacked them again in this budget by cutting child benefit.

Young people have been threatened that if they do not take part in education and training, social welfare payments will be cut. Some of those young people have spent three, four or five years in education; some have master's degrees, are engineers or are otherwise well educated but there are no jobs for them. One of the reasons for this is the Government standing by without any stimulus package and allowing those jobs to haemorrhage across the State.

Deputy Aengus Ó Snodaigh: Hear, hear.

Deputy Arthur Morgan: No job retention fund was put in place and there was stimulus package to try to deal with the reality. We were told banks had to be saved and that was the poor priority.

I will briefly discuss the other measures which have been introduced. The Minister is deluding himself and trying to delude us as well. Funding for primary schools has been slashed by 27%, which will have some effect on schools across the State. We should think of how principals

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will try to manage on 20% less when they were already struggling in their economic position before this budget.

This budget has targeted cuts at disadvantaged communities, and funding for education for the disadvantaged is to be cut by 62%. We should think for a moment about this impact on one of the most disadvantaged sectors in society. That is nothing short of scandalous. The drugs task force funding is to be cut by 11%. I meet people involved in such task forces in my constituency in Drogheda and Dundalk and they need all the help they can get. If this funding is cut, people will be off the rehabilitation scheme and back into a cycle of drugs and robbery to sustain the habit. It will cost the State significantly more in the long run as there will be court cases, imprisonment and pensioners being attacked in their homes and terrified. Nevertheless, the Government believes it is wise to cut those programmes by 11%.

These cuts show us that the poor are being made to pay the highest price for Fianna Fáil's recklessness. The 11% reduction in the local government grant will have serious implications for the provision of local service. Service charges and rates will be forced up, again hitting low-income families disproportionately harder than those who are comfortably off.

The proposed changes to the PRSI for 2011 will see any progressiveness taken from the system. We need a general election and allow the people decide if this Government has the capacity to govern the State. It does not have a mandate for what it is doing in handing over €54 billion to the banking sector and €4 billion in particular to a zombie bank in Anglo Irish Bank. This is crazy stuff. This should not be going on. The Government has no mandate to do it. If the Taoiseach had the courage of his conviction, he would have put the NAMA proposal to the people and let them decide. There should always have been a referendum on NAMA in any event.

This savage budget is the economic equivalent of kicking an injured man when he is down. The economy is on the floor and along come the boot boys of Fianna Fáil to give it another good going over. This budget will cause poverty and deflation, driving our economy into deeper recession because of the selfishness and short-sightedness of Fianna Fáil and its pathetic partners in the Green Party. The huge budget deficit is a result of the Irish economic recession, which was caused by their disastrous policies and gross mismanagement. The deficit is the symptom, not the cause. The Minister has chosen to treat the symptom in the most brutal fashion while doing nothing about the cause. This recession is as much one of ideas, as it is of resources.

Over the past two years the Taoiseach dragged us to the edge of economic doom and today he pushed us over it. I have one hope for this budget — that it will serve as a wake up call for the people. Over the past 12 months, we as a people have witnessed the Government committing a series of con jobs, ranging from the levies and social welfare cuts in April to the €54 billion NAMA rip-off. It is unfortunate that the Taoiseach could not stay to hear the rest of my contribution because I am sure it would have been educational for him.

The Government has been helped by sections of the media and, unfortunately, by Fine Gael and the Labour Party, in convincing people that the savagery of this budget is necessary but it is not. There was another way but we could never expect Fianna Fáil to take us the fair route considering it caused the problems in the first place. This budget was an opportunity to show some vision. Even now it is not too late to put Ireland on the road to recovery. It is not beyond us financially to stimulate this economy. A programme for jobs, an investment in people and a commitment to protect the most vulnerable as we turn everything around is all possible. Sinn Féin has shown that it is possible. Our pre-budget submission, *The Road to Recovery*, carefully

considered by like-minded economists and costed by the Department of Finance, proved here was an alternative to what the Minister has done, a way in which to raise money through bringing fairness to an unfair and unequal taxation system, cutting State subsidies to the private sector and ending the greed among high earners fostered and encouraged by the Government.

The Minister has shown us that Fianna Fáil and the Greens are still wedded to the fiscal policies of Charlie McCreevy. To save €4 billion from the deficit, the Government has shown itself willing to further impoverish low-income families. The cuts to social welfare will deepen inequality in Ireland, already one of the most unequal states in the OECD. The cuts to education make a laughing stock of our so-called knowledge economy. Will the Minister outline how we can build a knowledge economy in damp and freezing prefabs and with inadequate IT equipment? The cuts to health services will be the difference between life and death for thousands of people across this land and that is no exaggeration. A charge for medical card prescriptions is despicable. It attacks the principle of free health care for those most in need and, though the charge may seem low, the worst hit will be those most dependent on medication. Once introduced, it will be increased year on year.

The Minister and the Government are like Robin Hood in reverse in that they are robbing the poor to give to the rich. Shame on each and every one of them. Worse still, the Minister has made sure recovery will take longer than it should because he has hit the lifeblood of the economy. He has hit the spenders in an economy reliant on consumption taxes and he has hit the education system, the building blocks for a turnaround. For a party that has long prided itself on its alleged ability to manage the economy, Fianna Fáil has outed itself with this budget. Had the Minister made even one tough decision, for example, the introduction of a third tax rate, standardising tax reliefs, capping the pay of high end civil servants, he would have saved himself and the State many tough decisions next year. He has done nobody any favours by going after the easy targets in this budget such as welfare recipients and low-income families. His half-hearted gestures of pay cuts for himself and a small number the highest earners do not go far enough in terms of what they should contribute to get the economy up and running. Their high salaries contributed to the deficit, not the payments to social welfare recipients. His failure to see this has only delayed and worsened the inevitable.

It is essential that we develop a fair taxation system in this State. We will have to review the billions spent on tax reliefs. We will have to put an end to the State propping up private banks and the Government's schemes for socialising debt and privatising profit. In addition, we will have to address the economic insanity of partition and the damage it is doing to the potential of both parts of this island. Fianna Fáil and the Green Party have shown themselves completely incapable of tackling any of these issues and, God knows, they have had more than enough chances.

The sad reality is that I have little faith in Fine Gael or the Labour Party handling the State's affairs much better. Both parties have wholeheartedly bought into the Government's analysis of the economy and provided their own proposals for cutting social welfare, public spending and workers' pay. All of this can be expected from Fine Gael on any given day but the Labour Party has veered to the right, bracing itself to get into bed with Fine Gael. It would seem from reading its pre-budget submission that the Labour Party is pro-jobs but leaning towards anti-worker. Perhaps the Labour leadership is attracted by the bright lights of IBEC's annual conference, leaving their former trade union comrades in the dark in these times when real struggle will be required.

Every citizen in this State should be aware that replacing Fianna Fáil and the Green Party with Fine Gael and the Labour Party will make no difference to economic recovery. The

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Minister for the Environment, Heritage and Local Government is nodding in agreement. Fine Gael and the Labour Party would implement the same policies in a different package, with the same bad results for the economy. While the establishment parties close ranks and display a disturbing uniformity in their policies, we are the only party that stands up for working people, whether they are in jobs or not. We are unique because we are the only party with an alternative analysis of the situation. We address the problems in the economy with the aim of eventually reducing the deficit. The other parties set out proposals to reduce the deficit without ever dealing with the problems of the economy.

With this sentiment, I will analyse what the Minister for Finance has delivered to the House and to the country. I will examine the areas where he chose to slash and burn and explain how it could have been done differently and a better result delivered. I hope the people at home will listen and decide from the contributions to the debate who they would rather have introducing the next budget.

When the Minister introduced the emergency budget in April last, he stated the economy would need to adjust by a further €4 billion over the course of 2010 and he would set out how that figure would be raised and saved in this budget, which he has done. The elephant in the room is that in April the €4 billion was planned as an adjustment to a much smaller deficit of approximately €20 billion. The fall in tax revenue over the last seven months means the deficit is wider now, yet he still maintains a €4 billion adjustment is necessary and other parties agree. Why is €4 billion needed? Why should we believe the Minister when he has got it wrong up to now? The European Commission has had to extend the period for economic recovery offered to the Government by a year. His plan has unravelled before it has even started.

Sinn Féin did not set about raising €4 billion in its pre-budget submission in October. We sat down and worked out how the tax system could be made fairer and how much was needed for a stimulus package. We believe a stimulus package and investment in the economy would not only recover confidence at home, but also abroad. The Government can repeat *ad nauseam* that it believes international investors are responding well to its plans to slash spending but, in reality, international investors can see a government sinking beneath the waves. The Department of Finance's forecasts are adjusting downwards by the month, as are Exchequer returns. This does not inspire confidence. The rest of the world is responding to economic woe with ambitious stimulus plans. The response of the Government and the Opposition parties other than us is to return to the constrictive right-wing economic policies of the 1980s. They are determined to make this situation worse and see us waste more years before recovery begins.

Our pre-budget proposals would raise more than €7.5 billion. Our figures were designed to stimulate the economy, not to deflate it. Our tax-raising measures were aimed at high earners to ensure they did not hit the spending power of the middle and lower earners. Let me be clear that by "high earners" I mean individuals — not households — earning in excess of €100,000. People on incomes below that were exempt from our consideration. That thinking is conspicuously absent in the Government's strategy for fiscal adjustment and it is telling. Every measure taken over the past 12 months has further contracted the economy. This budget will be no different.

The Minister has taken €4 billion out of the economy in the most damaging way. The scenario that will be played out in 2010 will be more job losses, further falls in property prices and decreasing revenue returns, and we know that all this will happen because we have seen it happen throughout history. The Minister also knows this will happen so his budget today can

only be seen in one light — he is delaying recovery because he wants to protect the golden circle in the State for a longer period. He is also determined to protect those in the silver circle — the very high earning households. That is why he has taken these harsh and vicious measures, such as cuts to social welfare.

A fundamental principle divides Sinn Féin from other parties in the State as we see social welfare as a right and not a luxury payment that can be cut at will, depending on the economic climate. Families depend on it for their food and for survival. They have no other income. When the Government is abandoning those people, it is essential they have this minimum threshold for food and some level of existence. In approaching this budget, there was much talk about the need to reduce the social welfare bill. The Government and some media commentators have acted shamefully towards the social provisions of this State.

Not once, in all the talk about the social welfare bill, was reference made to the possibility of reducing social welfare spend by keeping people in jobs and creating new jobs. Instead the focus was on rates of pay, and the argument was made by Fianna Fáil, the Green Party, the leader of which has joined us in the Chamber, other establishment parties and some in the media that €204 per week is too much for people to live on. I wish some Ministers would try to survive on €204 per week for a few weeks to see how they get on. Then they would get a dose of reality and would appreciate what people are going through. What type of people think it is acceptable to take money off someone on €204 a week but not from someone earning in excess of €2,000 a week?

We do have problems in our social welfare system. There is definitely fraud and ridiculously complicated administration involved. The system is a bureaucratic nightmare. All of this has increased under the Government's watch. There is no area its incompetent hands have not reached into and ruined. However, the problems in social welfare that end up costing the State extra money should be dealt with and rates of payment should not be cut.

Cutting social welfare payments will have a detrimental effect on the economy and society. Social welfare payments are always returned to the economy on a weekly basis. They are not saved or invested abroad. They are spent on rent, mortgages, food, utilities and other essentials. Cutting welfare expenditure is a false economy and one that will ultimately only cause misery for those on the receiving end of the policy. We do not accept the argument of deflation in favour of welfare cuts. The fall in the cost price index this year includes mortgage interest. A number of items have not decreased in price, they have increased and they disproportionately target the less well off. The cost of bus fares, child care, primary and secondary school education, doctor's fees, dental fees, hospital services and insurance have all increased and no one on the other side of the House has addressed this. These costs make a lie of the argument that people on social welfare and low wages can afford to live on less.

We have already seen the effects of cuts made to social welfare payments this Christmas. The loss of the Christmas bonus, a double payment which affected 1.3 million people, is money that would have been spent in our shops on the high streets on Santa presents and Christmas food. The Government's Scrooge measures will come back to haunt it when it counts its VAT pennies at the end of this month and will see a substantial reduction. It will also have an effect on the retail sector, possibly increasing the number of job losses and adding more people onto social welfare queues.

Grading the rate of job seeker's allowance by age further to the measures taken in the supplementary budget 2009 is an abuse of power by the Government and shows just how out of touch it really is. The proposal to reduce the rate of social welfare to €100 and €150 a week

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for those between 20 and 24, which represents a cut of 25%, undermines what should be the main focus of economic recovery, which is getting Ireland back to work. The social welfare bill should be reduced by giving those people the opportunity that they want. They do not want to lie about their homes or scrounge from family and neighbours. They want to go back to work and the Government is doing nothing to deliver this.

Discriminating against young adults in their welfare entitlements is grossly unfair. It is necessary to frame this in realistic terms, rather than from a top-down budgeting perspective. Young people finish college after three, four or five years of education. There is a freeze on public sector employment, little if any employment in the private sector and they have most likely accumulated debt during the course of their studies. Many of these young adults are on the margins. They may not have qualified for a local authority grant and, as such, would have accrued debts through student loans. They are now expected to come out of college and live on €150 a week. Ministers should try it some time and let us know how they get on. The remaining cuts are equally punitive. If there was any justice in this world all Members on the other side of the House would lose their jobs in the next election and then we would hope to see them live on those amounts.

The measures taken on child benefit will do nothing to fix the economy. They are further evidence of a sticking plaster approach displaying the Government's inability to leave any social provision protected from its grubby claws. Child benefit is a universal payment made to every child in the State in recognition that every child is born equal and that the State provides children with nothing after they turn six weeks old, when free health care for children in this State ends. When children are six weeks old the State walks away and they are left without child care, without the financial ability in many cases for their parents to stay at home and without a fully functional education system. The Minister for Finance attacked every child in the State today and I hope he is proud of it.

The cuts to the public sector pay bill offer another unimaginative approach to fixing this recession. In our pre-budget proposals we identified savings in the public sector pay bill. We identified those savings by capping the pay of individuals earning more than €100,000 per annum. That is a reasonable salary for people in the public sector. Deputies, Ministers and Senators should have their salaries capped to the same degree. How can the State afford to pay any civil servant in excess of €100,000 a year when, as Deputy Mary Harney told "The Week in Politics" programme recently, the IMF is breathing down our necks because of the mess the public finances are in? These people need to get real. Brendan Drumm, if one takes into account his bonus last year, received €450,000 for helping to run the health service into the ground. That is 19 times higher than the basic salary of a civil servant at €24,000. The Minister, Deputy Gormley, used to advocate social justice when he was on this side of the House. Deputy Gormley and his party sit there smug, comfortable and happy with this situation. If his party is not satisfied with the current position, it should indicate that this is the case and it should leave Government and give the people what they really need, namely, the holding of a general election in order that the country might obtain some form of leadership.

The Government and some Opposition parties are of the view that canteen workers, ushers and office workers should all bear the pain for this recession in equal measure to Professor Brendan Drumm. The Government's cuts do not recognise this madness. Instead they look at pay across the board and slash it accordingly. Its cut of a further 5% — in addition to the pension levy — on people earning below €30,000 is a pay cut of €1,500 per annum. These individuals already extended their budgets to full capacity when they chose to carry out home

improvements, bought additional educational materials for their children or whatever. They have made commitments which they must honour and the Government is now putting its hand into their pockets and taking €1,500 away from them at a time when they cannot afford it, when they cannot seek alternative employment in order to improve their circumstances or when they have no prospect of obtaining part-time work in order to supplement their incomes. The Government is robbing them of €1,500 per week. Shame on the Minister.

Those on €70,000 a year will lose €4,500. It is worth remembering that in its pre-budget proposal, Sinn Féin advocated that incomes below €75,000 should remain untouched. The only penalty we would have imposed on people with earnings above that amount would be to abolish the PRSI ceiling. The real threshold would have been €100,000 in respect of which we would have introduced a new tax band of 48%. Why did the Minister not listen to what we had to say in that regard? When he was on this side of the House he often advocated similar policies. Why did the Green Party collapse into the arms of Fianna Fáil and go along with the whole “jing-bang”, Galway tent approach to running this State?

Deputy Aengus Ó Snodaigh: It did so because its members have no backbone.

Deputy Arthur Morgan: What has happened in this regard is grossly unacceptable.

What will be the long-term achievement of Government policy in this regard? It has taken away the spending power of a group whose members we need to spend their money in order to turn the economy around. It wants people who have 2009 costs to live on 2004 wages. It has achieved the agenda of Colm McCarthy and company of driving down the standard of living and the rights of the majority. However, it has done little to encourage economic recovery.

As already stated, Sinn Féin’s pre-budget proposals would have succeeded in raising and saving in excess of €7.5 billion, a good deal of which would have come from simply introducing more fairness to the taxation system. There are some paltry measures included in the budget. The tax on exiles does not go far enough. The raising of the effective tax rate goes some way towards what is necessary but, again, this will not be nearly enough in the overall scheme of things. There are no wealth taxes or third rate of income tax included in the budget. In addition, the PRSI ceiling has not been abolished. What will be the benefit of the universal contribution, at its low rate, for high earners? The Government and its minions have conducted a great deal of PR in respect of why taxation is untouchable. I believe none of it.

There is still a great deal of inequality in the taxation system. On one hand, the Government informs us that it cannot afford to increase taxes. On the other hand, however, it is informing all and sundry that Ireland remains a low-tax economy and that the latter is one of the Government’s greatest achievements. Which statement is correct? This is nothing of which to be proud. We have a €22 billion deficit and the Government is still refusing to create a fair taxation system. We must stimulate the economy and to do that further revenue will be required. Taxation cannot continue to be untouchable and the Government cannot continue to laud our low-taxation economy as being job creation-friendly. If the latter is true, then where are the jobs? Why have we reached a position of stalemate?

I wish to outline the facts. Low taxes at the top are not stimulating the economy and for the bulk of PAYE workers at the bottom, ours is not a low-tax model. The bottom percentage rate of income tax is low, but there is a huge degree of stealth taxation and a lack of service provision that makes Ireland, for this group, a very high-tax economy. These are the people who should not be touched for more tax. However, the Government is determined to have it both ways: high taxes at the bottom; and low taxes at the top. Such a system is not sustainable.

[Deputy Arthur Morgan.]

The Government will soon have no option but to address the inefficiencies in the tax system. The Commission on Taxation identified 245 tax reliefs that between them pay back almost as much as is taken in income tax. Many of these reliefs are abused by high earners. The Minister is nodding in agreement. Perhaps he will indicate what he has done about this. I am not a member of the Cabinet but he is. Could he not have negotiated more strongly in respect of some kind of fairness in the taxation system? Does he not realise that people throughout the country, and not merely those in his constituency, expect that of him? What is certain is that the Green Party did not negotiate strongly in respect of this budget.

There is no sophistication in the system. Ireland has two tax bands while most other countries have between three and five. Are we incapable of developing a fair and progressive taxation system or is it a lack of political will to ensure those at the top pay their fair share? The Government claims that there is progressivity in the tax system. There is no progressivity in the system for those earning over €75,000. If anything, one can progressively pay less tax the higher up the earnings scale one goes, particularly if one has access to the services of a good tax accountant, of whom there are quite a few.

The sad reality is that when the Government is eventually obliged to reverse the inequalities it wrote into the tax code, the public finances will have spiralled out of control. I predict the Government will look to lower earners first when it seeks to increase taxes.

The carbon tax will not bring fairness to the system. If such a tax is to work effectively, it should be revenue-neutral in nature. The Government will use the carbon tax in order to raise revenue. Members of the Green Party appear to have lost much of their thinking capacity. Surely, however, they realise Fianna Fáil has only committed itself to this measure as a way of plugging the financial hole. Fianna Fáil is no more interested in saving the world than it is in saving the economy.

Deputy Aengus Ó Snodaigh: Those in Fianna Fáil are only interested in saving themselves.

Deputy Arthur Morgan: In all likelihood, this tax will have the effect of inflicting greater fuel poverty on the vulnerable and the country will be no closer to achieving its Kyoto targets.

I welcome the initiative on excise duty, which I hope will save some jobs. However, a considerable number of jobs have already been lost in the retail trade. As Deputy Ó Caoláin is aware, Border counties have been particularly badly hit in this regard. However, it is not just these counties that are affected. People from all other counties are also travelling across the Border in order to shop. The price of alcohol in Northern Ireland is one of the factors which encourages them to do so. I hope this measure will encourage people to adopt a common sense approach and shop in their own communities and support the local retailers who depend so heavily upon them.

It is an inescapable fact that there has been a huge loss of excise duty and VAT as a result of the partition of this island. There is a considerable market of some 6 million people across the island. Since the signing of the British-Irish Agreement, trade between North and South has increased steadily. Progress towards creating a truly all-Ireland economy is being made through the newly developed all-Ireland energy market and the activities of Tourism Ireland and InterTradeIreland, which since 2003 has benefited over 1,300 businesses and created hundreds of jobs. However, much more must be done.

An all-island economy is an imperative. Differences in VAT, corporation tax, excise duties and currency create barriers to economic development on both sides of the Border and cost

millions in tax revenue. The removal of such impediments will create efficiencies, employment, wealth and opportunity across this island. Sinn Féin proposes the establishment of an all-Ireland economic committee, comprising Members from the Dáil and the Northern Ireland Assembly and tasked with harmonising taxes across the island; a joint North-South ministerial approach to promote our international food brand; and an all-Ireland agricultural body to implement all standards that safeguard the reputation of Irish agricultural produce.

The stimulus of a couple of hundred million euro contained in the budget is a joke.

Deputy Caoimhghín Ó Caoláin: It is not even that amount.

Deputy Arthur Morgan: The Government has invested €54 billion into the banks and ensured that we will be back here again next year in an even worse position. This eventuality could have been avoided if a proper stimulus package had been put in place in respect of enterprises which are struggling. These are vulnerable but viable enterprises which are haemorrhaging jobs and which would require only a small and temporary injection of financial support from the Government to assist them in overcoming their current difficulties. Such financial support should have been provided in order that the people employed by these enterprises might have remained in employment. I have met many of the employers who could have sustained those jobs with some support from the Government. It is most unfortunate the Government looked the other way. There is no easy way out of this recession but there is a better way. The Government's way is to slash spending. Our way is to save and create jobs and protect the most vulnerable. Our way is better for the economy and better for people. The only jobs the Minister will create with this budget are in debt collecting agencies.

Sinn Féin's pre-budget submission proposed a stimulus package costing approximately €4 billion, roughly 2.5% of projected GDP in 2010. That is a considerable difference to the paltry few millions of euro offered to job creation and retention today. There was not even a decent nod in the direction of what it should have done. The €54 billion allowed to NAMA is approximately 33% of GDP. This makes quite a comparison. Our stimulus is equivalent to the investment made in Anglo Irish Bank, which was some investment in a zombie bank. Our proposals have the potential to save more than 100,000 jobs in 2010 and to create more than 100,000 more, as well as better positioning the economy to increase jobs in 2011. According to trade union estimates, the cumulative cost of new jobs will be €10 billion. If we spend in 2010, we could see positive growth in the Exchequer in 2011. If we do not, we will see further contraction.

There are 425,000 people on the live register. This number is likely to grow and there is no Government strategy to deal with it. The Government claims that saving the banks will fix the economy. Proving them wrong will be cold comfort to the many people who lose their jobs, who face this Christmas in debt, in poverty and with the prospect of the very small payments made to them by the State, being cut. Emigration is already on the rise. This year was the first in a long time that saw emigration outpace immigration. Sinn Féin believes there is a better way forward. We do not have to return to the 1980s. Our suggestions are immediate, and if invested in, should see a return to the Exchequer by way of saved social welfare payments and tax by the end of next year.

We have raised money for our costed proposals and propose transferring some €2 billion from the National Pension Reserve Fund, which should be accessed in this exceptional period of need. Our rationale regarding use of the NPRF is simple. At this point in time, the State cannot afford to keep money in reserve for future pensioners when the current generation of pensioners are being asked to live in poverty. Does this not make sense? Can the Minister not see the sense in it? We could access this money now to help the State recover and when we

[Deputy Arthur Morgan.]

have recovered, we would begin saving for the future again and implement a new system of decent universal pension provision that does not see billions spent on the private pension industry while State dependent pensioners suffer.

Our proposals include establishing a jobs retention fund available to SMEs worth €600 million per year. We want to reduce the cost of doing business by freezing the cost of State-controlled services for one year. We want to use the public sector and direct public employment to kickstart the economy. The national development plan must be completely redrawn to focus on the more labour intensive and necessary infrastructure, such as schools, hospitals, energy savings in homes and public transport provision. This infrastructure will improve the State and provide jobs in construction, architecture, engineering and all other trades. It will kickstart the economy, which is what we need. We also want to build the State child care and pre-education sector through fully-trained accredited child care workers, infrastructure provisions and State subsidies for employees in this sector.

Just like with the taxation system, the need for a stimulus must be addressed. I do not have any faith in the Government's ability to address it. I fear the Minister and others like him will have run this State into the ground before anyone with vision is in office to turn things around. Sinn Féin has set out its vision. We may have a while to wait before a general election but I am afraid there is much more damage Fianna Fáil and the Green Party can do before then. My party will continue to set out the alternative. I hope this budget serves the purpose of waking up the Irish people. The Government may be afraid to put itself before the Irish people any time soon but they have long memories.

This was a missed opportunity. The Government could have turned its back on its crazy policies of depending entirely on the banks and supporting only the banks while not dealing with enterprises, workers or a proper job stimulus package. Young and old will suffer as a result. The budget has done nothing to help the economic crisis created by the mismanagement of this Government and its failed policies. I look forward to further debate on this matter.

Sitting suspended at 6.25 p.m. and resumed at 6.55 p.m.

Allocation of Time: Motion.

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

That, notwithstanding anything in Standing Orders the Financial Motions by the Minister for Finance shall for the purpose of debate be moved and grouped together in accordance with the schedule below; the proceedings thereon, and on any amendments thereto, shall, in the case of each resolution, be brought to a conclusion by one question which shall be put from the Chair not later than the times indicated as follows:

- (i) Resolution No. 1 — 45 minutes;
- (ii) Resolution No. 2 — 60 minutes; and
- (iii) Resolutions Nos. 3 and 4 — 45 minutes.

Question put and agreed to.

Financial Resolutions 2009.

Financial Resolution No. 1: Excise (Alcohol Products).

The Taoiseach: I move:

(1) THAT for the purposes of the tax charged by virtue of section 75 of the Finance Act 2003 (No. 3 of 2003), that Act be amended, with effect as on and from 10 December 2009, by substituting the following for Schedule 2 to that Act (as amended by section 50 of the Finance (No. 2) Act 2008 (No. 25 of 2008)):

“SCHEDULE 2

Rates of Alcohol Products Tax

Description of Product	Rate of Tax
<i>Spirits:</i>	€31.13 per litre of alcohol in the spirits
<i>Beer:</i>	
Exceeding 0.5% vol but not exceeding 1.2% vol	€0.00
Exceeding 1.2% vol but not exceeding 2.8% vol	€7.85 per hectolitre per cent of alcohol in the beer
Exceeding 2.8% vol	€15.71 per hectolitre per cent of alcohol in the beer
<i>Wine:</i>	
Still and sparkling, not exceeding 5.5% vol	€87.39 per hectolitre
Still, exceeding 5.5% vol but not exceeding 15% vol	€262.24 per hectolitre
Still, exceeding 15% vol	€380.52 per hectolitre
Sparkling, exceeding 5.5% vol	€524.48 per hectolitre
<i>Other Fermented Beverages:</i>	
<i>(1) Cider and Perry:</i>	
Still and sparkling, not exceeding 2.8% vol	€32.93 per hectolitre
Still and sparkling, exceeding 2.8% vol but not exceeding 6.0% vol	€65.86 per hectolitre
Still and sparkling, exceeding 6.0% vol but not exceeding 8.5% vol	€152.28 per hectolitre
Still, exceeding 8.5% vol	€216.00 per hectolitre
Sparkling, exceeding 8.5% vol	€432.01 per hectolitre
<i>(2) Other than Cider and Perry:</i>	
Still and sparkling, not exceeding 5.5% vol	€87.39 per hectolitre
Still, exceeding 5.5% vol	€262.24 per hectolitre
Sparkling, exceeding 5.5% vol	€524.48 per hectolitre
<i>Intermediate Beverages:</i>	
Still, not exceeding 15% vol	€262.24 per hectolitre
Still, exceeding 15% vol	€380.52 per hectolitre
Sparkling	€524.48 per hectolitre

”.

[The Taoiseach.]

(2) It is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

This resolution provides for reductions, with effect from midnight tonight, in the rates of alcohol products tax across the full range of alcohol products. The reductions, when VAT is included, amount to 12 cent on a pint of standard beer and cider, 14 cent on a standard measure of spirits and 60 cent on a standard bottle of wine, with pro rata reductions for other products. The expected cost of these reductions is approximately €90 million in a full year, when account is taken of the expected change in where alcohol products are sourced. The measures will reduce the consumer price index by approximately 0.3%.

As was stated in the budget speech earlier this afternoon, this measure is being introduced in order to protect revenue flows and to tackle the phenomenon of cross-Border shopping, which is having an increasingly negative effect on our economy. Careful consideration was given to calls before the budget for increases in excise duty on alcohol, but account had to be taken of the already high excise rates and prices for alcohol products here as compared to our neighbours in Northern Ireland and in the rest of the European Union. For the good of the economy, we have to recognise and attempt to reverse the increasing number of households leaving the State to purchase goods elsewhere.

Following the reductions in excise duty to be implemented in budget 2010, Ireland will still have the highest excise rates for sparkling wine in the EU, the second-highest excise rates for still wine after Finland, the third highest excise rates on spirits after Sweden and Finland, and the fourth highest excise rates on beer after Finland, the UK and Sweden. Consequently, for good health reasons, we continue to have high excise rates on alcohol products relative to most member states. It is considered that the reductions will not have much impact on the overall quantity of alcohol consumed in Ireland but they will impact upon where alcohol is purchased.

The reductions being made tonight must be passed on to the consumer, and I would reiterate that the drinks industry will be expected to play its part in contributing to the competitiveness of the cost of alcohol in the State. In the light of developments, these excise rates will be looked at again next year.

Deputy Kieran O'Donnell: While I note with interest that the Taoiseach stated we have high excise duties for health reasons, I am not sure that is the full picture. Reducing excise duties has major implications, in particular for Border areas which have significant problems in the sense that alcohol has been a loss leader for shops over the Border, so there is certainly merit in this measure. In the last budget, the Government increased the VAT rate from 21% to 21.5%, which would apply to these alcohol products. I note that the increase in the last budget took effect virtually from budget day whereas the reduction in VAT will only take effect from 1 January next. I would have thought that during the very busy Christmas period it would have made a lot of sense, for the benefit of both businesses and consumers, to bring in that change effective from tonight rather than 1 January. I fail to see the logic of waiting until 1 January when the rates were increased more quickly after the last budget.

Furthermore, the Taoiseach made reference to the consumer price index in the context of boosting the economy. The budget is very short of proper fiscal stimulus in terms of an integrated policy for generating jobs and boosting the economy. The Government has made a token gesture in terms of employers' PRSI but we felt the cost to the employer should be cut by half from 8.5% to 4.25% at the lower rate and by 2% at the higher rate. There is no

reference whatsoever to this. We are discussing cross-Border activity. The whole issue of the travel tax appears to be still sitting there. It has had a hugely negative effect on the tourism industry for the amount of revenue it brought in——

An Ceann Comhairle: We are drifting somewhat.

Deputy Kieran O'Donnell: I am trying to bring an overall perspective to the Financial Resolution. The key point is that, while I welcome it, if this is the only proper fiscal stimulus in the budget, it does not augur well in terms of Ireland coming out of recession.

Deputy Eamon Gilmore: If this were a stand-alone measure, I could see merit in it. I understand there is considerable cross-Border traffic in regard to the purchase of alcohol, that this, in turn, is leading to the purchase of other goods across the Border, and that a reduction in excise might halt and re-balance the situation. However, this is not a stand-alone measure. It has to be seen in the context of the wider budget, and has to be evaluated along with the other measures contained in the budget.

We are seeing significant reductions in child benefit, an attack on families and reductions in the payments that are being made to blind people, carers, those who have lost their jobs and widows. It is generally regarded that the budget of February 1982 fell on the VAT being charged on children's shoes. In fact, the vote that night was not on that issue at all, and the budget fell on excise duties on alcohol. The arguments made were on the wider budget, however, and the same principle applies here. I cannot see how the Government can justify reducing child benefit, which puts food on the table for children, and at the same time reduce excise to put drink on the counter for adults. This measure has to be evaluated against the entire budget and against the lack of fairness which is contained in it. For that reason, I am opposing this measure.

There is an additional reason that, in the context of the budget, this is an unwise measure. One of the purposes of this budget and one of the reasons that the €4 billion adjustment is being made is in order to restore some international confidence in this country. I have to wonder how this measure will be viewed in the international press, for example. Here we are, a country where the public finances are in trouble and where all of these harsh measures are being taken, and what is the Government doing? It is reducing the price of drink. Unfortunately, that is the way in which this will be judged by some abroad. For those reasons, I oppose this measure.

Deputy Arthur Morgan: I made my position and that of my party on the overall budgetary measures clear earlier. However, I very much welcome this proposal in the budget. I have seen first-hand the exodus of cars travelling through Louth on their way to Newry and I have heard stories from many of my neighbours and others in regard to the effect the cost of excise on alcohol is having on encouraging people to cross the Border. Alcohol is one of the main attractions incentivising people to cross the Border to shop.

I outlined an example here yesterday and I will not delay the House with the story. In short, three men in their 20s had trolleys, each of which contained about STG£500 worth of produce, and every single item was alcohol — there were no other products in their trolleys. This measure will go some way to combating the value of travelling such a distance for that purpose. I support the measure.

Deputy Alan Shatter: I understand the reason for the measure but I have some sympathy for what is being said by Deputy Gilmore. This must be put in the context of an overall budget

[Deputy Alan Shatter.]

strategy. If we take the decrease in excise duty on beer, and the decrease in child benefit, this could best be described as a beer for children budget.

The decrease in excise duty on beer together with the decrease in child benefit gives an interesting insight into this Government's warped and exotic value system. Its answer to hard pressed young families who are finding it difficult to make ends meet is straight out of the Marie Antoinette school of politics. With regard to children, the message is to forget the food and milk, let them drink beer.

This is a headline item. The Government's presentation of the reduction in excise duty of 12 cent per pint of beer and cider, 14 cent per half glass of spirits and 60 cent per standard bottle of wine is quite extraordinary. We received a four page summary of the budget in the House today, presumably for ease of reading for Fianna Fáil backbenchers. I found it particularly extraordinary that under the heading "Stimulus measures to create jobs and spur recovery", the most important item is reduced excise duty of 12 cent per pint of beer and cider, 14 cent per half glass of spirits and 60 cent per standard bottle of wine, and a 0.5% cut in the standard rate of VAT. This is the Government's policy on job stimulation. It is beyond belief. The big idea on jobs seems to be to encourage the unemployed to get drunk. The Minister for Finance and the Taoiseach should reveal what comedian was employed to put this document together.

I recall difficulties in the Soviet Union many years ago when the propensity to drink excessive amounts of vodka resulted in President Gorbachev running a campaign to discourage Russian workers from over-indulging in vodka because of the impact it was having on attendance at work, particularly on Monday mornings. Here, however, we have the *ancien régime*, with a Fianna Fáil-Green Party politburo whose big idea on jobs is to reduce the excise duty on drink and encourage people to get drunk. It is extraordinary.

The Taoiseach made an interesting comment. He said we had high excise duty for health reasons, to discourage drinking. We have a problem in the State with people binge drinking. Yes, we must stop the traffic of alcohol across the Border, something that was stimulated substantially by the increase in VAT from 21% to 21.5% while the British reduced their VAT rate. We know from 1 January, the British are increasing their VAT rate again to 17.5%. It is interesting the Minister for Health and Children is departing now. If there was any health benefit in maintaining a high excise rate on drink, has anyone assessed the detrimental impact on health of reducing the rate? Is the Government's big idea for job stimulus the introduction of a drinkers' charter?

Whatever merit this proposal might have to address the difficulties being experienced by publicans in Border areas, and the difficulty of people shopping for alcohol across the Border, for this to feature as the major and primary job stimulant idea is beyond belief.

The Ceann Comhairle pulled up my colleague when he headed into tourism. The reason he was correct to do so is that this is described as the number one stimulus measure to create jobs and spur recovery, with a little heading to one side of the summary that reads "retail and tourism". Apparently not only do we want to encourage a booze culture, we believe the main attraction for tourists in Ireland is that the beer is cheaper.

We should be getting rid of the travel tax and lowering the rate of VAT for the tourism industry, hotels and restaurants to encourage employment in those areas where businesses are on the verge of collapse. The only policy, however, is to reduce excise on drink. This Government is bankrupt of ideas on how to tackle the jobs crisis. It is so out of touch, it does not deserve to be in power.

Deputy Pat Rabbitte: The truth is that we knew there would be serious cuts in this budget, everyone in the House saw that as an inevitability. Most of us on this side of the House, however, expected the Government to address the other side of the balance sheet and that there would be some element in it to restore growth as quickly as possible leading to job creation.

No one anticipated that when we said we would accept cuts that those cuts would be made to the blind person's pension, the carer's allowance, the disability allowance or those on the most basic pay in our society. People earning €30,000 will have their pay cut by 5%.

Everyone here expected the 5% cut operating for those earning from €30,000 up. Instead, by sleight of hand, the budget figures imply there will be a 15% cut in ministerial pay. We then find out that it is really only 5%, it is a 15% cut on the notional rate that applied before the 10% voluntary contribution last year. Ministers are cutting their own pay by 5% while they are cutting the pay of those at the most basic level of the public service by 5%. People on €30,000 will be cut by 5% while Ministers on €200,000 will be cut by the same amount. It is completely inequitable.

What job stimulus is there in the resolution? The only element of job stimulus is to reduce the price of drink. The weakness of sterling is the main issue, followed by the increase in VAT last year, which triggered the shopping spree in Northern Ireland. The Government now comes in and reduces the excise rate on the very same day the OECD publishes a report, "Health at a Glance 2009", that points out that of the 30 countries surveyed, Irish people are among the biggest consumers of alcohol. Having looked at spending and lifestyle habits across 30 OECD countries, we are the second highest consumers of alcohol. The Minister for Health and Children, however, leaves the House as the issue is raised.

The Minister for Health and Children has been advised by the Chief Medical Adviser about the damage being done in this society as a result of the levels of alcohol consumption. His Minister with responsibility for drugs has just produced a revamp of the national drugs strategy and, on this occasion, he has included alcohol abuse; I think, on balance he is right. We know that notwithstanding the damage being caused by opiate abuse and by other drugs misuse in this society that the greatest damage is being caused by alcohol abuse. The one provision in the budget that is being sold as a measure to stimulate revenue retention and job retention in this jurisdiction is to lower the price of drink. That is unbelievable.

The provision of 26,000 places for new trainees is welcome. The retrofitting for which we argued from these benches for the past 13 months is welcome but it has been announced and reannounced. This is the major jobs stimulus measure in the budget and it is almost beyond belief. One kicks away the blind man's stick, cuts the blind man's pension and on the other side of the balance sheet cuts the price of drink. That is a terrible epitaph for this dying Government.

An Ceann Comhairle: I call Deputy Crawford. I remind Deputies that we have a limited time of 45 minutes on this resolution, 23 of which still remain. I ask Members to endeavour to speak to the actual resolution.

Deputy Seymour Crawford: I will have no problem in doing that. On the one hand I welcome the recognition given by the Government to the fact that there has been a major problem of cross-Border shopping of which alcohol has been one of its main components. However, this could have been done in a much fairer and even-handed way by dealing with the VAT section of it which would have dealt with many areas, other than just alcohol. As other speakers have said we are living in very difficult times with many people turning to alcohol. I attended a number of funerals in the last few days of people who were openly advised that alcohol would end their lives. It is sad that in one week I came across four similar cases of people aged in

[Deputy Seymour Crawford.]

their early 30s to the mid 50s. We must have a serious look at this issue. VAT and sterling have been the cause of much cross-Border shopping and cross-Border involvement and that is area that should have been tackled.

A reduction in VAT from 13% to 10% would have been a major boost to the whole tourism industry and would have been a much better way to go. I too could deal with all the other areas where there have been reductions such as the blind, the handicapped and the carers but I will leave them for another time.

An Ceann Comhairle: There will be other opportunities.

Deputy Caoimhghín Ó Caoláin: I am in favour of cross-Border shopping. It is a healthy and important part of developing relationships and understanding on a North-South basis and throughout the island of Ireland. However, what we are witnessing today is an unprecedented exodus from the southern Border counties, in particular, but from further South also with very serious consequences for the retail sector in the southern Border counties and for the sustainability of jobs across that area of economic activity. We in counties Cavan and Monaghan and in the other Border counties are witnessing the closing down and the turning off of lights for the last time on a week-by-week basis in countless businesses and all varieties of retail establishments.

Most surveys demonstrate that the biggest attraction in terms of the South-North traffic currently is people accessing cheaper produce and alcohol features largely in that shopping list. While this is only a small measure, it is an unfortunate one if people are to use it as the basis for further abuse in terms of what alcohol can do to individuals and families — that is not the intention, of that I have no doubt. The purpose of this measure is to try to stave off that exodus and to encourage people to shop locally, think locally and give support to their indigenous business within their respective communities. We have that interdependency. We depend on each other, no matter what walk of life we are involved in, be it in elected politics, business or whatever.

In my own home town of Monaghan in the weeks leading up to Christmas one can find prime car parking places on any of our main streets on the key shopping days of Friday and Saturday right up to the weekend gone by. This is having an enormously negative impact and the consequences are already in evidence in our community. This is replicated in all the Border counties and I believe it has impacted negatively even further South. I wish the Government's stimulus measure was far more progressive and much wider in its approach. The €136 million for job retention and job creation is a pathetic effort and pales into insignificance by comparison with the proposals we in Sinn Féin put forward in regard to investment in stimulus of the economy when we indicated that €3.7 billion was achievable and also necessary not only in order to sustain 100,000 existing jobs at risk but to create 100,000 further jobs in the coming 12 months.

I will support this measure because I accept it in good faith; it is not what I would wish to see as the sole response. We only argued for it on a temporary basis in terms of our pre-budget submission. What is essential is that we work towards a harmonisation of taxation across all its dimensions across this island and ultimately not to fear talking about the creation of a single currency approach going forward across the whole of the island. These are the major challenges. We cannot sustain two competing economies with two competing taxation rates and two currencies that of themselves are feeding into this negative impact that currently affects people south of the Border and that previously has affected people in business and jobs north of the Border. That wheel will turn again. It is in everybody's interest that we work towards a sus-

tainable economy North and South that guarantees people in business the certainty of the future and those they employ.

In the context of all I have said and what has been mooted in terms of the Government measure, I record that I am willing to support this proposal at this point in time.

An Ceann Comhairle: I plan to call Deputy Jan O'Sullivan. Five or six other Members are offering and some time must be allowed for the Taoiseach to reply. Approximately 15 minutes remain.

Deputy Jan O'Sullivan: I do not usually go on at length and neither will I do so tonight. Along with my party leader there will be many people scratching their heads around Europe wondering why the one thing we have incentivised in Ireland in this budget is drinking. We lead Europe in terms of binge drinking by young people, we almost lead Europe in drinking generally and the one thing being made cheaper is drink. We have all the information on the negative effects on the health services of drinking and on the health of our nation and on our accident and emergency departments. Just yesterday we were informed that drink plays a significant part in incidents of rape yet we are encouraging people to drink more. If one takes five people living beside each other in small houses in Ireland, the blind man in one house will be hit, the mother with three children will be hit in her child benefit payment, the poor elderly man who is a chronic diabetic and has a heart problem will now have to pay for his medication——

An Ceann Comhairle: My worst fears are being realised as the Deputy is going off on tangents.

Deputy Jan O'Sullivan: ——and the guy sweeping the streets will have his wages cut while the fellow living at the end who wastes all his money in the pub is the one guy who will benefit from this budget. I rest my case. This is the worst Irish solution to an Irish problem we have ever seen.

Deputy Pat Rabbitte: It is the Fr. Jack budget.

Deputy Willie Penrose: I am chairperson of the Joint Committee on Enterprise, Trade and Employment and I visited Dundalk and the Border region last January and spent two days there. We are acutely aware of the problems that are arising. I am also acutely aware many people not only in the Border counties but also down in the deep South are going over the Border into Newry and elsewhere. The committee visited Banbridge and Belfast and Deputy Morgan was with me on that visit. I am aware of the impact in Dundalk and areas around the Border. In this context I would like to know what will be the impact of this provision. The very important issue is that the 0.5% increase in the rate of VAT did not sound very significant but the psychological effect is fundamental. At the very time when the VAT rate was falling in Britain where Alastair Darling brought it down by 2%, we widened the differential. Along with the weakness in sterling and everybody offering an exchange rate of parity with sterling, I ask if this will make any impact. I do not know how much impact it will make on employment and I would support every measure that stimulates employment but this may well be construed as mere tokenism in terms of job stimulus——

Deputy Alan Shatter: It is more of a stimulant.

Deputy Willie Penrose: Its elevation to a primary role in this stimulus package defies logic and belief. Where is the stimulus package? Why was there not a stimulus package as proposed

[Deputy Willie Penrose.]

by the Labour Party last week? This would have ensured that the dead weight would not be countervailing against that and there would be real, new jobs with labour intensive industries encouraged. I am a little shocked by this provision because the VAT increase is not significant enough. Even though Mr. Darling plans to take away the 2% decrease in VAT next year, it is still too wide a gap.

Money allocated for job retention and renewal is abysmal. Why not have a PRSI reduction for a defined period of time that would be a real stimulus for getting people back to work? I am worried that the 5% reduction will have an impact which will leave people earning less than the minimum wage as a result. For instance in the case of a 52-week year and working 39 hours a week, a person earning €18,000 is earning roughly €9 per hour but the 5% reduction will mean a reduction of 45 cent to €8.55 per hour which is below the minimum wage. What will be the impact of this upon a person earning €18,000, apart from the impact of the reduction in child benefit?

An Ceann Comhairle: We are getting away from the resolution.

Deputy Willie Penrose: One set of people will never forgive this Government now and that is the carers. I was their spokesperson——

An Ceann Comhairle: There will be other opportunities to deal with that at a later stage.

Deputy Willie Penrose: ——and I know how they feel tonight.

Deputy Kieran O'Donnell: I refer to the pamphlet on budget 2010 produced by the Government. The first item under stimulus measures to create jobs and spur recovery is effectively the reduction in excise duties. I refer to the national retrofit programme, the VRT on motor vehicles, the scrappage scheme, forestry and getting credit flowing, which is only a sop and will not be properly implemented. To make a reduction in excise is the only stimulus measure to deal with job creation while cutting child benefit at the same time means that Fine Gael will be forced to oppose this resolution. It is very disappointing and the Government is doing nothing for getting the economy back to health. Half the general Government deficit is a result of unemployment and this has not been addressed.

Deputy Seán Sherlock: I refer to the Minister's speech where he said that recent CSO data shows that 44% of cross-Border shoppers buy alcohol. This assumes that 56% do not buy alcohol and it presupposes that some people's motivation for going across the Border is primarily to buy alcohol. I do not think it warrants the measure produced here. There are other ways of tackling the tide or stemming the flow across the Border.

As my colleagues have also mentioned, regarding the cuts in public sector pay, 5% on a salary of €35,000, will reduce the salary by €1,500. How in the name of God will that kind of a reduction allow anybody——

An Ceann Comhairle: This is a very narrow resolution and the Deputy is going miles away from it.

Deputy Seán Sherlock: ——with a mortgage and children to be able to live any kind of a decent life in this country? Is this what this Republic has been reduced to? It is an absolute shame.

An Ceann Comhairle: The Deputy will have ample opportunity to make that point on a later resolution.

Deputy Willie Penrose: The parallel is compelling.

Deputy James Reilly: If I am allowed to speak without interruption I will be finished in 30 seconds. The Government is prepared to hurt the sickest and poorest with prescription charges and another €20 a month on the drugs refund scheme at a time when if one has the temerity to earn a little over half the minimum wage, one does not qualify for a medical card and this measure is the best they can come up with.

An Ceann Comhairle: My worst fears are being realised.

Deputy James Reilly: I asked the Ceann Comhairle not to interrupt me.

An Ceann Comhairle: I know but I want the Deputy to keep to the resolution.

Deputy James Reilly: The Government did not increase the tax on cigarettes which fill our hospitals with sick people and they make alcohol cheaper which will result in a higher consumption of alcohol — as proven by research — and a greater increase in all the issues related to alcohol use, problems in the home and at work. The most dire tyrants in history have used this sinister policy to keep the poor and minority peoples down. Give them cheap drink and keep them in a stupor. This is a sad reflection on a Taoiseach who was once a Minister for Health and it shows the Government's priorities are certainly not the poorest, the sickest, children, carers, the disabled or the blind. I oppose the motion.

Deputy Billy Timmins: On a point of order, it might be no harm for the Ceann Comhairle to point out to Members that there is limited speaking time, that many speakers wish to contribute and that they should speak to the resolution.

An Ceann Comhairle: I am actively encouraging them to do so.

Deputy Billy Timmins: Perhaps the Ceann Comhairle should be a bit more firm with them.

I can understand the Government's reasoning and what it is seeking to achieve with this resolution but it will not be achieved and it is the incorrect mechanism. The difficulty is not the actual cost of a pint or spirits or the aim to encourage tourism or stop the cross-Border shopping rather it is the cost of doing business here. The Taoiseach comes from a small rural town and will know better than anyone that rates and water charges, insurance, electricity and gas prices, PRSI etc. are the issues that needed to be addressed. This would have sent out a much better signal than the terrible signal sent out by this resolution. Far more could have been achieved by addressing the core difficulties which I have outlined.

Deputy Emmet Stagg: The measure before the House proposes to take money directly from widows, carers, handicapped people, the sick, the unemployed, and children. It will take food off their tables simply to provide cheaper drink. The cost of that will be hungry children and we will have hungry children at the expense of providing cheaper drink. No society could countenance such a measure which results in children going hungry arising from the measures in this budget. We are providing further funding——

An Ceann Comhairle: Look, Deputy Stagg, we have a number of resolutions to deal with before midnight.

Deputy Emmet Stagg: The Ceann Comhairle can "look" all he likes.

An Ceann Comhairle: If Deputies persist in speaking off the point, we will not get through the resolutions.

Deputy Emmet Stagg: We are examining the resolution and putting it into perspective before making a decision. What we are deciding to do is leave children hungry while we reduce the price of drink.

An Ceann Comhairle: That has nothing to do with the resolution.

The Taoiseach: The motivation behind the resolution is as outlined by Deputy Ó Caoláin, namely, to try to deal with the phenomenon of cross-Border trade which is causing a major haemorrhage in our revenue base. It is important that we seek to do whatever we can in this respect. I take the point that the main problem in cross-Border trade relates to the differential between the euro and sterling, which has reduced by one third since mid-2007.

I noted from Deputies' contributions that the further speakers' constituencies were from the Border, the less knowledgeable they were of the situation. It is very much the view of people who live in the area that the difference in alcohol prices, while not the determining factor, is, on an anecdotal and analytical basis, an important factor in determining the numbers who are travelling across the Border and while there taking the opportunity to purchase other goods and services. This is not a phenomenon but a fact with which business communities right across the Border area on the Republic side are having to contend.

As has been stated, there have been occasions in the past when the differential was the other way. There is a longer term structural issue that I would like to see resolved by more harmonious rates being applied across a whole range of areas in order that we would eliminate the economic distortions caused by the existence of the Border in the first place. The issue with which we are dealing tonight, however, is that there is a specific problem which we need to address.

It is not correct to suggest that one is contending that this is the major part of an economic stimulus or recovery in the economy.

Deputy Kieran O'Donnell: That was stated in black and white.

Deputy Alan Shatter: It was described as such.

The Taoiseach: As the Deputies know, the main features of a budget point out what we are discussing now in terms of VAT reductions, etc. I have been a Member of the House for 25 years and having listened to the Deputies speak without interruption, I ask them to allow me to continue without interruption.

The reduction of excise on alcohol products is to assist in seeking to reverse what has been happening in recent times. It is not suggested the reduction is a panacea but it is suggested that something positive needs to be done in an effort to stem the flow. It is also the case that many people are finding that a very competitive position is developing in other goods and services in the Republic *vis-à-vis* Northern Ireland. However, the particular issue of alcohol is having an extraordinarily distortionary effect on the genuine efforts being made by traders in the Republic to confirm the bargains and good cost competitiveness available in retail outlets in the Border region.

It is a bogus argument to suggest the level of excise duty determines output. There is no indication that the reduction in excise will change the level of alcohol consumed, although it may lead to an improvement in terms of the location where alcohol is purchased. By protecting our revenue base in that respect, it will enable us to provide more funds for the general good, about which Deputies have spoken.

There is no Government policy to promote irresponsible drinking. As we know, there are people who suffer from addictions to alcohol and other drugs, legal and illegal, and it has nothing to do with their socioeconomic status or the amount of money they have in their pockets.

Deputy Jan O'Sullivan: What about 13 and 14 year old children who drink?

The Taoiseach: Responsible drinking is not determined by the level of excise. If it were, this country would not have the alcohol problems it has given that in many cases we have the highest excise levels in the European Union. That is a rather nebulous and fallacious argument.

Deputy James Reilly: That is untrue.

The Taoiseach: I am just making that point that it is a nebulous and fallacious argument. In dealing with that issue, the important issue is to have proper education on prevention and promotion of responsible drinking. I take the point that binge drinking is an unwelcome phenomenon in this country and one which needs to be addressed. It will not be addressed in respect of the excise duty rates on alcohol. As I stated, if that were the case, the evidence would be very much in favour of moderation, rather than the immoderation about which speakers have been complaining and worrying in some of the contributions thus far.

Regarding the question of economic stimulus generally, the economic stimulus of any budget in the present circumstances must be to cut our expenditures given the level of revenues we are generating. This budget is succeeding to the extent that it seeks to stabilise a deficit which has emerged and must be brought under control and reduced in the coming years as per the plans we have with the European Commission, as members of the euro area, to meet our obligations under the Stability and Growth Pact. That in itself provides a confidence factor.

In addition, the Government's capital investment programme totals 5% of GDP. Considering that we are facing into 2011 with a contraction of perhaps 0.4%, this in itself indicates the important stimulus the capital investment programme represents. Apart from this, on the current side, we have the employment subsidy scheme and the stabilisation fund. Also of great importance is the role played by social welfare payments in maintaining many tens of thousands of people who unfortunately are in short time or part-time work. The automatic stabilisers provided by our social welfare system run into the hundreds of millions of euro in terms of support for people who find themselves short of full-time employment but, thankfully, not in full-time unemployment.

There are many arrangements, whether specific enterprise supports or in the job training or activation areas. We are increasing to 180,000 the number of people we have this year in these areas. Hundreds of millions of euro are being properly expended in seeking to support those who are in unemployment, providing training and activation opportunities for them, maintaining support through the social welfare system for part-time employment and, most important, taking the necessary macroeconomic decisions, such as an adjustment of €4 billion for the coming year, to bring about a situation where we are more cost competitive, those who are in full-time employment have some prospect of maintaining their position and the companies in which they are employed can return to greater profitability and trade effectiveness and thus increase job security. That is the means by which the stimulus in this budget is constructed. To reduce all of this effort and activity to the suggestion that this is the prime stimulus factor is not correct. We are all aware that we live in a far more diverse and sophisticated economy than that.

[The Taoiseach.]

I commend the resolution to the House on the basis of the purpose for which it is directed, namely, to seek to improve cross-Border trade to the benefit of this jurisdiction on the basis that there is evidence, both empirical and anecdotal, to confirm that the sale of alcohol in Northern Ireland is an attraction to shoppers from the Republic that is causing a wider haemorrhage of revenues from the country by virtue of people shopping more generally in the neighbouring jurisdiction as a result. I ask that people accept the recommendation in that spirit. Some of the rather extreme arguments I have heard are not the basis for this motion being brought before the House.

Deputy James Reilly: Should we ignore all the medical research which shows alcohol consumption is predicated on price?

Deputy Alan Shatter: The Taoiseach failed to mention the research.

Question put.

The Dáil divided: Tá, 88; Níl, 75.

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.
 Cullen, Martin.
 Curran, John.
 Dempsey, Noel.
 Devins, Jimmy.
 Dooley, Timmy.
 Fahey, Frank.
 Ferris, Martin.
 Finneran, Michael.
 Fitzpatrick, Michael.
 Fleming, Seán.
 Flynn, Beverley.
 Gogarty, Paul.
 Gormley, John.
 Grealish, Noel.
 Hanafin, Mary.
 Harney, Mary.
 Haughey, Seán.
 Healy-Rae, Jackie.

Hector, Máire.
 Kelleher, Billy.
 Kelly, Peter.
 Kenneally, Brendan.
 Kennedy, Michael.
 Killeen, Tony.
 Kitt, Michael P.
 Kitt, Tom.
 Lenihan, Conor.
 Lowry, Michael.
 McDaid, James.
 McEllistrim, Thomas.
 McGrath, Mattie.
 McGrath, Michael.
 McGuinness, John.
 Mansergh, Martin.
 Martin, Micheál.
 Moloney, John.
 Morgan, Arthur.
 Moynihan, Michael.
 Mulcahy, Michael.
 Nolan, M. J.
 Ó Caoláin, Caoimhghín.
 Ó Cuív, Éamon.
 Ó Fearghaíl, Seán.
 Ó Snodaigh, Aengus.
 O'Brien, Darragh.
 O'Connor, Charlie.
 O'Dea, Willie.
 O'Donoghue, John.
 O'Flynn, Noel.
 O'Hanlon, Rory.
 O'Keefe, Batt.
 O'Keefe, Edward.
 O'Rourke, Mary.
 O'Sullivan, Christy.
 Power, Peter.
 Power, Seán.
 Roche, Dick.
 Ryan, Eamon.
 Sargent, Trevor.

Scanlon, Eamon.

Tá—*continued*

Smith, Brendan.

Treacy, Noel.

Wallace, Mary.

White, Mary Alexandra.

Woods, Michael.

Nil

Allen, Bernard.

Bannon, James.

Barrett, Seán.

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.

Creed, Michael.

Creighton, Lucinda.

D'Arcy, Michael.

Deasy, John.

Deenihan, Jimmy.

Doyle, Andrew.

Durkan, Bernard J.

English, Damien.

Enright, Olwyn.

Feighan, Frank.

Flanagan, Charles.

Flanagan, Terence.

Gilmore, Eamon.

Hayes, Brian.

Hayes, Tom.

Higgins, Michael D.

Hogan, Phil.

Howlin, Brendan.

Kehoe, Paul.

Kenny, Enda.

Lee, George.

Lynch, Ciarán.

Lynch, Kathleen.

McCormack, Pádraic.

McEntee, Shane.

McGinley, Dinny.

McGrath, Finian.

McHugh, Joe.

McManus, Liz.

Mitchell, Olivia.

Naughten, Denis.

Neville, Dan.

Noonan, Michael.

O'Donnell, Kieran.

O'Dowd, Fergus.

O'Keefe, Jim.

O'Mahony, John.

O'Shea, Brian.

O'Sullivan, Jan.

O'Sullivan, Maureen.

Penrose, Willie.

Perry, John.

Quinn, Ruairí.

Rabbitte, Pat.

Reilly, James.

Ring, Michael.

Shatter, Alan.

Sheahan, Tom.

Sheehan, P. J.

Sherlock, Seán.

Shortall, Róisín.

Stagg, Emmet.

Stanton, David.

Timmins, Billy.

Tuffy, Joanna.

Upton, Mary.

Varadkar, Leo.

Wall, Jack.

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

Question declared carried.

Financial Resolution No. 2: Excise (Mineral Oil).

Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan):

I move:

(1) THAT the Finance Act 1999 (No. 2 of 1999) be amended with effect as on and from 10 December 2009—

(a) for the purposes of the tax charged by virtue of section 95 of that Act, by substituting the following for Schedule 2 to that Act (as amended by section 15(a) of the Finance Act 2009 (No. 12 of 2009)):

[Deputy Mary Coughlan.]

“SCHEDULE 2

Rates of Mineral Oil Tax

Description of Mineral Oil	Rate of Tax
<i>Light Oil:</i>	
Petrol	€543.17 per 1,000 litres
Aviation gasoline	€543.17 per 1,000 litres
<i>Heavy Oil:</i>	
Used as a propellant	€449.18 per 1,000 litres
Used for air navigation	€449.18 per 1,000 litres
Used for private pleasure navigation	€449.18 per 1,000 litres
Kerosene used other than as a propellant	€00.00
Fuel oil	€14.78 per 1,000 litres
Other heavy oil	€47.36 per 1,000 litres
<i>Liquefied Petroleum Gas:</i>	
Used as a propellant	€63.59 per 1,000 litres
Other liquefied petroleum gas	€00.00
<i>Coal:</i>	
For business use	€4.18 per tonne
For other use	€8.36 per tonne

“,

(b) by inserting the following after Schedule 2:

“SCHEDULE 2A

Carbon Charge

Description of Mineral Oil	Rate
<i>Light Oil:</i>	
Petrol	€34.38 per 1,000 litres
Aviation gasoline	€34.38 per 1,000 litres
<i>Heavy Oil:</i>	
Used as a propellant	€39.98 per 1,000 litres
Used for air navigation	€39.98 per 1,000 litres
Used for private pleasure navigation	€39.98 per 1,000 litres

”,

(c) in section 96 —

(i) by inserting the following after subsection (1):

“(1A) Where a rate is specified in Schedule 2A for any description of mineral oil, that rate, referred to in this Chapter as the “carbon charge”, is included in the rate of tax specified in Schedule 2 for that description of mineral oil.”,

(ii) by inserting the following after subsection (4):

“(5) The Commissioners may, subject to such conditions for securing the mineral oil tax as they may prescribe or otherwise impose, permit payment of the carbon charge to be deferred to a day not later than the 15th day of the month succeeding the month in which the mineral oil tax is payable.”,

(d) in section 100, by inserting the following after subsection (1):

“(IA) (a) Without prejudice to any other relief that may apply and subject to subsection (b), a relief from the carbon charge shall apply to biofuel.

(b) Where biofuel has been mixed or blended with any other mineral oil, the relief under paragraph (a) shall only apply where the biofuel content of the mixture or blend exceeds 10% of the total volume of the mixture or blend.”.

(2) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

This resolution provides, with effect from midnight tonight, for a carbon charge to be included in the rates of mineral oil tax on petrol and auto-diesel. This additional charge, when VAT is included, amounts to just over 4 cent on a litre of petrol and just over 4 and a half cent on a litre of diesel.

The carbon charge is also applied to the rate for aviation gasoline, which is aligned to the petrol rate, and the rates for heavy oil used for recreational flying and boating, which are aligned to the auto-diesel rate. These carbon charges are equivalent to €15 per tonne of CO₂ emitted. The resolution also provides for a relief from the carbon charges for bio-fuels, and for bio-fuel in auto-fuel blends, where the bio-fuel content of the blend accounts for more than 10% of the total volume.

This is an important first step in delivering on the commitment to a carbon tax in the programme for Government. The Minister for Finance will bring forward proposals in the finance Bill to apply carbon charges on the same basis to the non-auto mineral oils with effect from 1 May 2010. The Minister also proposes to introduce a new carbon tax on natural gas from that date, and a carbon tax on coal and commercial peat later in the year.

These carbon charges will also be on the basis of €15 per tonne of CO₂, and they will be calculated in accordance with the CO₂ emissions factors for the various energy products, so that they are in proportion to the quantity of CO₂ released when those energy products are combusted. These emissions factors are provided by the Environmental Protection Agency.

As carbon dioxide emissions from certain industrial sectors are already regulated under the EU emissions trading scheme, a relief from the carbon tax charge is proposed for energy products used in installations that are covered by a greenhouse gas emissions permit. The yield from carbon tax for all energy products is expected to be approximately €250 million in 2010, and €330 million in a full year. The impact on the CPI is estimated at around 0.25% in 2010 and approximately 0.35% in a full year.

Deputy Enda Kenny: For quite some time Fine Gael has set out its view on support for a carbon tax. The beauty of contrast is that this party produced its budget perspective last Friday, which included use of revenue from a carbon tax to provide incentives and opportunities for employers to create employment and to hold on to existing jobs by the reduction of PRSI at the 20% and 50% levels.

[Deputy Enda Kenny.]

Fine Gael's budget perspective set out to put a fair price on dirty fuels to support domestic renewable energy sources and jobs. Deputy Coveney put forward Fine Gael's proposal for an economic recovery authority dealing with an €18 billion jobs stimulus, part of which would be made up of revenue from carbon tax. There would be a two year exemption on solid fuels, that is, coal and turf, because they are used by elderly people and on agricultural diesel for farmers. It is remiss of the Government not to understand there has been a 28% drop in farmers' incomes this year. It has been an absolute disaster and it follows an 11% drop in incomes last year. The exemption from carbon tax on agricultural diesel is an important matter in an industry that has literally been washed away in some parts of the country this year. It also included use of a windfall tax on power generators.

The Fine Gael proposal was to use revenue from the carbon tax in a revenue-neutral sense to protect jobs, create new jobs and make it easier for employers to take on employees. The budget, about which I will speak tomorrow, does not deal with that to any great extent.

I support the principle of retrofit for houses. One should examine the time and cost structure of the way it is done with Sustainable Energy Ireland. Applications forms are filled in, processed, analysed and eventually payment is made. The problem is people will not want to borrow €25,000 or €30,000 in order to do that insulation work. Unless people are burning three or four tanks of heating oil per year, it will not be worth their while to do this. In other countries, this work is done by companies at no charge to the occupant of the house. The value for the company doing the work is in keeping the saving in the energy costs as a consequence. The Minister will be aware this is a very successful scheme in a number of countries. We should consider that.

We support the principle of a carbon tax and have said so for a long time but we do not support the way in which the Government is going about it. I do not support the fact solid fuel has not been exempted. The Minister, Deputy Gormley, can shake his head if he wishes.

Deputy John Gormley: That is a cop out.

Deputy Bernard Allen: The Minister is a good man to talk about a cop out.

Deputy Enda Kenny: That is fine until he goes to his——

(Interruptions).

Deputy Enda Kenny: The Minister can count the frogs and the hen harriers.

Deputy Terence Flanagan: There are no farmers in his constituency.

Deputy Enda Kenny: The Minister should go to the pensioners——

An Ceann Comhairle: Could we refrain from speaking across the floor? The Deputy is moving away from the issue.

Deputy Enda Kenny: ——and to the blind pensioners who will be hit by the carbon tax on solid fuels. All they have is the bag of turf, the bale of briquettes or the bag of coal which, I might add, is being hawked about on every street corner with a higher sulphur content than the Minister would like. It is coming into the country by various means and receipts show it is being sold as horse feed and so on because of the scams going on. The Minister is not doing anything about that.

An Ceann Comhairle: The Deputy should keep to the resolution.

Deputy Enda Kenny: I support the principle of a carbon tax but not the way it is being done. The Minister did not even have the courtesy to speak to Opposition members about the way he intended to implement it. I support the principle of a carbon tax but not the way it is intended to implement it.

Deputy Michael Creed: It will be easier to count snails than Green Party members after the next election.

Deputy Liz McManus: The Labour Party supports a carbon tax. We have argued for it and presented the case in various policy documents. We have been clear and unequivocal. Therefore, it is most regrettable that what was presented in this budget is a carbon tax which will not protect the poor and tackle climate change and the big polluters. It is a disgraceful carbon tax. In particular, it is a disgrace when one considers that Green Party Ministers are in government to pursue an agenda which is crucially important for the existence of this planet and the people living on it. What we have been presented with is shameful and we cannot support it.

Deputy John Gormley: The Deputy would never support it.

Deputy Liz McManus: I would have a little modesty if I was the Minister, especially when one looks at the scam he has perpetrated with his 5% reduction in ministerial pay. A cleaner in his Department will face a 5% reduction——

An Ceann Comhairle: I ask Deputy McManus not to move away from the resolution.

Deputy Liz McManus: I was interrupted by a Minister who has no shame——

An Ceann Comhairle: I will ask him to desist from doing so.

Deputy Liz McManus: ——when it comes to representing the principles of his party. I will represent the principles of his party.

Deputy Michael D. Higgins: The Deputy is quite right.

Deputy Liz McManus: I would like to have the chance to do so now.

Carbon tax must be dedicated to dealing with the issues relating to fuel poverty, climate change and tackling the big polluters. Regrettably, this carbon tax does none of those things.

Fuel poverty is a really important issue which must be tackled. All we got in the Budget Statement was that there will be some kind of vouched system some time in the future to protect the poor. I do not believe that nor do I believe an awful lot this Government says. We must have measures which are quantifiable and deal with the core issue of the cost of fuel for people living in low grade, substandard and poorly insulated housing, who are on very low incomes and who cannot afford the bald increases set out in the budget.

We need a retrofit scheme that is imaginative and is of a scale that matches the challenge. There are 1.2 million houses in this country that need retrofitting. We could employ 30,000 construction workers in an area in which they are skilled and using resources with which we are familiar, including internal or external insulation or whatever. That is not being done. We are getting more of the same.

We are getting a little top up essentially on the existing schemes which are operated through Sustainable Energy Ireland. Good luck to anybody who can avail of them. However, this is not

[Deputy Liz McManus.]

the retrofit scheme we need. I believe I heard the Minister for Finance indicate that it will take until 2025 before all houses are done. He should get real. One of the few things we can do to tackle climate change which would be really effective would be to bring energy efficiency to the highest level possible. That means retrofitting buildings until we can retrofit no more and then hope further technology emerges quickly so we can retrofit more. It could have been done.

The road map was set out in research done by Joseph Curtin who showed exactly how it could be done. The Labour Party adopted that particular plan because it was so good, and I make no bones about it. It was a “pay as you save” scheme through one’s utility bill. It could have unlocked private money in bank accounts. People are afraid to spend money but they would spend it if they were assisted in making their homes energy efficient.

What we got instead was a fig leaf for the Green Party when we are running out of time. This Minister will not produce the heads of a Bill on climate change as he sets out for Copenhagen.

Deputy John Gormley: I can come up with them. They will be better than the Deputy’s.

Deputy Michael D. Higgins: Here we go again.

Deputy Liz McManus: This is not a game or a competition.

Deputy Simon Coveney: The Minister should not be too smug.

Deputy Liz McManus: We have all-party support for a Bill that has already had an outline published.

Deputy Bernard Allen: The Minister is running out of time.

Deputy John Gormley: That is not even the heads of a Bill.

Deputy Liz McManus: The Minister has blown it anyway. He is going to Copenhagen without having done anything to ensure the message goes out from Ireland that we will have a decent carbon tax, climate change legislation and we are playing our part in meeting the greatest challenge of our generation.

My last point relates to the big polluters. Even Friends of the Earth Ireland, who are friends with the Green Party, have said we must deal with the big polluters.

Deputy Joe Costello: The Minister is spinning already.

Deputy Liz McManus: Friends of the Earth state:

It is lamentable that the Government plans to exempt big polluters from the carbon tax. They will tell you it is because these companies face a carbon price through the European ETS.

Deputy John Gormley: Exactly.

Deputy Liz McManus: It continues:

In fact, we all know they got almost all their pollution permits for free. That did not stop them raising prices to customers to reflect the market value of the permits. Until they have to buy the permits at auction, they should pay the carbon tax like everyone else.

Deputy Michael D. Higgins: Hear, hear.

Deputy Liz McManus: To do so would mean the Government has to take on the big, rich and powerful. The trademark of this budget, through every line, is that the rich will get off the hook. It is the cleaner in the Minister for the Environment, Heritage and Local Government's Department who is paying the price while the Minister is getting off almost scot free.

Deputy Thomas P. Broughan: Hear, hear. It is shocking.

Deputy Arthur Morgan: If a carbon tax Bill came before this House, my party would support it completely. Unfortunately, this is not a carbon tax but rather a revenue-raising measure. It has nothing whatever to do with saving the planet. This measure will hit low-income families disproportionately and in many cases, pensioners will have a choice between heat and food. If this were a real carbon tax, incentives would have been put in place to try to persuade people to use alternative measures.

For example, this will be a significant financial imposition on rural dwellers as they have no public transport. Every time they get into their cars to travel to the city or work, they will pay additional money to this revenue-raising measure which has nothing to do with carbon. It is a Green Party cop-out. If there is a fig leaf, it is pretty withered and would hide very little behind it at this stage.

It is most unfortunate that the Greens are using this opportunity in Government to fool the public by presenting this as a carbon tax. It is just a tax and I will be opposing it.

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): Carbon tax has been considered for a long time. We have an advantage in that regard as there has been much economic analysis and study on it. The best analysis was done by the ESRI, which had a fairly clear and simple message as to how to go about this. It indicated that the price should be matched to the European emission trading system, ETS, price. The European system has been set up and without us changing Europe, it is difficult for us to change that system. We have matched it to the ETS price as it is approximately €15 in that system.

The ESRI also indicated that the money should be spent in four areas, as it would be advantageous to the economy if the money was recycled in a number of areas. The first is energy efficiency measures. I remember five years ago, before Joseph Curtin came up with his very good ideas, coming before the Oireachtas committee and saying what exactly we had to do. I am very glad we have been able, in Government, to implement the plans we have had for five years.

Deputy Liz McManus: That is pathetic.

Deputy Eamon Ryan: It is not pathetic. I will give an example of the scale of ambition compared to other countries. President Obama has spent approximately \$400 million as a stimulus for retrofitting.

Deputy John Perry: This is Ireland.

Deputy Liz McManus: That is America.

Deputy Eamon Ryan: We are spending €130 million next year. We are not as big as the United States but that is a fair percentage in comparison. We will not stop there. We are going to 100,000 houses per year and we will meet the public sector buildings targets, which equate

[Deputy Eamon Ryan.]

to a third of an improvement in energy efficiency in the next ten years. That will require massive retrofitting.

Deputy Liz McManus: The target is 2025.

Deputy Enda Kenny: Who will lend the money?

Deputy Eamon Ryan: The €130 million — which the ESRI has indicated we should put back into the economy — is real.

Deputy Enda Kenny: The banks will not give people the money.

Deputy Eamon Ryan: Half of that is for social housing to keep the poorer people in our country warm and healthy.

Deputy Enda Kenny: May I ask the Minister a question?

Deputy Eamon Ryan: The second indication from the ESRI on a carbon tax——

Deputy Enda Kenny: May I ask the Minister something?

Deputy Eamon Ryan: ——is that revenue should be used——

Deputy Enda Kenny: If the average cost——

Deputy Eamon Ryan: I want to finish my point. The revenue should be used to reduce labour taxes——

Deputy Enda Kenny: ——is €15,000 or €20,000, people will not get it from the banks in the first place.

Deputy Eamon Ryan: ——so that we end up taxing the bad and not the good.

Deputy Enda Kenny: The Minister will not listen.

Deputy Eamon Ryan: The revenue we are raising from a carbon tax would allow the Minister for Finance to reduce PRSI for people coming off the dole. It is exactly as the ESRI recommended. The ESRI also recommended that VAT should be reduced and we have again done that with some of the carbon revenue raised.

Deputy Kieran O'Donnell: That will not happen until 1 January.

Deputy Enda Kenny: May I ask another question?

Deputy Eamon Ryan: Finally, with regard to protecting those on lower income, the Minister for Finance has given a commitment to introduce the initiative on solid fuels and other heating oils, the fuel allowance will be increased on a vouched basis to cover the cost so those in fuel poverty will not be affected.

Deputy Aengus Ó Snodaigh: That should have been done in the first instance.

Deputy Eamon Ryan: In any rational analysis of the best economic advice we have had for ten years in advance of this, we can check if we have done what economists believe we should. We have invested in energy efficiency that is leading the world.

Deputy Liz McManus: It will be by 2025.

Deputy Eamon Ryan: We have invested in reductions in labour taxes, which it was argued we should, and we have reduced VAT with some of the revenues, as it was indicated we should. We will protect those in fuel poverty.

Deputy Enda Kenny: May I ask the Minister a question?

Deputy Eamon Ryan: Does the Deputy have a question?

Deputy Enda Kenny: Yes.

Deputy Eamon Ryan: If the representatives going to Copenhagen are serious about climate change——

Deputy Enda Kenny: Yes, they are.

Deputy Eamon Ryan: ——they cannot stand here today and say “No” to putting a price on carbon.

Deputy Simon Coveney: We will not stay here to be lectured by the Minister.

Deputy Enda Kenny: They are not doing so.

Deputy John Gormley: They are.

Deputy Eamon Ryan: That is a dishonest approach that shows the party does not have an environmental objective in its message.

Deputy Simon Coveney: I will not take a lecture from the Minister.

Deputy Eamon Ryan: It shows the party is treating this as a political issue rather than as a policy.

An Ceann Comhairle: Deputy Kenny.

Deputy Enda Kenny: The Minister seems to know all the answers. If a constituent, Mr. John Gormley, lives in a semi-detached house and gets an estimate of what it will cost to retrofit the house at €25,000, he will not get it from the bank and he will not want to borrow the money. What he will get under the SEI will not cover it.

Deputy John Gormley: Is this a point of order? What is this?

Deputy Enda Kenny: Explain that.

Deputy Simon Coveney: He is responding to the Minister.

Deputy Bernard Allen: The Minister will be voting on this issue.

Deputy Eamon Ryan: We are in the process of developing our insulation schemes.

Deputy Enda Kenny: The Government is going the wrong way about doing it.

Deputy Eamon Ryan: As I have signalled quite often——

Deputy Terence Flanagan: How will they work?

Deputy Eamon Ryan: There will be an obligation on our utility companies to do that work.

Deputy Simon Coveney: How?

Deputy Bernard Allen: That is hot air.

Deputy Eamon Ryan: We will introduce a save-as-you-pay scheme. The up-front cost will be carried by the utility company and the work will be paid off as the person saves.

Deputy Bernard Allen: What does the Minister mean by “as the person saves”?

Deputy Eamon Ryan: This is the best investment anyone can make. We went into 30,000 houses this year where people are noticing the benefit. We will double that next year and the year after. It is that ambition that is driving us to introduce this carbon tax in order to gain revenue that will help cut emissions and tackle climate change. Voting against it is a shameful vote in that regard and colours the position of the Opposition as it goes to Copenhagen.

Deputy Bernard Allen: That is a load of hot air.

Deputy Michael Ring: It does not.

Deputy John Gormley: It does.

Deputy Terence Flanagan: There is a reasonable question.

Deputy Enda Kenny: I resent that nonsense.

An Ceann Comhairle: The Deputy has already contributed. I will try to allow him speak again later.

Deputy Enda Kenny: The Minister said to the Shell people in Ballinaboy that it should not go ahead.

Deputy Eamon Ryan: Every analysis on the price of carbon——

Deputy Enda Kenny: You were down there——

An Ceann Comhairle: I ask the Minister and the Deputy to address their remarks through the Chair.

Deputy Enda Kenny: I will. If this Minister decides——

An Ceann Comhairle: Otherwise we will have serious disorder in the House.

Deputy Simon Coveney: The Minister has a responsibility to get this right——

Deputy Enda Kenny: ——to come in here and call the rest of us hypocrites——

Deputy Simon Coveney: ——and not be guided by ideologies.

Deputy Eamon Ryan: The Deputy is not a spokesperson——

Deputy Enda Kenny: The Minister stood at the gates of the terminal at Ballinaboy and said——

An Ceann Comhairle: Deputy Kenny.

Deputy Enda Kenny: —it should not go ahead. It had to go ahead.

An Ceann Comhairle: We must speak to the resolution and not something extraneous to it.

Deputy Enda Kenny: I will not take that nonsense from the Minister, Deputy Ryan.

Deputy Bernard Allen: It is a lot of hot air.

An Ceann Comhairle: I call Deputy Sherlock.

Deputy John Gormley: It is the truth.

Deputy Enda Kenny: I will not put up with it.

Deputy Pat Rabbitte: Does Fianna Fáil go along with any of this?

Deputy Mary Coughlan: We are going along with the rules of the House.

Deputy Seán Sherlock: It is a bit surreal to see——

Deputy Bernard Allen: They are more Fianna Fáil than Fianna Fáil themselves.

An Ceann Comhairle: I remind Deputies that our time is limited for this debate.

Deputy Seán Sherlock: —Fianna Fáil so silent on this matter.

Deputy Michael Ring: I have never heard Deputy O’Dea so quiet.

Deputy Willie O’Dea: I am nearly asleep.

Deputy Enda Kenny: We have heard the Minister for Communications, Energy and Natural Resources down the west on many occasions.

Deputy Eamon Ryan: If the Deputy believes in tackling climate change, he should vote “Yes” for this tax.

Deputy Enda Kenny: Yes, I believe in climate change.

Deputy Michael Ring: The Green Party is banging on about climate change. The US is destroying the world.

Deputy John Gormley: The Deputy should keep saying that.

An Ceann Comhairle: I ask Members to have some respect for the House.

Deputy Michael Ring: All the Green Party wants to do is tax us. Its members want to tax rural Ireland and put us off the road. We will have to pay more and they have all the public servants to pay up. We know that is what the tax is for.

Deputy Enda Kenny: Gardaí on bikes. The Tánaiste will not cycle behind her State car.

Deputy Seán Sherlock: I refer to the effect the carbon tax will have on a public sector employee earning €30,000 a year whose income will be reduced by €1,500.

An Ceann Comhairle: The Deputy must speak to the resolution. This is part of the problem and this is why we have disorder.

Deputy Seán Sherlock: The effect of the carbon tax on vulnerable, low paid people will be more pronounced as a result of the cuts that have been effected. We want the Government to do something in real terms for them. The budget is predicated on reducing the incomes of the low paid. The introduction of the carbon tax without mitigating its effect on those on low incomes is inequitable. I would like the Minister to address this.

Deputy Eamon Ryan: We have committed to this.

Deputy Seán Sherlock: This has to be addressed in concrete terms, not in nebulous or airy-fairy terms.

Deputy Bernard J. Durkan: Hear, hear.

Deputy Seán Sherlock: This is about real people whose incomes are minuscule and the Minister is further marginalising them and cutting them off through imposition of these taxes. The Green Party Ministers do not realise it because they are on another planet. They do not inhabit the real world. There are people in the real world outside these walls who have been put to the pin of their collar by Ministers who are off saving the planet.

Deputy Eamon Ryan: By insulating their walls and keeping them warm.

Deputy Seán Sherlock: They should have a reality check. We do not oppose the carbon tax but we do not want people on low incomes to be screwed to the wall.

Deputy Michael Ring: Everybody wants a carbon tax but the problem is——

An Leas-Cheann Comhairle: Allow Deputy Ring without interruption.

Deputy John Gormley: The Deputies do not.

Deputy Enda Kenny: We are opposed to incineration.

Deputy Bernard Allen: The Minister is the biggest bluffer in here.

Deputy Michael Ring: Everybody wants a carbon tax except Fianna Fáil and the ordinary people of Ireland. This is not a carbon tax. It is another attack on rural people in rural Ireland and it is an attack on the poor, the weak and the sick in society. Of course the Green Party Ministers want to save the world. They should save Ireland first and then they can save the world because they are destroying the country. They have it in the state it is in. The Ministers should go to the countries that are causing the problem. America and China would cause more trouble in five minutes than Ireland would cause for the next 50 years. I am sick and tired of the Green Party and people talking about carbon tax. It is another tax on people.

Deputy Michael Creed: I always understood the principle underpinning a carbon tax was that it would be revenue neutral. The manner in which it is being introduced is not.

An Leas-Cheann Comhairle: The Deputy should address his comments through the Chair.

Deputy Michael Creed: I apologise. I am addressing those whom I perceive to be the architects of the tax but I should not differentiate between the Government parties.

For example, targets were recently published for blended fuels but no policy incentives have been laid down to increase biofuel production. We will import biofuels to meet the targets.

Deputy Bernard J. Durkan: From Brazil.

Deputy Michael Creed: The much trumpeted €121million allocation for forestry and biofuels was announced by the Minister for Finance as if new money was being provided. This represents a net increase of €2 million over the allocation for 2009. The ink is not dry on the revised programme for Government, which has a target of planting 10,000 hectares of forestry annually. The Department did not even plant 5,000 hectares this year with an allocation of €119 million. How does the Government propose to meet its overall policy objectives with regard to carbon reduction and so on if the allocation will go nowhere near meeting the commitment signed up to recently in the revised programme for Government? The sum of €121 million is also intended to tackle the issue of biofuel production. Ireland's carbon footprint will increase because companies will be obliged to import biofuels to meet the blending requirement. The Government's proposal is illogical.

The other issue surrounding the carbon tax is the intention to change people's behaviour and, as a consequence, lighten their carbon footprint. I refer to the agricultural community. The Minister for Communications, Energy and Natural Resources mentioned the ESRI, which estimates the yield from a carbon tax on the agricultural sector would be approximately €17 million annually. What alternative has a farmer? He cannot hitch his plough, harrow, fertiliser spreader or slurry spreader to the back of the DART. He has no alternative.

Deputy Paul Gogarty: He can go organic. That is the job creating sector.

Deputy Simon Coveney: That shows how much the Deputy knows about agriculture.

Deputy Terence Flanagan: That has a higher carbon output.

An Leas-Cheann Comhairle: Deputies should speak through the Chair.

Deputy Michael Creed: We are not going back to the pony and trap form of agriculture. If Deputy Gogarty has nothing constructive to say, he would be as well off leaving the Chamber.

I appeal to the Minister to be true to the principles of a carbon tax, which are behaviour changing and revenue neutral. It meets neither, as proposed.

Deputy Seymour Crawford: I will not take lectures from the Green Party about a carbon tax. When we were in Government, 25,000 hectares of forestry was planted annually, not 5,000 hectares, and there was little money in the country. I have been involved in the organisation of wind farms, biomass plants and green energy production. I was successful in regard to the largest wind farm in the State but unsuccessful regarding the biomass plant because blunt lies were told. However, that is history. This is being introduced simply as a tax.

Deputy Paul Gogarty: It is revenue neutral.

Deputy Seymour Crawford: It will increase the cost of transport in an area like mine where there is no rail or other form of transport. We depend on haulage transport to import and export our goods. County Monaghan has some of the largest poultry and pig meat producers in the country and I know a little about the costs involved. Increasing costs at a time those in the industry are losing at least 30% of their incomes means it is an additional tax. If the Minister had said the money would be used to deal with climate change, that would be another story but this is another form of taxation and, for that reason, I oppose it.

I refer to diesel for agriculture use. The Minister promised an deferral of the imposition of the tax in this regard until next May. In my part of the country, farmers do not cut silage until long after May. The Minister has had no mercy on them either.

Deputy Simon Coveney: I resent the accusation coming from the two Green Party Ministers that if we do not support exactly what they are doing that we do not care about climate change. That is the type of ideological arrogance that has kept the Green Party the size it is in this country.

Deputy Paul Gogarty: We are not well funded by developers.

Deputy Bernard J. Durkan: It will shrink considerably in the future.

Deputy Simon Coveney: Unfortunately it is because people such as Deputy Gogarty do not understand the carbon consequences of organic farming that they make fools of themselves in the House on a regular basis.

I want to make a number of points on this proposal. Last Friday, Fine Gael published its proposals on carbon tax for everybody to assess, examine and criticise if they wished to do so. We proposed a higher rate of carbon tax than is in the budget, based on €20 per tonne rather than €15 but we also proposed that certain sections of the economy would be exempt for good reason and agricultural diesel was one of those.

We also proposed to exempt coal and peat for a period of two years. Deputy Cuffe should stop tut-tutting. He has done the same but has not put a timeframe on it.

Deputy Kieran O'Donnell: Yes.

Deputy Simon Coveney: If Deputy Cuffe only knew what was in his own budget.

Deputy Kieran O'Donnell: Exactly.

Deputy Simon Coveney: The Minister stated that because of problems with the black market and the fact that coal in Northern Ireland has a higher carbon content, which Deputy Gogarty probably does not know either——

Deputy Paul Gogarty: They get it from Scotland.

Deputy Simon Coveney: ——would be brought South of the Border as a result of the imposition of a carbon tax. We now have a very uncertain situation for the peat and coal industries in Ireland because they do not know when a carbon tax will be imposed and will not have an opportunity to prepare for it. According to the budget, a carbon tax on coal and peat will be introduced at some stage in the future subject to a commencement order from the Minister. Perhaps Deputy Gogarty might like to read it and inform himself.

Deputy Paul Gogarty: I am sure the Minister will inform me when he gets a chance.

An Leas-Cheann Comhairle: Allow Members to speak.

Deputy Enda Kenny: Well done, a Leas-Cheann Comhairle.

Deputy Simon Coveney: If we are to impose a carbon tax, the parts of the economy affected by it need certainty and a timescale towards which they can plan. If we are to impose a carbon tax on coal and peat let us have a timescale to do so. I stand over exempting agricultural diesel for very good reasons, which my colleagues have outlined.

Perhaps the Tánaiste will listen to me make my next point, rather than dismiss me because I am not in the ideological niche in which the Green Party seems to live. Last year, consumers and business paid an extra €220 million on their electricity bill because of the cost of carbon

imposed and required by regulation on electricity bills in Ireland for businesses and households. People wonder why electricity is so expensive in Ireland. We have a carbon tax on electricity and we have had it for two years. We have stated this for 18 months and we agree with it. However, we want the Government to take it back and recycle it into the economy in some of the areas in which the SEI and the Minister, Deputy Ryan, are spending money and we support spending money on retrofit programmes, the warmer home scheme, the greener home scheme and the home energy efficiency scheme. However, we would like to see them refined to make it easier for home owners to pay over a period of time rather than having to borrow large capital sums to meet the portion of the cost to refit their homes that they have to access themselves from private funding.

An Leas-Cheann Comhairle: I ask Deputy Coveney to accommodate other speakers.

Deputy Simon Coveney: I will do so. The lack of certainty in the solid fuels sector and the complete lack of a plan for the windfall profits made by energy companies on the back of consumers and businesses results in high energy prices in Ireland. We are not taking these back and spending at a time when we desperately need money. What happened to the memo leaked over the summer which stated that the Government would recoup windfall tax from energy generators? Why has this not been done in the budget? Instead we will introduce a new carbon tax to raise new revenue when for the past two years we have had a carbon tax which nobody knows about. I support the introduction of a carbon tax on petrol and diesel for cars.

Deputy Paul Gogarty: However, not on businesses.

Deputy Simon Coveney: I do not support it for agricultural diesel or for coal and peat and I will not make apologies to anybody for that.

An Leas-Cheann Comhairle: I ask the Deputy not to shout down Members.

Deputy Simon Coveney: It is my job and the job of Deputy Kenny, Deputy McManus and others to make a judgment call on how to balance the responsibilities of this House towards climate change and the environment with the realities in the economy. That is what we are trying to do but Deputy Gogarty does not see the reality because he is driven by an ideology.

Deputy Paul Gogarty: Deputy Coveney's party is driven by corporate donations. He should not be so sanctimonious.

Deputy Simon Coveney: If there is one thing that should be indisputable in Ireland it is that planting trees will help us meet our carbon challenge.

Deputy Michael Creed: Hear, hear.

Deputy Simon Coveney: Consider what has been done in the UK where enormous resources have been committed to planting trees for the next 40 years. All we can manage is an increase of €2 million from this year's budget, which was a failure. This year we will plant between only 4,000 hectares and 5,000 hectares. Next year we will have a fund for forestry and bioenergy and I suspect forestry will receive less money next year than it is receiving this year. The Minister stated we will plant 7,000 hectares. That is fallacy and he is misleading people. He expects us to believe in the Government on climate change when he is deliberately misleading people on forestry and making a bags of the introduction of a carbon tax.

Deputy Joanna Tuffy: There are many contradictions in the introduction of the carbon tax. A car scrappage scheme is included in the same budget and that will encourage people to buy cars.

Deputy John Gormley: It concerns A and B bands.

Deputy Eamon Ryan: Which will cut emissions.

Deputy Joanna Tuffy: It does not matter.

Deputy Ciarán Cuffe: It does matter.

Deputy Joanna Tuffy: Surely the emphasis should be on getting people out of cars and into public transport.

Deputies: Hear, hear.

Deputy Michael Creed: Aithníon ciaróg ciaróg eile.

Deputy Joanna Tuffy: If this is a carbon tax then the excise duty placed on petrol last year was a carbon tax and I made that point at the time. The Minister is not doing anything different to change people's behaviour and that point was made. An amount of €0.08 was slapped onto petrol last year and this year €0.04 will be put on it. While this measure is labelled a carbon tax, with which everyone agrees on principle, it is a tax to raise money and we know that. The country is in deep trouble and Ministers are doing anything they can to cut spending and imposes taxes without calling them what they are.

The Minister spoke about encouraging people to get electric vehicles. He never thinks about people who live in remote communities in rural areas or people in commuting areas without a decent public transport system. The people who will be hit are those on middle incomes who will lose child benefit and public sector workers who travel from Navan to the HSE headquarters beside Heuston Station and there is no train service for them and they must use a car.

Deputy Ciarán Cuffe: Heuston Station is a station.

Deputy Joanna Tuffy: There is no train station at the other end.

Deputy Pat Rabbitte: Which is a drawback.

Deputy Joanna Tuffy: They work near a train station but cannot use it.

What is the Government doing about bus services? Will extra buses be put on the road? Last year, issues were raised about motor tax and VRT on buses used for youth groups. Has anything been done to encourage people to use buses to get from A to B? I cannot see anything in the budget to do so. The Minister, Deputy Eamon Ryan, was quoted in *The Irish Times* welcoming the reduction in gas prices and stating how great it would be for businesses and that we would have cheaper gas. If that is his view, why is he slapping on a tax? It is a contradiction.

It was stated that the carbon tax will allow us to maintain or reduce payroll taxes. This means slapping on a carbon tax at one end and down the line reducing income taxes as was done previously. I heard the Minister state he wants to reduce labour tax which is Progressive Democrats speak for income taxes. The fairest way to tax people and to provide public transport is through income taxes. If the Green Party wants to be the new version of the Progressive Democrats, that is fine. However, it should not pretend to be something it is not. If the Green Party wants to do something about climate change and encourage greater equality in this coun-

try, it should not say that all the statistics show that more equal societies, in terms of incomes, do better in respect of climate change.

Deputy Bernard J. Durkan: That is right.

An Leas-Cheann Comhairle: Eight Deputies are offering and I want to ensure there is balance in the debate. The Minister for the Environment, Heritage and Local Government is rising to contribute but he is well down the list of speakers.

Deputy John Gormley: For God's sake.

Deputy Stagg: The Minister should sit down. He has no entitlement to speak twice.

An Leas-Cheann Comhairle: In order to ensure there is a balance, I propose to call the Minister now.

Deputy Pat Rabbitte: Is the Leas-Cheann Comhairle in a position to assure the House that Fianna Fáil will vote for this measure?

An Leas-Cheann Comhairle: I call the Minister. I am required to ensure that there is balance and I note that a number of other Members from the Green Party wish to speak.

Deputy Emmet Stagg: On a point of order, the Minister who introduces the motion is not entitled to be called again.

Deputy John Gormley: That is fine.

An Leas-Cheann Comhairle: The Tánaiste and Minister for Enterprise, Trade and Employment introduced the motion.

Deputy Emmet Stagg: The Minister is acting as if he has a divine right to speak.

Deputy Enda Kenny: We have a few green shoots over here.

An Leas-Cheann Comhairle: First, the Tánaiste and Minister for Enterprise, Trade and Employment introduced the motion and, second, we are operating on a Committee Stage basis so any Member may contribute more than once. However, the latter will not be permitted to happen in view of the time constraints involved.

Deputy John Gormley: I thank the Leas-Cheann Comhairle. This is an historic and proud day for those of us who actually care about the environment.

Deputy Simon Coveney: Here we go again.

Deputy Emmet Stagg: It is the same as last time.

(Interruptions).

An Leas-Cheann Comhairle: The Minister should be allowed to speak. He is entitled to be heard.

(Interruptions).

Deputy John Gormley: My only regret in respect of this tax is that this was not introduced many years ago.

Deputy Bernard J. Durkan: Were the people not lucky in that regard?

Deputy John Gormley: We have been discussing this matter for more than 20 years.

Deputy Emmet Stagg: And we have been——

An Leas-Cheann Comhairle: The Minister should be allowed to speak without interruption.

(Interruptions).

Deputy John Gormley: The introduction of a carbon tax has been blocked on many occasions. I listened carefully to Deputy Stagg and others across the Chamber and it is clear they are trying to have it every way.

Deputy Bernard Allen: As the Minister is trying to do in respect of the incinerator.

Deputy John Gormley: It is most disingenuous to state that, on one hand, they favour a carbon levy while, on the other, they cannot find it in their hearts to vote in favour of this measure.

Deputy Michael Creed: What about the incinerator?

Deputy Bernard Allen: Where does the Minister stand in respect of the incinerator in his constituency?

Deputy John Gormley: If Members wish to quote from Friends of the Earth, they should read that organisation's press release.

Deputy Bernard Allen: What about the incinerator?

Deputy John Gormley: Friends of the Earth is seeking a carbon levy of €100. Do those opposite support that proposal? The answer is no.

(Interruptions).

An Leas-Cheann Comhairle: The Minister should be allowed to speak.

Deputy Aengus Ó Snodaigh: The Minister should address his comments through the Chair.

Deputy John Gormley: There is a great deal for ordinary people in this carbon levy because — as the ESRI has pointed out over many years — it will make our economy much more competitive.

Deputy Bernard J. Durkan: It will not.

Deputy John Gormley: It will provide for those who are suffering from fuel poverty. It will also provide for a retrofitting scheme.

Deputy Fergus O'Dowd: The people to whom the Minister refers will buy less coal.

Deputy Liz McManus: It will take until 2025 to complete the retrofitting scheme.

Deputy John Gormley: Such a scheme will be of assistance not only in the context of reducing CO₂ emissions but will also reduce people's fuel bills. The retrofitting programme is only the

beginning and I have every confidence that my colleague, the Minister for Communications, Energy and Natural Resources, will roll it out.

With regard to the local authorities, we are providing €50 million for the programme this year and this will be ramped up in the future. What we are doing is about helping ordinary people.

On flooding, there is a commitment in the budget to increase——

Deputy Bernard Allen: The Minister should not talk about flooding. He copped out in that regard. He has washed his hands of the matter.

Deputy Ciarán Cuffe: The Deputy's party rezoned the land in the first instance.

Deputy John Gormley: That is the whole point.

Deputy Bernard Allen: The Minister copped out.

(Interruptions).

An Leas-Cheann Comhairle: The Minister should address his remarks through the Chair. Deputy Allen should allow other Members to speak and should not shout them down.

(Interruptions).

Deputy Michael Creed: Get on with it Kermit.

Deputy John Gormley: I am obliged to ask whether this is the party of Garrett FitzGerald?

(Interruptions).

Deputy John Gormley: Fine Gael is unrecognisable and has transmogrified into a party of Neanderthals.

An Leas-Cheann Comhairle: If the Minister did not invite interruption, it would assist the debate.

Deputy Bernard Allen: Fine Gael has been around for a long time and it will be here when the Green Party is gone.

Deputy Kieran O'Donnell: The Minister should speak to the motion.

(Interruptions).

Deputy John Gormley: I have listened to the contradictory responses being offered from across the floor and I listened to what Deputy Ring had to say.

An Leas-Cheann Comhairle: It is difficult enough to control the debate without the Minister inviting interruptions.

Deputy Enda Kenny: The Minister would like it if Fine Gael was no longer around.

Deputy John Gormley: Fine Gael councillors continue to rezone land in the most irresponsible way.

Deputy Enda Kenny: The Green Party lost six council seats.

Deputy John Gormley: Those opposite should consider the record of their councillors in respect of zonings and rezonings.

Deputy Michael Creed: How many councillors does the Minister's party have?

Deputy Fergus O'Dowd: Two. They could fit on a tandem.

Deputy Enda Kenny: The Green Party lost six seats.

(Interruptions).

Deputy John Gormley: Fine Gael's record in this regard is utterly shameful. If one wishes to reduce people's dependency on their cars, one must plan communities properly. It is astounding that members of a party which used to believe in certain standards can continue to rezone in such an unethical way.

Deputy Enda Kenny: Six green shoots disappeared.

Deputy John Gormley: Fine Gael members have continually voted to rezone lands.

Deputy Enda Kenny: What about the Minister's statement to the effect that development of the incinerator would proceed over his dead body?

An Leas-Cheann Comhairle: The Minister should address his remarks through the Chair.

Deputy John Gormley: What can I do? I am continually being interrupted.

Deputy Fergus O'Dowd: The Minister could leave the House.

An Leas-Cheann Comhairle: With respect, the Minister is inviting interruption.

Deputy John Gormley: With respect, I am not doing so.

(Interruptions).

Deputy Bernard Allen: Where does the Minister stand in respect of the incinerator?

Deputy Fergus O'Dowd: This could be one of the Minister's final appearances in the Chamber.

Deputy Bernard Allen: The Minister should not take himself so seriously.

An Leas-Cheann Comhairle: Deputy Allen should cease interrupting.

Deputy John Gormley: Deputy Tuffy actually came out in opposition to energy efficient light bulbs.

An Leas-Cheann Comhairle: It will not be of assistance if the Minister attempts to reply to the points raised by individual Deputies.

Deputy John Gormley: I must respond.

(Interruptions).

Deputy John Gormley: On the car scrappage scheme, I wish to inform Deputy Tuffy that the levy applies only to the A and B bands. In other words, we are referring to low-emission vehicles. Will CO₂ emissions be reduced? Absolutely, and that is the intention behind it.

I invite Opposition Members to read the Budget Statement and analyse it in detail.

Deputy Michael Creed: What about forestry?

Deputy John Gormley: When they do so they will discover that this is a comprehensive response to climate change and they should vote in favour of it.

Deputy Simon Coveney: What about a windfall tax? What is the position with regard to forestry?

Deputy Enda Kenny: What about forestry? Are there no green shoots?

An Leas-Cheann Comhairle: I call Deputy Perry.

Deputy John Perry: I wish to inform the Minister, Deputy Gormley, that my party is led by Deputy Kenny, who has a vision for the future. An opportunity has been lost in respect of this matter. This levy is a way to take in €330 million without putting anything back into the real economy. There is a great deal of uncertainty abroad at present and many people, including hauliers, will be affected by this levy. An opportunity exists in respect of ring-fencing this money and using it to create jobs in the real economy. However, that opportunity will not be seized.

People are going to experience major difficulties in the context of obtaining money from the banks to retrofit their homes. The banks are not lending money at present. It was stated that if people have difficulties obtaining money they can appeal their cases to an independent officer. This shows that the banks are not lending money. I cannot see how it will be possible for people to obtain €25,000 or €30,000 from their banks to retrofit their homes and that this will be justifiable on return within four years. There will be major difficulties in this regard.

An Leas-Cheann Comhairle: If Members confine their contributions to one minute, I may be able to include most of those offering.

Deputy Andrew Doyle: I am not sure whether what the Minister for the Environment, Heritage and Local Government put forward was a low-carbon or a high-carbon smokescreen. However, I am taken aback by the elation shown by the members of this party because it appears, at long last, that they have had something placed on the agenda for which they can claim credit. Two years ago, Members were asked to traipse over to Buswell's Hotel to sign up, in principle, to the concept of a carbon tax. We were asked to do so by an organisation whose members are quite close to the Ministers from the Green Party. We were informed at that stage that a carbon tax was going to be introduced. However, the proposals in that regard subsequently went to pot.

On agricultural diesel, we are trying to produce food in as low-cost an environment as possible. The Minister gave the game away when he stated that a carbon tax will also allow us to maintain or reduce our payroll costs. I do not know what that has to do with ring-fencing carbon revenues in order to allow people to produce food or to operate their businesses in a low-carbon environment. The Minister really let the cat out of the bag on this one.

On organic farming, and as the Minister of State at the Department of Agriculture, Fisheries and Food, Deputy Sargent, pointed out at the National Ploughing Championships 12 months ago, Switzerland has a 5% organic farming sector. This means that 95% of its production is

[Deputy Andrew Doyle.]

not organic. To say that a housewife can push a trolley to a farmers market and purchase everything necessary to feed her family is absolute nonsense. People in this country who use conventional farming methods can produce food in a more carbon-efficient manner than any of their counterparts in organic farming. The Minister for the Environment, Heritage and Local Government should appoint consultants to compile an independent report on this matter.

Deputy Paul Gogarty: How much oil does it take to produce——

Deputy Andrew Doyle: Deputy Gogarty is talking absolute nonsense. I referred to conventional, not intensive, farming methods. He should get out of his bloody back garden in Lucan and try producing food for the masses.

An Leas-Cheann Comhairle: I call Deputy Durkan and I ask him to be brief.

Deputy Bernard J. Durkan: I will be uncharacteristically brief. I am sure that, like me, the Leas-Cheann Comhairle is impressed that all of the Green Party parliamentary contingent, including its Ministers, have come before the House for this debate. This is something they have not done for the past two and a half years and I welcome it.

Deputy Emmet Stagg: What is seldom is wonderful.

Deputy Bernard J. Durkan: I have always been opposed to a carbon tax because I believe it is a farce.

Deputy John Gormley: At least Deputy Durkan is honest.

Deputy Bernard J. Durkan: If the Minister will wait to hear——

An Leas-Cheann Comhairle: The Minister should allow Members speak. Time is limited.

Deputy John Gormley: I am saying that I welcome that.

Deputy Bernard J. Durkan: The only basis on which I would accept a tax of this nature is if it was specifically dedicated to create jobs, which this country needs at the moment.

Deputy John Gormley: That is what we are doing.

Deputy Bernard J. Durkan: In this case, unfortunately, it is not. The Green Party Members may well have gorged themselves on bowls of muesli, worn the sandals and hugged every tree they saw but the people penalised as a result of this tax are the poor people in this country. Every industry, every household, carers and the Irish Wheelchair Association have been hit by this imposition.

Deputy Leo Varadkar: Blind pensioners freezing to death.

Deputy Bernard J. Durkan: Every person going to collect unemployment assistance and benefit, those who have been recently unemployed, will be hit by this measure. The poor Greens are going to make everyone else equally poor and irrelevant.

Deputy Ciarán Cuffe: There is a disconnect between the lofty rhetoric coming from Fine Gael and the Labour Party on the carbon levy and the business as usual on the Front Bench and backbenches. The amount of exemptions sought by Fine Gael and the Labour Party would make a nonsense of a carbon tax.

Deputy Liz McManus: We did not seek exemptions. We want the poor to be looked after.

Deputy Ciarán Cuffe: Fine Gael wants to exempt the farmers, Labour wants to exempt long-distance commuters, Fine Gael wants to exempt coal and turf and Labour wants to exempt rural dwellers.

Deputy Seán Sherlock: What about the poor?

Deputy Ciarán Cuffe: There is a principle of taxation, that a tax should be plain and simple. That is what we have in the proposal for a carbon tax this evening. There is a disconnect between Deputy Coveney and Deputy McManus going to Copenhagen——

Deputy Bernard J. Durkan: It is not the only disconnect.

Deputy Ciarán Cuffe: ——to save the world and then criticising the significant actions we are taking at home.

Deputy Michael D. Higgins: That unfortunate comment is profoundly undemocratic.

Deputy Ciarán Cuffe: They cannot run with the hares and hunt with the hounds. This extends not only to the Front Bench and the backbenches of Fine Gael but to their party leader, who yesterday ridiculed our attempts to survey our wildlife.

Deputy Fergus O'Dowd: Here are six fine specimens.

Deputy Ciarán Cuffe: On the one hand he criticises; on the other hand——

Deputy Enda Kenny: On a point of order——

An Leas-Cheann Comhairle: I call Deputy Kenny on a point of order.

Deputy Ciarán Cuffe: It better be good.

Deputy Enda Kenny: If Deputy Cuffe wants to come with me any weekend, I will show him wildlife in places he has never been.

Deputy John Gormley: That is not a point of order.

An Leas-Cheann Comhairle: With all due respect, that is for me to say.

Deputy Enda Kenny: if Deputy Cuffe wants to go counting hen harriers or counting frogs I have no objection.

Deputy Trevor Sargent: Is that the nightclub in Castlebar?

An Leas-Cheann Comhairle: That is not a point of order, as Deputy Kenny knows.

Deputy Ciarán Cuffe: I will take that invitation at face value; otherwise I am not sure where we would be going.

An Leas-Cheann Comhairle: I ask Deputy Cuffe to conclude his contribution.

Deputy Ciarán Cuffe: One cannot run with the hares and hunt with the hounds.

Deputy Simon Coveney: That is hypocritical when the Green Party is in Government with Fianna Fáil.

Deputy Ciarán Cuffe: I ask the Leas-Cheann Comhairle for some protection.

An Leas-Cheann Comhairle: I am doing my best.

Deputy Ciarán Cuffe: One cannot criticise the Green Party for surveying our wildlife on the one hand and then tell us we are not implementing EU directives. It is insulting to the National Parks and Wildlife Service and insulting to our wildlife rangers——

Deputy Enda Kenny: The Government took 5% from them as well.

Deputy Seymour Crawford: It is insulting to farmers.

Deputy Ciarán Cuffe: ——and insulting to people with masters degrees who are earning €23,000 a year trying to protect wildlife.

Deputy Enda Kenny: The Government is cutting their pay and child benefit and Deputy Cuffe expects them to go counting frogs for him.

An Leas-Cheann Comhairle: Deputy Cuffe is straying well beyond the terms of the resolution.

Deputy Ciarán Cuffe: If we are not protecting our wildlife, what will be next? Will Deputy Kenny criticise us for protecting the bradán feasa?

An Leas-Cheann Comhairle: I call Deputy Joe Costello.

Deputy Ciarán Cuffe: If we do not value our wildlife and protect our heritage, what do we hold sacred? The principle in the resolution before us is a simple one. It is to tax the bad, not the good.

An Leas-Cheann Comhairle: Deputy Costello has one minute.

Deputy Joe Costello: I was going to say that Deputy Cuffe lives in Dublin Central so he knows a lot about wildlife.

Deputy Bernard J. Durkan: Deputy Cuffe should not have mentioned running with the hares and hunting with the hounds. He cannot go there.

Deputy Michael Creed: Did Deputy Cuffe sell his oil shares?

Deputy Joe Costello: We heard all about diesel and the impact on the agricultural community. Serious issues remain to be addressed. What the Green Party proposes in this tax is to deal with carbon, change behaviour in respect of climate change and reduce carbon. That is desirable. The question is whether it is a crude mechanism and to my mind it is. It operates entirely as a sanction and there is no clear indication of an incentive. There is nothing on the agricultural side of things. Second,——

An Leas-Cheann Comhairle: I call the Tánaiste to reply very briefly in two minutes.

Deputy Joe Costello: There are two points.

An Leas-Cheann Comhairle: Sorry Deputy Costello, there is not time.

Deputy Joe Costello: I did not get a minute.

An Leas-Cheann Comhairle: Deputy Costello took a minute and 18 seconds.

Deputy Joe Costello: There are two points I want to make.

Deputy Emmet Stagg: There is no limit on his time if there is time left.

An Leas-Cheann Comhairle: There is; I am required to call the Tánaiste to respond.

Deputy Emmet Stagg: The Leas-Cheann Comhairle is not required to call the Tánaiste. There is nothing in Standing Orders that requires him to call the Tánaiste.

An Leas-Cheann Comhairle: The Deputy may well——

Deputy Joe Costello: I seek 30 seconds.

An Leas-Cheann Comhairle: No, I am going to put the question in 50 seconds. Deputies have put questions and the normal courtesy of the House is that they may have their questions responded to. If Deputies insist on speaking through that, there will not be time for that. The Tánaiste has one minute to respond.

Deputy Joe Costello: I did not even get one minute.

An Leas-Cheann Comhairle: The Deputy had one minute and 18 seconds, he has now taken two minutes and 18 seconds.

Deputy Joe Costello: I wanted to make two points. The first concerns gas and oil home heating coming into play in May. There is no commitment to the vouched system in respect of poorer families.

Second, there is no indication of what the so-called robust mechanism will be and how it will address peat and coal coming from Northern Ireland. We know the difficulties of smuggling——

An Leas-Cheann Comhairle: That point has been made.

Deputy Joe Costello: This is a crude instrument, with no detail on how it will operate.

An Leas-Cheann Comhairle: The Tánaiste has 40 seconds to respond.

The Tánaiste: This is a serious issue. Despite the banter and discussion, there is acceptance that the challenges with carbon need to be addressed. The methodology is the issue of disagreement in the House.

Deputy Michael D. Higgins: It is tragic.

The Tánaiste: Three or four serious points were made. Regarding fuel poverty, the intention of the Minister for Social and Family Affairs and the Minister of Communications, Energy and Natural Resources is to bring together the offset to those who may be subject to fuel poverty arising from these decisions. There will be a new system of voucher being used in the purchase of this fuel in the south of Ireland.

Deputy Emmet Stagg: I would not like to be cold waiting for that.

Deputy Joe Costello: When will that be?

Deputy Bernard J. Durkan: June.

The Tánaiste: It is important to reiterate that the Minister of State, Deputy Killeen, has increased capacity to increase afforestation to 7,000 hectares over 2008 and 2009.

Deputy Michael Creed: That is rubbish.

The Tánaiste: It is true. Over €100 million is being spent on forestry and an additional €4 million is being provided in order to increase afforestation in this country.

Deputy Michael Creed: That is rubbish. Every target has been missed. Deputy O’Dea’s Limerick regeneration is gone. He is like Mighty Mouse in Limerick and Mickey Mouse in Dublin.

Deputy Willie O’Dea: Can Deputy Creed think of anything original to say?

The Tánaiste: Members referred to transport. Retrofitting is extremely important and was alluded to. The reason we will continue to have investment in rural transport is a consequence of this. These were issues articulated on the floor of the House and that is important.

Question put: “That Financial Resolution No. 2 be agreed to.”

The Dáil divided: Tá, 82; Níl, 58.

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.
 Cullen, Martin.
 Curran, John.
 Dempsey, Noel.
 Devins, Jimmy.
 Dooley, Timmy.
 Fahey, Frank.
 Finneran, Michael.
 Fitzpatrick, Michael.
 Fleming, Seán.
 Flynn, Beverley.
 Gogarty, Paul.
 Gormley, John.
 Grealish, Noel.
 Hanafin, Mary.
 Harney, Mary.
 Haughey, Seán.
 Healy-Rae, Jackie.

Hector, Máire.
 Kelleher, Billy.
 Kelly, Peter.
 Kenneally, Brendan.
 Kennedy, Michael.
 Killeen, Tony.
 Kitt, Michael P.
 Kitt, Tom.
 Lenihan, Conor.
 Lowry, Michael.
 McDaid, James.
 McEllistram, Thomas.
 McGrath, Mattie.
 McGrath, Michael.
 McGuinness, John.
 Mansergh, Martin.
 Martin, Micheál.
 Moloney, John.
 Moynihan, Michael.
 Mulcahy, Michael.
 Nolan, M. J.
 Ó Cuív, Éamon.
 Ó Fearghail, Seán.
 O’Brien, Darragh.
 O’Connor, Charlie.
 O’Dea, Willie.
 O’Donoghue, John.
 O’Flynn, Noel.
 O’Hanlon, Rory.
 O’Keeffe, Batt.
 O’Keeffe, Edward.
 O’Rourke, Mary.
 O’Sullivan, Christy.
 Power, Peter.
 Power, Seán.
 Roche, Dick.
 Sargent, Trevor.
 Scanlon, Eamon.
 Smith, Brendan.

Tá—*continued*

Treacy, Noel.
Wallace, Mary.
White, Mary Alexandra.

Woods, Michael.

Níl

Allen, Bernard.
Bannon, James.
Barrett, Seán.
Behan, Joe.
Breen, Pat.
Burke, Ulick.
Byrne, Catherine.
Carey, Joe.
Clune, Deirdre.
Connaughton, Paul.
Coonan, Noel J.
Coveney, Simon.
Crawford, Seymour.
Creed, Michael.
Creighton, Lucinda.
D’Arcy, Michael.
Deasy, John.
Deenihan, Jimmy.
Doyle, Andrew.
Durkan, Bernard J.
English, Damien.
Enright, Olwyn.
Feighan, Frank.
Ferris, Martin.
Flanagan, Charles.
Flanagan, Terence.
Hayes, Brian.
Hayes, Tom.
Hogan, Phil.

Kehoe, Paul.
Kenny, Enda.
Lee, George.
McCormack, Pádraic.
McEntee, Shane.
McGinley, Dinny.
McGrath, Finian.
McHugh, Joe.
Mitchell, Olivia.
Morgan, Arthur.
Naughten, Denis.
Neville, Dan.
Noonan, Michael.
Ó Caoláin, Caoimhghín.
Ó Snodaigh, Aengus.
O’Donnell, Kieran.
O’Dowd, Fergus.
O’Keeffe, Jim.
O’Mahony, John.
O’Sullivan, Maureen.
Perry, John.
Reilly, James.
Ring, Michael.
Shatter, Alan.
Sheahan, Tom.
Sheehan, P. J.
Stanton, David.
Timmins, Billy.
Varadkar, Leo.

Tellers: Tá, Deputies Pat Carey and John Cregan; Níl, Deputies Paul Kehoe and David Stanton.

Question declared carried.

Financial Resolution No. 3: Value-Added Tax.

Minister for Defence (Deputy Willie O’Dea): I move:

(1) THAT the rate of value-added tax on the supply of certain goods and services at present chargeable at the rate of 21.5 per cent be decreased to 21 per cent of the amount on which tax is chargeable in relation to the supply of such goods and services, and that, accordingly, subsection (1) (inserted by the Finance Act 1992 (No. 9 of 1992)) of section 11 of the Value-Added Tax Act 1972 (No. 22 of 1972), be amended in paragraph (a) by substituting “21 per cent” for “21.5 per cent” (inserted by the Finance (No. 2) Act 2008 (No. 25 of 2008)).

(2) THAT this Resolution shall have effect as on and from 1 January 2010.

(3) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

The standard rate of VAT is being reduced from 21.5% to 21% with effect from 1 January 2010. This change is being introduced to assist businesses in difficult economic times, improve

[Deputy Willie O'Dea.]

competitiveness and consumer confidence and to reduce the burden of VAT on individuals. This VAT rate reduction will cost €140 million in 2010 and €167 million in a full year.

The goods positively affected by this VAT reduction include items such as soft drinks, confectionary, alcohol, tobacco, adult clothing and footwear, sports goods, cars, petrol, diesel, electrical equipment, CDs, DVDs, furnishings and jewellery. The services affected include telecommunications, toll roads, television rental, haulage, advertising and professional legal services. From 1 January 2010, the differential between the standard VAT rates of Ireland and Britain is due to reduce from 6.5 percentage points to 3.5 percentage points; 21% compared to 17.5%.

After the reduction, five countries in the EU will have higher standard VAT rates than Ireland, namely Denmark, Hungary and Sweden at 25%, and Finland and Poland at 22%. Furthermore, three other member states, Belgium, Lithuania and Latvia, will share our same standard rate of 21%. Some other member states have indicated their intention to increase their VAT rates in 2010, at which point Ireland will have the eighth highest standard VAT rate in the EU.

On resolution No. 4, a new VAT margin scheme in respect of second-hand means of transport was announced on 14 September 2009 following discussions with the motor industry. This replaces the existing special scheme. A margin scheme was initially announced last April in the supplementary budget but it was decided not to proceed with the proposed scheme in the Finance Bill 2009. After further consideration, the margin scheme as announced on 14 September 2009 is now being put in place.

Currently, all EU member states apply the margin scheme to second-hand vehicles with the exception of Ireland and Denmark. The scheme is estimated to cost €7 million in 2009 and €20 million in 2010, with no further cost in future years. As the scheme was already announced and accounted for last September it is not deemed to be a new budget measure, and as such was not included in the budget speech or budget costings. This resolution gives legal effect to the introduction of the scheme.

The margin scheme, which will apply from 1 January 2010, is simple and straightforward in that a dealer accounts for VAT on his or her profit margin, that is, on the difference between the cost of acquiring a second-hand vehicle and the re-sale price of the vehicle. Under the margin scheme, if a dealer agrees to allow an amount of €10,000 on a second-hand car as a trade-in, and subsequently resells that car at a VAT inclusive price of €12,000, the VAT due to the Exchequer is based on the margin achieved by the dealer, €2,000. In this particular case, the dealer would be currently liable for €354, or €346 at the new 21% rate, in VAT. If there is no margin then no VAT liability arises; if there is a positive margin, VAT is charged based on that margin.

Deputy Bernard Allen: Does it apply to helicopters?

Deputy Willie O'Dea: It applies to any mode of transport.

Deputy Joe Costello: Tanks?

Deputy Willie O'Dea: Not tanks, tanks are exempt.

Deputy Kieran O'Donnell: On financial resolution No. 3, the reduction in the standard rate of VAT from 21.5% to 21% was part of our pre-budget submission. It defied logic why the Government sought in its wisdom to increase the VAT rate from 21% to 21.5% in the last budget. It also increased the VAT rate on the day of the budget but we now find that when it

proposes to reduce VAT, the reduction does not become effective until 1 January. It makes no sense.

There is an old rule in business that should apply to Government — if business is going badly the last thing to do is increase prices. How did the Government think that raising VAT from 21% to 21.5% in the busiest month of the year for traders and in the middle of a bimonthly VAT period, November-December, would work? It showed a complete lack of understanding of how business operates.

I congratulate the Government for admitting its error and reversing the increase but the reverse should be effective from today to allow people to benefit for the month of December. Why is the reduction not happening until 1 January when last year the increase was effective from the date of budget?

The Minister for Defence has explained resolution No. 4. It is a margin scheme that brings us into line with other EU countries, whereby VAT is now paid on the margin, a fair move. Why was the VAT rate increased last year? It affected a range of businesses.

Why did the Government not see fit to reverse the travel tax? Deputy O'Dea will be well aware of its effect on our constituency and the wider mid-west. It did not generate a huge amount for the Exchequer but it has done massive harm to tourism and the hotel industry. Both Aer Lingus and Ryanair have stated that the travel tax was a huge deterrent. Holland and Belgium reversed their travel tax but it is not a measure allowed for in this budget.

In our pre-budget submission, we called for a reduction in the 21% standard rate of VAT and for a reduction in the lower rate of VAT from 13.5% to 10% as a temporary measure until the end of 2010. The lower rate applies to many labour intensive industries. The Tánaiste must elaborate why the reduction is not being introduced until 1 January, why the increase was introduced much earlier last year and why the Government did not abolish the travel tax. Was consideration given to a reduction in the lower rate of VAT?

Deputy Willie Penrose: At least this a belated recognition of the wrong-headed decision to impose an increase in VAT in last year's budget. The Government has contributed significantly by way of charges and indirect taxation to our loss of competitiveness. Forfás and other groups have pointed out repeatedly those are an essential component in that loss.

VAT is an essential component that drives prices, particularly when it is increased, and its impact is felt across a significant and comprehensive range of goods and services. A significant reduction in VAT leads to an increase in competitiveness. It helps to sustain existing employment and acts a beacon of hope for incubator industries to get off the ground, it is a light at the end of the tunnel. That is where this budget fails. There is no light at the end of the tunnel when it comes to a stimulus for job creation. In terms of stimulating job creation there is no spark or impetus to give hope to those thousands of people who look to this budget for a ray of hope to get them back into employment. Sometimes the Government will say it cannot reduce VAT as it would leave a bigger hole. If there are outflows as a result of the Minister's decision, the hole gets bigger. It is like the circular bird, no matter how often one goes around one will come back to where the bird started to fly. This is the Government's thinking. It does not think outside the box. It is a very worrying feature of Government of late.

We still have VAT rates notwithstanding the decreases in excise duty which were passed earlier. I would like to see a comprehensive cost-benefit analysis in respect of excise reductions to see what they will mean and where they will impact and how they will sustain employment. We all know that areas in the drinks industry are under pressure. I know from my constituency that people in Mullingar who have an industry in that area certainly reflected that this would be an important aspect of the budget. Given all that, it is difficult to see how that measure

[Deputy Willie Penrose.]

alone, together with the 0.5% reduction in VAT proposed, will stem the flow of people across the Border.

I am chairman of the Joint Committee on Enterprise, Trade and Employment and I have to be reasonably constructive. I want to take every positive and constructive measure to ensure people are put back into employment and jobs under threat are retained. How will this work? The 0.5% VAT increase by the Minister for Finance, Deputy Lenihan, in the previous budget can be described as the most foolhardy imposition every made. Its impact was as much psychological as it was real because within weeks Mr. Alistair Darling reduced his VAT by 2%. We increased the rate by 0.5% and widened the differential to 6.5%. Nobody should try to tell me that did not have a significant impact on a range of goods and services in this context. It sent all the wrong signals and contributed to a significant loss of competitiveness and ultimately the loss of jobs. It also helped accelerate the level of traffic across the Border, having accentuated a price differential which was already significant in the context of competitive factors feeding into it and the weakness in sterling.

I accept that every reduction is important. It is time to move further in this area. Indirect taxation leads to a loss of competitiveness. I appreciate it is important in terms of raising revenue but this is an important area.

The Minister gave a comprehensive outline of Resolution No. 4 which bring us into line. I am not in a position to dispute it or to make a constructive contribution in that regard. However, the VAT reduction, although small, is a step in the right direction but it is an inch instead of a yard.

Deputy Seymour Crawford: I welcome any reduction in costs. The increase from 21% to 21.5% in the second last budget was unreal at the time. Subsequently the Minister did admit that it cost the country €700 million in a year. It has caused much damage to the nation because, as Deputy Penrose said, it was not altogether the amount but it happened at the same time as Mr. Alistair Darling reduced the rate by 2% in the opposite direction and it meant a 6.5% differential. That differential, together with the change in the value of sterling as well as the drinks issue, meant a major exodus of shoppers north of the Border.

Given that the Minister has seen the light in respect of the 21.5% VAT rate can he see the light in respect of the 13.5% rate and reduce it to 10%? Employment is in a desperate state at present. The building trade is dead, yet many small jobs could be done if they were more competitive. A builder employing a plumber from County Monaghan has to pay a minimum of €22 under law, yet he can get a plumber from Middeltown, County Armagh, a couple of miles down the road, for €12. We are still in a seriously uncompetitive position and we must look at every means to try to rectify that situation. We are losing work to Northern Ireland contractors and we are putting up capital in this country to provide those jobs for them. I want to see free movement of people between North and South but it is all one way and the Minister knows that as well as I do. I welcome the particular move to reduce VAT by 0.5% but it is not sufficient. I ask the Minister to look at it again before the finance Bill to see what can be done in respect of the 13.5% VAT rate from tourism, building and employment points of view because, without jobs, we can go nowhere.

An Leas-Cheann Comhairle: Amendments Nos. 1 to 3, inclusive, are related and will be discussed together with the Financial Resolution.

Deputy Aengus Ó Snodaigh: I move amendment No. 1:

In the second line of subsection (1) of the Resolution, to delete “21 per cent“ and substitute 17.5 per cent”.

The reasons for the amendments are quite simple. I listened to the Taoiseach speaking on Resolution No. 1 when he referred to the haemorrhage of funds from the Exchequer that should have gone to the Exchequer because of the differentiation in the excise duty. The resolution before the House is a welcome admission by the Government that it made a mistake and some months ago it realised that. It should have realised it when we pointed it out at the time of the budget but, as usual, it was not listening. The resolution before the House seeks to correct that mistake but it is too little, too late. My amendments suggest a reduction to 17.5% in the VAT rate. It is a substantial reduction and it would help ensure many jobs in the retail trade not only in the Border areas but throughout the country would be saved. The proposal would be revenue neutral by virtue of the fact that people would increase spending and people would be retained in employment rather than unemployment. Therefore they are reasonable and, hopefully, the Minister will accept them.

Any change in the VAT rate must come about a little slower than we might wish. Next Monday would be time enough for it to take effect. If we are to wait until 1 January many jobs in the retail industry will be gone. We have to take steps now and send out the message that we in this House are serious about retaining jobs at the very least.

Another aspect of the VAT rate — I heard the Minister mention the goods in question — is that a reduction in same might encourage people to buy sports equipment to enable them get involved in sports and become fit and tackle one of the major health crises, that of obesity. I suggest the Minister consider at another time making sports equipment and the like zero rated for VAT to encourage more people to get involved in sports, to be fit and healthy. It would be cost-neutral because there would be a saving in expenditure on the health services. I would like to hear an explanation from the Government as to why the three amendments will not be accepted. If they are accepted Sinn Féin will support the resolution.

Deputy Paul Gogarty: It may have helped if Deputy Ó Snodaigh had tabled a parliamentary question a few weeks' ago on this matter. I agree with the sentiments of the amendments in terms of bringing down prices and keeping jobs. The annualised cost of a 0.5% reduction in VAT would mean €167 million. It would be interesting if the Tánaiste or Minister for Finance could elaborate on what would be the estimated cost of bringing in a rate of 17.5%. It might not have been the intention when the VAT rate was increased last year but it turned out to cost the State more than the actual fiscal instrument in the first place. We are hoping that a reduction will have some positive effect.

Deputy Penrose thought it might be a symbolic move and I agree that it is symbolic. The cost of a CD including the profit margin for a retailer in the South of Ireland is €15.99. The current rate of 21.5% VAT, brings the cost of the CD to €19.43. If the VAT is reduced to a rate of 21% then the cost of the CD is €19.34, a saving of 9 cent on a CD. In the case of electronic goods costing €160, the equivalent of a fair-sized weekly shopping bill for some families, then there is a saving of €10 and that €10, when the cost of petrol is included, could be the difference for someone from Dublin or south Louth travelling to the North rather than staying and shopping locally. If the rate were to be brought down to 19.5% that differential would be there again. I would like to see the figures for the cost to the Exchequer if more were to be done as opposed to the benefits in terms of jobs kept and keeping people shopping on this side of the Border.

I have a friend who married someone from Belfast so they travel to Belfast frequently. They were married in Belfast.

Deputy Kieran O'Donnell: The VAT is less there.

Deputy Paul Gogarty: I have attended two weddings in Belfast in the past five years——

Deputy Kieran O'Donnell: Is the Deputy going to give seed, breed and generation?

An Leas-Cheann Comhairle: Please, Deputies.

Deputy Paul Gogarty: They are ordinary hard-working citizens. I was not up there for the shopping; I have not been up North for two years for that very reason because even going up to see a relative means one would be scrutinised and the cameras would be out but this is beside the point.

I have been told that a person working in a garage or in retail in the North can make a reasonable living and keep a family. The cost of housing rents and mortgages and the level of social welfare paid is lower in Northern Ireland. It is no wonder the price of everything is lower because the costs are lower. This forms a certain aspect of the price differential but the other reason is the rate of sterling and the UK VAT rates. These all combine——

An Leas-Cheann Comhairle: A number of Deputies are offering.

Deputy Paul Gogarty: I welcome this measure and I ask if there is scope for a further reduction next year. I ask the Minister to provide the figures as per Deputy Ó Snodaigh's proposal to see if it could be a runner next year.

Deputy Joe Costello: I am not sure that Deputy Gogarty's arithmetic is correct on the DVD and the electronic goods. I would not like to discuss the wedding. This is a fairly modest proposal of half a percentage point and it is not going to dramatically change the cost of any item. It is symbolic in the sense that when it was introduced last year it had a deadening effect as it increased the differential between VAT rates in the UK and Northern Ireland and the VAT rate here in the Republic. It almost symbolically seemed to increase it more and it led to increased numbers of people crossing the Border because they believed they were being penalised unduly in the last budget. While this is a modest change it is welcome and it would have a beneficial effect.

As other speakers have said, it is very strange that it will not be introduced until after the winter sales instead of being introduced immediately. It will be introduced on 1 January 2010. If it is designed to influence people's behaviour then the benefit of having the reduction will be lost by waiting until the new year because people will see no change over Christmas and they will have forgotten about it in the new year. The momentum will be lost that might have been gained and it will put pressure on retailers in the Republic. It would have been advantageous from the Government's point of view to amend its own proposal with a view to implementing it immediately. It is a very modest redress of the situation.

Deputy Leo Varadkar: I was interested to hear Deputy Gogarty's remarks. I never thought I would see the Greens voting for a scrappage scheme, no matter how it is dressed up.

Deputy Tom Hayes: These are changing times.

Deputy Leo Varadkar: I never thought I would hear the Greens arguing to cut welfare in order to bring down prices. If I made that kind of argument and certainly a year ago I would have been accused of all sorts of things. It is a very strange argument.

The reduction in the rate of VAT is welcome and the increase last year is now acknowledged as a significant mistake. The reduction of 0.5% will not make a significant difference in behaviour. What would have been useful to do would be to follow the proposal made by Fine Gael to reduce the middle rate significantly because that is the rate which affects services and will help deliver jobs. The Government has done something on excise duty to stop people travelling North or to encourage them not to go North and it is making a very small change in the VAT rate but if jobs had been put at the centre of this budget the money used in this reduction and the money from the carbon tax could have been used to reduce employers' PRSI and also to reduce that labour-intensive rate of VAT.

The same applies on the capital budget side. A total of €130 million is to be invested in new training and jobs schemes but the Government has taken €1 billion out of the capital budget so that is a cut of €900 million from jobs. In coming to this decision I wonder if the Government considered reducing the middle rate of VAT. If this was regarded as being too expensive did the Government consider reducing it for certain services? In France the rate was reduced for hotels and restaurants because they are particularly labour-intensive. It could even be reduced for the construction industry. Was any consideration given to this or was it the case that the Government thought the reduction in price difference between North and South would change behaviour?

Deputy Bernard Allen: At a time when we needed decisive action on VAT, what we got was a token gesture and a reversal of last year's decision. It will not have any impact. The Minister took action on excise duty on drink. Traders are already making the excuse that they have bought in stock and cannot possibly reduce prices to the consumer. I hope the
10 o'clock Minister for Finance will stand over his assertion that he will take action against the profit-taking practices in which some traders will engage. That said, the measure is too little, too late.

The travel tax was ignored in the budget. Is the Government being bloody-minded towards Michael O'Leary who proposed that the travel tax be reduced or abolished because he has been a critic of the Government in recent times? West Cork, which I represent, is a wasteland for tourism. I expected the budget to provide a stimulus for tourism by reducing or abolishing the travel tax. Such a stimulus would have delivered many benefits but the tax was ignored. This indicates the Government has taken a bloody-minded approach to Mr. O'Leary's suggestion.

Deputy Tom Hayes: On the same issue, the thrust of the budget was to improve economic competitiveness and I welcome some of the measures because they will help us become more competitive. Did the Government give any consideration to the travel tax, which is a major issue?

An Leas-Cheann Comhairle: The travel tax has nothing to do with the financial resolution before us.

Deputy Tom Hayes: It does.

An Leas-Cheann Comhairle: I am afraid it does not.

Deputy Tom Hayes: It is very important.

An Leas-Cheann Comhairle: In the general debate on the budget, which will be the final resolution tabled, it will be possible to raise issues of this nature.

Deputy Bernard Allen: The Leas-Cheann Comhairle allowed Deputy Gogarty to discuss CDs.

Deputy Willie O'Dea: He referred to them in the context of VAT rates.

Deputy Tom Hayes: I have a simple question. Was any consideration given to suspending the travel tax on a temporary basis? Michael O'Leary has stated that he would bring 1.2 million visitors into my region if the tax were suspended.

An Leas-Cheann Comhairle: The Deputy knows the resolution relates to VAT and has nothing to do with the travel tax.

Deputy Damien English: While I welcome the reduction in the VAT rate, let us not kid ourselves that it will make a major difference. I accept the reduction will go some way towards repairing the damage done last year when VAT was increased. Given the widespread perception that taxes increased significantly last year, the reduction marks a step in the right direction.

Is the reduction in VAT part of a strategy by the Department of Enterprise, Trade and Employment to tackle retail problems or a knee-jerk reaction to the comment by the Minister for Defence on radio at the weekend that such a measure could be introduced? When we asked officials of the Department what plan they had for the retail sector we learned the Department does not have any such plan.

If we are to tackle the problem of cross-Border shopping, we must address the costs of doing business, of which VAT is one. The Fine Gael Party has proposed to change PRSI, a massive cost for business. Other Government controlled costs, including energy, waste, water and council rates, must also be tackled.

The Tánaiste: The Deputy's power controls the county councils. It can tackle rates.

Deputy Damien English: The budget does not tackle any of these areas and may even result in an increase in rates because it cuts the local government fund by 13%. Does the Tánaiste and Minister for Enterprise, Trade and Employment have a strategy for the retail sector to ensure many thousands of jobs are not lost? As Deputies are aware, many businesses in our towns, from Navan to Cork, will close after Christmas because they cannot compete. The solution lies in the hands of the Government. The reduction in VAT is only a small step in the right direction. We must do much more and the Finance Bill provides an opportunity to do it. The Tánaiste also has an opportunity to outline her plans for the retail sector when she contributes to the debate later in the week.

Deputy Pat Breen: I welcome the reduction in VAT. Visiting retail stores on Friday and Saturday last, most of the proprietors complained about slow business as we approach Christmas. Why will the VAT reduction not apply immediately? This would have given retail outlets a badly needed boost through increased sales before Christmas. Given that many small and medium size enterprises will close after Christmas, the measure is too little, too late.

On the resolution which deals with support for the tourism sector, there is not much point introducing a travel scheme for overseas visitors using Iarnród Éireann if airlines are not flying to Ireland. Ryanair and Aer Lingus are seeking to reduce the number of flights to and from the country. The two companies do not often issue joint statements, as they have done in urging the Government to abolish the travel tax. While increasing the budget for tourism to support a marketing drive aimed at increasing tourism by 3% is fine, it is pointless if airlines decide to move their services elsewhere. Airlines are parking aeroplanes and reducing schedules all over the world.

Deputy James Bannon: Failure has become the driver of this Fianna Fáil-Green Party Government. The Green Party, which has behaved in a mean spirited manner towards the electorate, should have walked last October but refused to do so.

Deputy Paul Gogarty: We were protecting education and were honour bound to stay in government.

Deputy James Bannon: I have no doubt that come February or March 2010, when we experience civil unrest, the Green Party will be forced out of office by good, decent people who have been crippled by its reign in power.

The midlands counties of Longford and Westmeath suffered the largest fall in VAT receipts last year and the position will be much worse in the next county survey. Since the Minister for Defence, Deputy O'Dea, closed Longford Barracks 12 months ago, 53 businesses have closed on the town's main street. In Mullingar, Edgeworthstown, Athlone and Granard the position is similar. It is the result of the failure of the Government to look after those it is supposed to represent and weak representation in the constituency of Longford-Westmeath by Deputies Peter Kelly and Mary O'Rourke.

The Tánaiste: We will tell Deputy O'Rourke what Deputy Bannon said.

Deputy James Bannon: I have no doubt that come the next election, which will take place sooner than the Tánaiste believes, the electorate will give the Government an answer by putting it out of office.

The budget fails to give any practical assistance to business people who urgently require support. The Government has failed dismally on this issue. We are experiencing one company closure after another as the owners of small firms are driven from their shops and factories as a result of the Government's behaviour, particularly since the current Taoiseach, Deputy Cowen, assumed office. The Taoiseach has let down the midlands badly. Shame on him. If he was an honourable politician, he would travel to the park tonight and submit his resignation to the President.

The current crisis is entirely of the Government's making. Its knee-jerk, reactionary policies are preventing a full economic recovery from taking place. Recovery is not possible under a Fianna Fáil Government because people have lost trust in it. The Tánaiste has done a very bad job in the area of employment. No one has trust or confidence in the Government's ability to get the economy up and running again. It has failed and should resign immediately.

An Leas-Cheann Comhairle: The Deputy has made his point.

Minister for Defence (Deputy Willie O'Dea): Deputies asked the reason the VAT reduction will not kick in until 1 January 2010 given that last year's increase took effect on 1 December. I am informed that last year's increase was announced in the October budget to kick in on 1 December. Therefore, there was a fair gap between the announcement and the actual implementation.

Deputy Joe Costello: What is the reason?

Deputy Willie O'Dea: It takes some time for people to get their affairs in order and their systems in place, etc.

Deputy Pat Breen: Are they real or simply symbolic changes?

Deputy Willie O’Dea: In any case the retail sector will need it a good deal more in January than now.

Deputy Damien English: They will need a good deal more than this in January.

Deputy Willie O’Dea: I refer to another question raised.

Deputy Kieran O’Donnell: On a point of order, would the Minister not agree——

An Leas-Cheann Comhairle: That is not a point of order.

Deputy Kieran O’Donnell: It is a point of order.

An Leas-Cheann Comhairle: No, it is not.

Deputy Kieran O’Donnell: It seems extraordinary that the increase for labour related VAT——

An Leas-Cheann Comhairle: The Deputy is attempting to ask the Minister a question that is not a point of order.

Deputy Willie O’Dea: We gave five or six weeks’ notice. In this case people will only get three weeks notice which is not unreasonable.

Deputy Joe Costello: It is a half a per cent.

Deputy Damien English: They dropped it. It was not the Minister.

Deputy Willie O’Dea: I refer to the question of why the VAT rate was increased last year.

Deputy Leo Varadkar: They did not give it to everyone else in their pay packet.

Deputy Willie O’Dea: It was done as a revenue raising measure. If one examined the cost of decreasing it, even by a half a percent, it would be €140 million in 2010 and €167 million in a full year.

Deputy Kieran O’Donnell: The economy was in trouble.

Deputy Joe Costello: The economy is even worse now.

Deputy Willie O’Dea: Although Fine Gael maintain it does not believe in any taxes——

Deputy Pat Breen: Our budget is costed.

Deputy Willie O’Dea: ——and that every tax should be reduced, it promised a budget to find €2,300 million but only came up with €15 million.

Deputy Damien English: We had a very good budget.

Deputy Willie O’Dea: It has only €2,885 million to go.

Deputy Damien English: There were many good alternatives.

Deputy Kieran O’Donnell: Did the Minister even read our budget?

Deputy Willie O’Dea: I have read it, my God have I read it.

Deputy Damien English: He has not read it.

Deputy Willie O’Dea: I refer to the lower rate of VAT. I understood in parliamentary debate——

An Leas-Cheann Comhairle: Through the Chair, Minister.

Deputy Willie O’Dea: ——Members spoke uninterrupted from other side and Members were supposed to be able to reply from this side also without interruption.

Deputy Damien English: I learned from the Minister.

Deputy Bernard Allen: We do not have the same latitude as the *Sunday Independent*.

An Leas-Cheann Comhairle: Deputy Allen should allow the Minister to reply, please.

Deputy Damien English: He has not answered anything.

An Leas-Cheann Comhairle: Deputy English should note he has put questions.

Deputy Damien English: That is right.

An Leas-Cheann Comhairle: Has he any interest in hearing the reply?

Deputy Damien English: Yes, provided I get an answer.

Deputy Willie O’Dea: He does not have any interest.

An Leas-Cheann Comhairle: The Deputy should listen and he might hear.

Deputy Bernard Allen: The Minister stated a good deal on Sunday in the *Sunday Independent*.

Deputy Joe Costello: We cannot hear the Minister.

An Leas-Cheann Comhairle: The Minister without interruption, please.

Deputy Willie O’Dea: I refer to the proposed reduction from 13.5% to 10%. It would have cost €880 million. That would have been the revenue lost.

Deputy Kieran O’Donnell: A temporary measure, Minister.

Deputy Willie O’Dea: Some €880 million of a temporary nature for how long? For one year.

Deputy Kieran O’Donnell: No.

Deputy Damien English: That is rubbish.

Deputy Willie O’Dea: That represents €880 million in one year.

Deputy Kieran O’Donnell: The difference between 13.5% and 10% is €175 million.

Deputy Willie O’Dea: Some €880 million is the official figure. That is what the Fine Gael amendment would have cost the State.

Deputy Kieran O’Donnell: For a change from 13.5% to 10%?

Deputy Willie O’Dea: Admittedly, as Deputy Varadkar and others have stated, there are some labour intensive activities to which the 13.5% rate applies but there are other activities.

Deputy Kieran O’Donnell: It would have provided a stimulus to the economy.

Deputy Willie O’Dea: I have a list of the activities here which are covered in the 13.5% rate. They include laundry services. Would people get more laundry done if the rate were reduced? Other services include hairdressing, electrical repairs, driving instructions, travelling shows, chip shops and fast food outlets.

Deputy Damien English: The Minister is not making any sense.

Deputy Willie O’Dea: I do not believe that is the best way in which to spend State money.

Deputy James Bannon: The Minister should not speak of travelling shows. This began more than two years ago.

Deputy Willie O’Dea: I refer to the amendment in the name of Deputy Ó Snodaigh. The Deputy is entitled to a reply. The cost of Deputy Ó Snodaigh’s amendment in a full year would amount to €1,169 million. That would be the result of a reduction to 17.5%.

Deputy Arthur Morgan: It would represent good value.

Deputy Willie O’Dea: I realise that the UK Chancellor, Alastair Darling, was quoted earlier. He reduced VAT in the UK last year from 17.5% to 15% and he increased it again very quickly this year. There must be a logical explanation for that.

Deputy Damien English: He increased it once the recession was over in the North.

Deputy Willie O’Dea: Let us consider the measures in the UK budget announced today and this reduction of a half a per cent in VAT. The net result is the differential between Irish and UK rates of VAT has gone from 6.5% to 3.5% in one go, which is not unreasonable.

An Leas-Cheann Comhairle: By order of the Dáil of this day, I am required to put the following question:

“That amendments Nos. 1 to 3, inclusive, to Financial Resolution No. 3 are hereby negatived and Financial Resolution No. 3 is hereby agreed to.”

Question put and declared carried.

Financial Resolution No. 4: Value-Added Tax.

Minister for Defence (Deputy Willie O’Dea): I move:

(1) THAT the Value-Added Tax Act 1972 (No. 22 of 1972) be amended

(a) in section 1

(i) by inserting the following definition after the definition of “assignment”:

“‘auction scheme’ has the meaning assigned to it by section 10B”,

and

(ii) in paragraph (b) of the definition of ‘taxable dealer’, by substituting “including a means of transport and agricultural machinery” for “other than a means of transport”,

(b) in section 10A—

(i) in subsection (1), in the definition of ‘second-hand goods’, by substituting “including means of transport (within the meaning of section 12B) and agricultural machinery (within the meaning of section 12C), purchased or acquired on or after 1 January 2010, but not including” for “other than means of transport, agricultural machinery (within the meaning of section 12C),”, and

(ii) in subsection (13), by inserting “However, where an accountable person acquires a means of transport to which the margin scheme has been applied and that person subsequently supplies that means of transport, the provisions of this subsection shall not apply to that supply but the provisions of section 12B(10) shall apply to that supply.” after “that supply.”,

(c) in section 10B(10), by inserting “However, where an accountable person acquires a means of transport to which the auction scheme has been applied and that person subsequently supplies that means of transport, the provisions of this subsection shall not apply to that supply but the provisions of section 12B(10) shall apply to that supply.” after “that supply.”,

(d) in section 12B

(i) by deleting the proviso to subsection (4), and

(ii) by inserting the following subsections after subsection (11)

“(12) (a) Subject to paragraph (b), where a taxable dealer purchases or acquires a means of transport referred to in subsection (2) in the period from 1 January 2010 to 30 June 2010 (in this subsection referred to as the ‘transitional period’) the amount of residual tax referred to in subsection (4) which that taxable dealer is entitled to deduct shall be restricted to

(i) 40 per cent of the residual tax in the case of a means of transport purchased or acquired in the taxable period beginning on 1 January 2010,

(ii) 30 per cent of the residual tax in the case of a means of transport purchased or acquired in the taxable period beginning on 1 March 2010, and

(iii) 20 per cent of the residual tax in the case of a means of transport purchased or acquired in the taxable period beginning on 1 May 2010.

(b) The entitlement to restricted residual tax as provided for in paragraph (a) applies only on the occasion of the first purchase or acquisition by a taxable dealer of a means of transport referred to in subsection (2) which occurs on or after 1 January 2010, and does not apply to any subsequent purchase or acquisition of that means of transport by that or any other taxable dealer.

(c) Where a taxable dealer purchased or acquired a means of transport referred to in subsection (2) prior to 1 January 2010 and during the transitional period supplies that means of transport to another taxable dealer, the supplier shall indicate on the

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invoice in respect of that supply that the special scheme as provided for by this section has been applied and that restricted residual tax only is applicable.

(d) Where a taxable dealer purchased or acquired a means of transport referred to in subsection (2) prior to 1 January 2010 and during the transitional period supplies that means of transport to a taxable person other than another taxable dealer, the supplier shall indicate on the invoice in respect of that supply that the special scheme as provided for by this section has been applied and that the invoice does not give the right to deduct the tax chargeable on that supply.

(e) Where a taxable dealer opts to apply the margin scheme or applies the auction scheme to the supply of a means of transport referred to in subsection (2) which that dealer purchased or acquired on or after 1 January 2010, the supplier shall indicate on the invoice in respect of that supply that the margin scheme or the auction scheme, as appropriate, has been applied and no residual tax is applicable.

(f) Where during the transitional period a taxable dealer purchases or acquires a means of transport referred to in subsection (2) from a person other than another taxable dealer

(i) the taxable dealer shall take all reasonable steps to establish whether or not the means of transport was acquired during the transitional period by that person from another taxable dealer (in this paragraph referred to as a 'motor trader'), and

(ii) if that person acquired the means of transport from a motor trader during the transitional period, the taxable dealer shall take all reasonable steps to establish whether or not restricted residual tax as provided for in paragraph (a) was deductible by that motor trader or any other taxable dealer in relation to the means of transport.

(13) This section does not apply to a means of transport purchased or acquired on or after 1 July 2010.”,

(e) in section 12C

(i) by deleting subsection (4), and

(ii) by inserting the following subsections after subsection (5):

“(6) (a) Subject to paragraph (b), where a taxable dealer purchases or acquires from a flat-rate farmer or a person referred to in subsection (1A) agricultural machinery in the period from 1 January 2010 to 30 June 2010 (in this subsection referred to as the 'transitional period') the amount of residual tax referred to in subsection (3) which that taxable dealer is entitled to deduct shall be restricted to

(i) 40 per cent of the residual tax in the case of agricultural machinery purchased or acquired in the taxable period beginning on 1 January 2010,

(ii) 30 per cent of the residual tax in the case of agricultural machinery purchased or acquired in the taxable period beginning on 1 March 2010, and

(iii) 20 per cent of the residual tax in the case of agricultural machinery purchased or acquired in the taxable period beginning on 1 May 2010.

(b) The entitlement to restricted residual tax as provided for in paragraph (a) applies only on the occasion of the first purchase or acquisition by a taxable dealer of agricultural machinery which occurs on or after 1 January 2010, and does not apply to any subsequent purchase or acquisition of that agricultural machinery by that or any other taxable dealer.

(c) Where during the transitional period a taxable dealer purchases or acquires agricultural machinery from a flat-rate farmer or a person referred to in subsection (1A)

(i) the taxable dealer shall take all reasonable steps to establish whether or not the agricultural machinery was acquired in the transitional period by that flat-rate farmer or that person from another taxable dealer (in this paragraph referred to as an ‘agricultural machinery trader’), and

(ii) if that flat-rate farmer or that person acquired the means of transport from an agricultural machinery trader during the transitional period, the taxable dealer shall take all reasonable steps to establish whether or not restricted residual tax as provided for in paragraph (a) was deductible by that agricultural machinery trader or any other taxable dealer in relation to the agricultural machinery.

(7) This section does not apply to agricultural machinery purchased or acquired on or after 1 July 2010.”,

(f) in section 16, by inserting the following subsections after subsection (5):

“(6) Every taxable dealer to whom section 12B or 12C applies shall, in addition to records to be kept in accordance with any other provision of this section and regulations, keep a record of the following information, namely

(a) the name and address of each person from whom such taxable dealer purchased or acquired a means of transport or, as the case may be, agricultural machinery in the period from 1 January 2010 to 30 June 2010 in relation to which such taxable dealer deducted residual tax in accordance with section 12B or 12C, as the case may be,

(b) the date on which such means of transport or agricultural machinery was so purchased or acquired,

(c) the amount of such residual tax so deducted in relation to each such means of transport or agricultural machinery, and

(d) the vehicle registration number of each such means of transport or, as the case may be, details of the make, model and, where appropriate, the year of manufacture, the engine number and registration number of each such agricultural machine.

(7) A taxable dealer to whom section 12B or 12C applies, shall, on receipt of a notice in writing to that effect by an officer of the Revenue Commissioners, furnish to that officer within the time specified in the notice (which shall not be less than 21 days from the date of the notice), or to such other officer of the Revenue Commissioners as may be specified in the notice, a copy of the information required to be kept by the taxable dealer under subsection (6).”,

and

(g) in section 26, by inserting the following subsection after subsection (3B):

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“(3C) A person who fails to comply with a notice issued under section 16(7) shall be liable to a penalty of €4,000.”.

(2) THAT this Resolution shall have effect as on and from 1 January 2010.

(3) IT is hereby declared that it is expedient in the public interest that this Resolution shall have statutory effect under the provisions of the Provisional Collection of Taxes Act 1927 (No. 7 of 1927).

Question put and agreed to.

Financial Resolution No. 5: General.

Tánaiste and Minister for Enterprise, Trade and Employment: I move:

THAT it is expedient to amend the law relating to inland revenue (including value-added tax and excise) and to make further provision in connection with finance.

Debate adjourned.

The Dáil adjourned at 10.15 p.m. until 10.30 a.m. on Thursday, 10 December 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 5, inclusive, answered orally.

Questions Nos. 6 to 22, inclusive, resubmitted.

Questions Nos. 23 to 34, inclusive, answered orally.

Rail Network.

35. **Deputy Seymour Crawford** asked the Minister for Transport the progress of the DART underground project; the associated works that have been completed; when the project will be fully finished; the method chosen for financing this project; the cost to date; and if he will make a statement on the matter. [45934/09]

Minister for Transport (Deputy Noel Dempsey): The National Transport Authority or NTA was formally established on the 1st of December 2009. The functions of the Authority, pursuant to section 11 of the Dublin Transport Authority Act 2008, include securing the provision of public transport infrastructure in the Greater Dublin Area. Statutory responsibility for securing the delivery of infrastructure projects, such as the DART Underground, is now a matter for the NTA.

As is the case with the National Roads Authority, the NTA has appointed an Oireachtas Liaison Officer to respond to questions raised by Deputies. The Oireachtas Liaison Officer is Matt Benville and he may be contacted at 604 1098 or at The National Transport Authority, 59 Dawson Street, Dublin 2.

Railway Procurement Processes.

36. **Deputy Deirdre Clune** asked the Minister for Transport the details on an internal Iarnróid Éireann report arising from a reference in the Baker Tilly Report (details supplied); and if he will make a statement on the matter. [45923/09]

Minister for Transport (Deputy Noel Dempsey): I refer the Deputy to my earlier reply to Question No. 28 which sets out the position in relation to the follow up to the Baker Tilly Ryan Glennon report generally. The report, which I expect to receive shortly from the Board

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of CIE addresses areas of expenditure such as those referred to by the Deputy not covered in the Baker Tilly Ryan Glennon report.

Aviation Industry.

37. **Deputy Emmet Stagg** asked the Minister for Transport if he has met with representatives of the travel and tourism industry in view of the further recent job losses in the industry and the plummeting volumes of passengers in the aviation sector; his plans for transport facilities for visitors to Ireland; and if he will make a statement on the matter. [45881/09]

Minister for Transport (Deputy Noel Dempsey): I have not recently met with or been directly briefed by representatives of the travel and tourism industry. However, the Minister for Arts, Sport and Tourism brings any necessary matters to my attention so I am fully aware of the negative impact that the current difficult economic situation is having on the aviation sector and am closely monitoring developments.

My Department is liaising with the Department of Arts Sport & Tourism in the context of implementing a recommendation concerning enhanced air access contained in the Report of the Tourism Renewal Group, which was published recently by my colleague Martin Cullen T.D. Minister for Arts Sport and Tourism.

Last year, I asked the Commission for Aviation Regulation to review the regulatory framework for licensing and bonding the travel trade. I fully support certain recommendations made in their report, which will reduce the administrative burden on the sector.

While the wider air transport industry is currently faced with significant challenges arising from the global economic downturn, the Government will continue to support the development of an innovation-friendly, pro-competition regulatory framework for aviation.

The continued roll-out of DAA's investment programme and introduction of US preclearance facilities will greatly enhance the experience of customers using Irish airports and will provide airlines with opportunities to develop and grow new services.

The Government, through its residual role as a minority shareholder in Aer Lingus, will continue to support strong competition between airlines.

The development and growth in Ireland's air transport links played a significant part in our economic success since the mid-1990s. Investment, connectivity and competition between airlines serving the Irish market will help to ensure that air transport plays an even greater role in our economic recovery.

Light Rail Project.

38. **Deputy Jimmy Deenihan** asked the Minister for Transport if he has had discussions with officials of the Department of Finance regarding the Metro North project; when he expects the hearings of An Bord Pleanála to conclude; and if he will make a statement on the matter. [45947/09]

54. **Deputy Joe Costello** asked the Minister for Transport when a decision will be made between the two final bidders (details supplied) for Metro North; if he will make available a revised indicative timetable for the project; and if he will make a statement on the matter. [45866/09]

Minister for Transport (Deputy Noel Dempsey): I propose to take Questions Nos. 38 and 54 together.

The National Transport Authority or NTA was formally established on the 1st of December 2009. The functions of the Authority, pursuant to section 11 of the Dublin Transport Authority Act 2008, include securing the provision of public transport infrastructure in the Greater Dublin Area. Statutory responsibility for securing the delivery of infrastructure projects, such as Metro North, is now a matter for the NTA.

As is the case with the National Roads Authority, the NTA has appointed an Oireachtas Liaison Officer to respond to questions raised by Deputies. The Oireachtas Liaison Officer is Matt Benville and he may be contacted at 6041098 or at The National Transport Authority, 59 Dawson Street, Dublin 2.

My Department has had regular contact during the course of the year with the Department of Finance in relation to Metro North. As confirmed in the Renewed Programme for Government, Metro North remains a priority in the transport investment programme.

Air Services.

39. **Deputy Emmet Stagg** asked the Minister for Transport when pre-clearance facilities will be fully operational in Dublin and Shannon Airports; which airline carriers are using the pre-clearance facilities and if any new business has been generated at Irish airports due to pre-clearance facilities; and if he will make a statement on the matter. [45879/09]

Minister for Transport (Deputy Noel Dempsey): Operational decisions about the use of preclearance facilities are a matter for the Airport Authority, the U.S. Department of Homeland Security and the airlines concerned.

In the case of Shannon Airport, I understand from the Dublin Airport Authority (DAA) that the US Preclearance facility for commercial aviation at Shannon Airport has been fully operational since 5 August last and that Continental Airways, Delta Airways and U.S. Airways, operating from Shannon, have used the facility since then. Currently Continental is the only carrier operating direct services from Ireland that uses the facility but I understand that Delta will resume use when its summer schedule commences in May next year. In relation to new business, British Airways is availing of the facility in respect of a twice-daily service from London City to New York (JFK) that stops at Shannon for that purpose.

The next phase of preclearance at Shannon is to extend its use to general aviation traffic. The necessary infrastructure is in place and my Department, in conjunction with the Shannon Airport Authority, is working closely with the U.S. authorities with a view to having this phase of preclearance operational as quickly as possible.

As to Dublin Airport, the preclearance facility there will form part of Terminal Two and is due to commence operations when the terminal opens in November 2010. It is understood from the DAA that all the U.S. carriers, operating out of Dublin Airport, expect to take advantage of preclearance when it becomes available.

Electric Vehicles.

40. **Deputy Eamon Gilmore** asked the Minister for Transport the role his Department has in the promotion and rollout of the national electric car and vehicle programme; the number of hybrid electric buses funded by his Department; his plans to encourage delivery and service vehicles to switch to low CO₂ and electric power vehicles; the size of the national electric vehicle fleet; and if he will make a statement on the matter. [45888/09]

Minister for Transport (Deputy Noel Dempsey): In February I launched Smarter Travel, Ireland's new sustainable transport policy. It contains a commitment that electric cars will form

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10% of the market by 2020. The most recent figures available to my Department indicate (November 2009) that just over 0.2% of vehicles — 4,066 — are a declared fuel-type of hybrid electric cars. This gives some idea of the scale of our ambition to increase this figure significantly.

The Department of Communications, Energy and Natural Resources, in conjunction with the ESB, is leading on the national deployment and roll out of Electric Vehicles. Officials in my Department are members of the Interdepartmental Working Group on the Electric Vehicles.

My Department has funded a pilot scheme to deploy a prototype Hybrid bus as part of the Dublin Bus fleet, since December 2008, with the purpose of testing and evaluating the benefits of hybrid bus deployment. The hybrid bus has undergone continuous monitoring since its deployment and improvements are being made.

Railway Procurement Practices.

41. **Deputy Enda Kenny** asked the Minister for Transport if he has requested and received copies of all internal audit reports into CIE companies from CIE as promised; and if he will make a statement on the matter. [45987/09]

Minister for Transport (Deputy Noel Dempsey): I have not asked CIE for copies of all internal audit reports into CIE but I have asked the Board of CIE for a report on the circumstances giving rise to the Baker Tilly Ryan Glennon report on procurement practices in Irish Rail, the extent to which progress has been made in implementing the recommendations in the report and the measures being taken to ensure adequate controls in expenditure areas not covered in the report.

I expect that this report will address the adequacy of the internal audit arrangements in place in CIE.

Harbour Authorities.

42. **Deputy Brian Hayes** asked the Minister for Transport if he has received a copy of the Deloitte report from a company (details supplied); and if he will make a statement on the matter. [45974/09]

Minister for Transport (Deputy Noel Dempsey): I refer the Deputy to my response to priority Question No. 23 for answer today.

Light Rail Project.

43. **Deputy Joe Costello** asked the Minister for Transport the status of the LUAS line BX; when works will commence on LUAS line BX; when will the line be fully operational; and if he will make a statement on the matter. [45869/09]

Minister for Transport (Deputy Noel Dempsey): The National Transport Authority or NTA was formally established on the 1st of December 2009. The functions of the Authority, pursuant to section 11 of the Dublin Transport Authority Act 2008, include securing the provision of public transport infrastructure in the Greater Dublin Area. Statutory responsibility for securing the delivery of infrastructure projects, such as Luas Line BX, is now a matter for the NTA.

As is the case with the National Roads Authority, the NTA has appointed an Oireachtas Liaison Officer to respond to questions raised by Deputies. The Oireachtas Liaison Officer is Matt Benville and he may be contacted at 6041098 or at the National Transport Authority, 59 Dawson Street, Dublin 2.

Air Services.

44. **Deputy Shane McEntee** asked the Minister for Transport his views on his recent direction to the Aviation Regulator to set passenger charges at Dublin Airport; and if he will make a statement on the matter. [45994/09]

61. **Deputy Bernard J. Durkan** asked the Minister for Transport the extent to which all airport charges and other costs for airlines operating from airports in this jurisdiction compare with the costs in other jurisdictions; and if he will make a statement on the matter. [45902/09]

72. **Deputy Joan Burton** asked the Minister for Transport the position regarding terminal two at Dublin Airport; when terminal two will be operational; the estimated number of passengers that will use terminal two in its first year of operation; if he will explain his recent announcements on the funding of terminal two and on the aviation regulations; his views on reports of an estimated 12.55% decline in passenger numbers at Dublin Airport in the first nine months of 2009, the estimated reductions of approximately 17% in Cork and 9% in Shannon; and if he will make a statement on the matter. [45863/09]

Minister for Transport (Deputy Noel Dempsey): I propose to take Questions Nos. 44, 61 and 72 together.

I have been informed by the Dublin Airport Authority (DAA) that the construction of terminal 2 (T2) will be completed early next year and that the terminal will become operational, on a phased basis, in 2010. DAA estimate that approximately 35%-40% of total passengers at Dublin Airport will use T2 in its first year of operation.

In relation to the funding of T2, DAA operates under a clear commercial mandate and its capital investment programme, including T2, is funded without exchequer support. The remuneration of investment in T2 is dependent on the overall level of airport charges at Dublin airport, as determined by the Commission for Aviation Regulation (CAR), which regulates airport charges at Dublin Airport.

On 27 October I issued a general policy direction to CAR under Section 10 of the Aviation Regulation Act 2001. In it I drew the Commissioner's attention to stated Government policy on the development of T2. CAR's final determination on airport charges has now been published and I note that the Commission is satisfied that the determination complies with my direction. I understand that the DAA are now reviewing the determination to assess its likely impact on the operation of the airport.

Airport charges at Cork and Shannon Airports are set by the relevant airport authority while charges at the six regional airports, which are owned and operated independently, are a matter for each airport concerned.

In relation to comparative charges at airports outside this jurisdiction, I have been informed by the DAA that independent research indicates that charges at Dublin are towards the lower end of a broad comparison group of the top airports in Europe. Data extracted from the independently produced Jacobs 'Review of Airport Charges 2008' Report, which ranks charges from most to least expensive, show that Dublin Airport's charges are ranked 29th of 50 in its European airport survey. I also understand from the DAA that charges at Cork and Shannon also compare favourably with European benchmarks.

I have no function in relation to airline operating costs.

I understand from the DAA that passenger numbers for the first nine months of 2009 are down 12.5%, 8% and 16% at Dublin, Shannon and Cork airports respectively. This decline in

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traffic reflects the continued fallout from the global financial crisis and the severe decline in the Irish economy.

Departmental Agencies.

45. **Deputy David Stanton** asked the Minister for Transport the State agencies and bodies under the aegis of his Department; the funding each has received from his Department in 2009; and if he will make a statement on the matter. [45903/09]

Minister for Transport (Deputy Noel Dempsey): The Exchequer funding allocated under Vote 32 to the agencies under the aegis of my Department in 2009 is as follows:

State body	Funding provided by Department in 2009
	€000
CIE Group	726,808
Railway Safety Commission	2,014
Railway Procurement Agency	177,797
National Roads Authority	1,470,009
Dublin Transportation Office	38,472
Road Safety Authority	32,835
Medical Bureau of Road Safety	4,363
Marine Casualty Investigation Board	200

A sum of €3.699m is also paid out to various port companies and harbour commissioners in respect of capital works on regional harbours.

Consumer Protection.

46. **Deputy Joanna Tuffy** asked the Minister for Transport the measures he has established with the Department of Enterprise, Trade and Employment and the Department of Finance to address the problem of car clocking which according to a recent investigation has increased by 400% since March 2009; if he is aware of the implications of car and vehicle clocking for road safety in view of the role of computerised systems in modern transport; and if he will make a statement on the matter. [45891/09]

Minister for Transport (Deputy Noel Dempsey): As the issue of car clocking relates to commercial trading it is a matter for the National Consumer Agency in relation to the Consumer Protection Acts.

I understand that the Consumer Protection Act 2007 makes it an offence for a trader to engage in a misleading commercial practice, which would include the provision of false information in relation to a “products usage or prior history” to the extent that the information would be likely to cause the average consumer to make a transactional decision that the average consumer would not otherwise make.

I understand that the National Consumer Agency enforces this legislation and provides advice for prospective buyers in its Guide to Buying a Car.

Road Traffic Offences.

47. **Deputy John Deasy** asked the Minister for Transport if he has engaged in consultations with An Garda Síochána and the Courts Service on the proposed changes to the fixed charge penalty processing system; and if he will make a statement on the matter. [45943/09]

Minister for Transport (Deputy Noel Dempsey): Consultations with all interested parties, including An Garda Síochána and the Courts Service took place during the drafting of the Road Traffic Bill, 2009.

I published the Road Traffic Bill, 2009 on 30 October 2009. It contains proposed changes aimed at improving the fixed charge processing system.

48. **Deputy Paul Kehoe** asked the Minister for Transport the expected timetable for the introduction of mutual recognition of penalty points here; and if he will make a statement on the matter. [45982/09]

70. **Deputy Kathleen Lynch** asked the Minister for Transport if he will report on the recent conclusion of the agreement with the United Kingdom on the mutual recognition of disqualified drivers; the way in which the new mechanism will work; when it will come into force; the position regarding the development of a system of the mutual recognition of penalty points; and if he will make a statement on the matter. [45876/09]

75. **Deputy Denis Naughten** asked the Minister for Transport the action he will take to address the abuse of the penalty points system by those not holding an Irish or UK driving licence; and if he will make a statement on the matter. [45810/09]

Minister for Transport (Deputy Noel Dempsey): I propose to take Questions Nos. 48, 70 and 75 together.

The Road Traffic Bill 2009 which I published on 30 October 2009 amends driving licence provisions, to ensure that penalty points and disqualifications can be applied to non-national driving licences, and to give the Gardai powers to seize a licence where the driver has been disqualified or where the licence has been fraudulently obtained or is forged or altered.

Ireland and the United Kingdom co-ordinated the making of their respective Declarations to the EU Council on 30th October 2009 for the purposes of implementing the European Union Convention on Driving Disqualifications (1998).

This means that, with effect from 28 January 2010, disqualifications imposed on Irish drivers in the UK for certain road traffic offences will be notified to the RSA, who will notify the relevant licensing authority who may apply to the Courts to have the disqualification recognised.

The bilateral arrangements will similarly provide for the RSA to notify the UK authorities of disqualifications imposed on UK drivers by an Irish Court.

The mutual recognition of penalty points is a longer term project. As separate penalty point systems operate in each of the three jurisdictions, this is a much more complex legal and administrative issue than the mutual recognition of driver disqualifications, and will require the passage of primary legislation in both jurisdictions in due course.

Departmental Agencies.

49. **Deputy Jim O'Keeffe** asked the Minister for Transport the companies and agencies which are directly or indirectly funded under the remit of his Department are not subject to Freedom of Information; and if he will make a statement on the matter. [45969/09]

Minister for Transport (Deputy Noel Dempsey): The following are the bodies under the aegis of my Department that are not covered by the Freedom of Information legislation:

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Agency Name

Irish Aviation Authority
 Railway Safety Commission (RSC)
 Road Safety Authority (RSA)
 Port of Cork Company
 Drogheda Port Company
 Dublin Port Company
 Dun Laoghaire Harbour Company
 Dundalk Port
 Galway Harbour Company
 New Ross Port Company
 Shannon Foynes Port Company
 Waterford Harbour Company
 Wicklow Port
 Dublin Airport Authority
 Shannon Airport Authority
 Cork Airport Authority
 Córas Iompair Éireann
 Bus Atha Cliath
 Bus Éireann
 Iarnród Éireann
 Arklow Harbour Commissioners
 Baltimore & Skibbereen Harbour Commissioners
 Bantry Bay Harbour Commissioners
 Kinsale Harbour Commissioners
 Tralee & Fenit Pier and Harbour Commissioners
 Wexford Harbour Commissioners

Of the above, I understand that work is well advanced in the Department of Finance to extend the Freedom of Information (FOI) legislation to both the RSA and the RSC.

Work is also well advanced in that Department to extend the FOI legislation to the Advisory Council to the Commission for Taxi Regulation and the Railway Safety Advisory Council.

With regard to the other bodies listed above, it is not proposed at this stage to bring them under Freedom of Information legislation on grounds of commercial, safety, restructuring and competition considerations.

Departmental Bodies.

50. **Deputy Kieran O'Donnell** asked the Minister for Transport the salary scales of the chief executives and senior executives within all bodies, companies and agencies under the remit of his Department in 2008 and in 2009 and the awarding; and if he will make a statement on the matter. [45956/09]

Minister for Transport (Deputy Noel Dempsey): It is the responsibility of the Boards of the relevant bodies under the aegis of my Department to agree terms and conditions (including remuneration) of their respective Chief Executives. Details of remuneration are generally published in the Annual Reports.

Cycle Facilities.

51. **Deputy Lucinda Creighton** asked the Minister for Transport the support he will provide for the construction of a Dublin canals cycle lane system; and if he will make a statement on the matter. [46000/09]

Minister for Transport (Deputy Noel Dempsey): The potential role that canals can play in delivering both a sustainable transport future and a culture of cycling in Ireland is recognised in the Smarter Travel policy document and in Ireland's First National Cycle Policy Framework.

The planning and development of canal-based cycle lanes in the Dublin city area is a matter for Dublin City Council in conjunction with Waterways Ireland and other relevant agencies. A good start has been made on the development of a canal-based route in the city through the Council's plans for an off-road cycle route via the Grand Canal, the new Samuel Beckett Bridge and the Royal Canal to provide a link from Portobello to Fairview Park. I announced my intention in September last to provide financial assistance of up to €10 million to the project in view of its potential not only to facilitate cyclists but also in view of the associated works which will significantly improve pedestrian safety at eleven junctions along the route.

At the same time, South Dublin County Council is developing, with financial assistance from my Department, an exemplary cycling route between Adamstown and Inchicore.

The City Council is now surveying, with some funding from my Department, the potential canal-based route between Portobello and Inchicore. Such a stretch represents the missing element in creating a first class cycleway from Adamstown to the city.

Any detailed proposals that emerge in relation to further canal-based cycle routes will be considered in the context of progress with the Portobello to Fairview Park and Adamstown to Inchicore projects, proposals by other local authorities and competing demands for scarce financial resources.

Departmental Agencies.

52. **Deputy Terence Flanagan** asked the Minister for Transport the list and the amount spent on public awards contracts by companies and agencies under the remit of his Department in 2008 and to date in 2009; and if he will make a statement on the matter. [45971/09]

Minister for Transport (Deputy Noel Dempsey): Procurement and expenditure activities of the agencies operating under the aegis of my Department are a day-to-day operational matter for the agencies concerned, and I have no function in these matters.

Harbour Authorities.

53. **Deputy John Perry** asked the Minister for Transport if he has carried out a separate inquiry in relation to a company (details supplied); and if he will make a statement on the matter. [45978/09]

Minister for Transport (Deputy Noel Dempsey): I refer the Deputy to my response to priority Question No. 23 for answer today.

Question No. 54 answered with Question No. 38.

Road Network.

55. **Deputy Willie Penrose** asked the Minister for Transport if he will instigate an audit of the road surfaces of all non-national roads in conjunction with the local authorities; if he has

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received correspondence from the European Commission or any other EU body on the issue of road surfaces arising from complaints from bereaved families of road death victims; and if he will make a statement on the matter. [45870/09]

Minister for Transport (Deputy Noel Dempsey): As Minister for Transport I have responsibility for overall policy and funding in relation to the national roads programme element of Transport 21. The construction, improvement and maintenance of individual national roads is a matter for the National Roads Authority under the Roads Acts 1993 to 2007 in conjunction with the local authorities concerned.

The improvement and maintenance of regional and local roads is a statutory function of each road authority, in accordance with the provisions of Section 13 of the Roads Act, 1993, to be funded from its own resources supplemented by State road grants.

A national Pavement Condition Study of the regional and local road network was carried out in 1996 and a second Pavement Condition Study of the network was completed in 2005. On foot of the findings of the second study, significant grants have been made available to county councils under the pavement restoration programme for restoration improvement and restoration maintenance.

The application of a suitable Pavement Management System is being developed and any further audit/pavement studies will be examined as part of this.

No correspondence has been received by my Department from the European Commission or any other EU body on the issue of road surfaces.

State Airports.

56. **Deputy George Lee** asked the Minister for Transport the details of the communications he has had with Aer Lingus with regards to their present difficulties; and if he will make a statement on the matter. [45988/09]

Minister for Transport (Deputy Noel Dempsey): I have had no direct contact with Aer Lingus with regard to the detail of their restructuring plans. I am receiving regular briefing from officials in my Department who are closely monitoring developments at the airline.

This is clearly a very challenging time for everyone involved at Aer Lingus. From an aviation policy perspective, I would encourage all stakeholders to continue to lend their full support to the airline to ensure that it has a viable independent future.

The services of the Labour Relations Commission (LRC) and the National Implementation Body (NIB) will continue to be available to assist management and staff representatives in finding a solution to the financial difficulties of the company.

Road Safety.

57. **Deputy Róisín Shortall** asked the Minister for Transport will he publish the reports into the crash between a Luas and a Dublin Bus on O'Connell Street, Dublin as a matter of urgency; and if he will make a statement on the matter. [45875/09]

Minister for Transport (Deputy Noel Dempsey): The publication of investigative reports into the crash referred to by the Deputy is a matter for the Garda and the Railway Accident Investigation Unit (RAIU) who are conducting separate investigations into the incident.

Road Network.

58. **Deputy Pádraic McCormack** asked the Minister for Transport if he has received representations for additional funding for road repairs as a result of recent flooding; and if he will make a statement on the matter. [45992/09]

Minister for Transport (Deputy Noel Dempsey): I have received a number of representations following the recent flooding.

The improvement and maintenance of regional and local roads is a matter for the relevant local authority, to be funded from its own resources supplemented by State road grants paid by my Department. The initial selection of works to be funded from these grants is also a matter for the local authority. Funding of national roads is a matter for the National Roads Authority.

When road grants for regional and local roads are allocated each year, my Department does not hold back a reserve allocation at central level to deal with weather contingencies. Such an arrangement would mean a reduction across all local authorities in the road grant allocations made to them at the beginning of each year.

The allocations made to local authorities are inclusive of a weather risk factor. Local authorities are expressly advised that they should set aside contingency sums from their overall regional and local roads resources to finance necessary weather related works. That stipulation is contained clearly in the circular letter which is sent to each local authority with the yearly road grant allocations.

In 2009, grants totalling €447.477 million were allocated to local authorities for works on regional and local roads. This allocation included a Discretionary Maintenance grant of €29.560 million and a Discretionary Improvement grant of €12.500 million. These monies are available, at the discretion of county councils, to fund contingency works arising from weather conditions.

My Department would also be prepared to consider, sympathetically, any request from local authorities to adjust their multi-annual restoration programmes or revise their specific grant applications in order to prioritise work necessitated by severe weather conditions. In 2009, local authorities have been allocated a total of €144.951 million in Restoration Improvement grants and €85.000 million in Restoration Maintenance grants.

Local authorities are still assessing the extent of flood damage in their regions. Because these assessments cannot be completed until the flooding subsides, I expect that it will take some time before all the authorities concerned can quantify the damage sustained to their regional and local road networks and cost the repairs.

The Deputy will appreciate that I cannot, at this time, indicate what funding might be either needed or available to address damage caused to the regional and local road network by recent flooding. My officials are keeping in contact with local authorities affected by flooding. The current difficulties being faced by those authorities are being monitored and will be taken into account in the 2010 regional and local road grant allocations, to the extent that resources will allow.

Public Transport.

59. **Deputy Brian O'Shea** asked the Minister for Transport if he has reviewed the transcript of the recent appearance of a person (details supplied) before the Joint Committee on Transport on the alleged operation of a bus service (details supplied) between Dublin and Galway without a licence; his views on the opinions that were expressed by a person at the Joint Committee on Transport; the position regarding his Department's investigation into the oper-

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ation of this alleged unlicensed service; the date on which the Public Transport Regulation Act will commence; and if he will make a statement on the matter. [45884/09]

Minister for Transport (Deputy Noel Dempsey): I am fully aware of the discussions that recently took place before the Joint Oireachtas Committee on Transport in relations to the bus service in question.

The position in relation to the operation of that service was clearly set out to the Committee by an official of my Department. The service is being operated without the support of a bus route licence under the Road Transport Act 1932. That matter is currently the subject of an investigation by An Garda Síochána.

The Public Transport Regulation Act 2009 was enacted on 27 November 2009. While the Act provides that certain sections of the Act may commence by order, Part 1 and sections 42(1), 45 and Schedule 1 commenced automatically on the date of enactment.

I have recently signed the Public Transport Regulation Act 2009 (Sections 5, 23 and 29) (Commencement) Order 2009 (S.I. No. 466 of 2009), which provides that sections 5, 23 and 29(1)(b), (c) (other than paragraphs (e) and (f) of the amendment effected by that paragraph), (e), (g) to (k) and (2) of the Act came into operation on 1 December 2009. These sections relate to the making of the commencement orders, the drawing up of guidelines by the National Transport Authority in relation to the licensing of public bus passenger services and amendments to the Dublin Transport Authority Act 2008. I have also signed the Public Transport Regulation Act 2009 (National Transport Authority) (Appointed Day) Order 2009 (S.I. No. 467 of 2009), which changes the name of the Dublin Transport Authority to the National Transport Authority with effect from 1 December 2009.

I will determine the dates for the commencement of the remaining provisions of the Act as I deem appropriate having regard to the circumstances in each case.

60. **Deputy Seán Sherlock** asked the Minister for Transport if his attention has been drawn to the August 2009 report by the United Kingdom's Office of Fair Trade on local bus services in the deregulated UK bus market outside London and Northern Ireland; his views on whether further legislation may be necessary to ensure that predatory and private monopolistic practices such as salami slicing, gaming and exclusivist timetabling that are referenced in the report are avoided in Ireland; and if he will make a statement on the matter. [45885/09]

Minister for Transport (Deputy Noel Dempsey): I am aware of the recent UK Office of Fair Trading market study and report on local bus services, mainly outside London and Northern Ireland, where the bus industry has been deregulated.

The Deputy will be aware that the bus sector is not deregulated in this country and this position has been further reinforced by the recent enactment of the Public Transport Regulation Act 2009. Part 2 of the Act establishes a new framework for the licensing of commercial public bus passenger services with the objective of promoting regulated competition in the public interest, as well as the promotion of integrated, well-functioning and cost efficient public passenger transport services.

The Act establishes a clear structure against which applications for bus route licences will be considered by the National Transport Authority. In particular, it introduces the demand test in section 10 which in effect places the consumer at the heart of the process in that the intention is to match service demand with service provision rather than to protect the existing or prospective service providers.

The section also allows the Authority to consider the impact of proposed bus services on contracted public passenger transport services, including subvented services, where appropriate. These provisions will enable the Authority to protect against “cherry-picking” or other inappropriate activity such as that referred to by the Deputy.

Section 23 of the Act provides that the Authority must produce guidelines for the licensing of public bus passenger services under Part 2 of the Act as a whole. Those guidelines must set out the approach that the Authority proposes to apply to the consideration of applications under section 10. The Act also introduces a modern system of penalties and associated powers for revocation of licences where a licence holder has not met the conditions under which the licence was granted.

I am confident that the provisions of the Act will deliver a new robust bus licensing regime to benefit stakeholders and consumers.

Question No. 61 answered with Question No. 44.

Proposed Legislation.

62. **Deputy Brian O’Shea** asked the Minister for Transport if he will legislate for the graduated driver licence scheme which is Action 72 of the 2007 to 2012 Road Safety Strategy with a target completion date of the third quarter of 2008; and if he will make a statement on the matter. [45883/09]

Minister for Transport (Deputy Noel Dempsey): The Road Safety Strategy 2007–2012 outlines a range of measures to be considered in relation to a Graduated Driver Licensing System (GDLS). The driver licensing regulations made in October 2007, which provided for the introduction of a learner permit to replace the provisional licence and for some other measures, were the first step in the introduction of a GDLS.

The Road Safety Authority (RSA) undertook a consultation process on a GDLS in 2009, which contained a number of possible measures. The RSA has been considering the responses from the public and interested bodies and I understand that recommendations will be made to me shortly. It is too soon to say what the timeframe will be or whether new legislation will be required.

Road Network.

63. **Deputy Bernard J. Durkan** asked the Minister for Transport if he has responsibility for the allocation of funding towards regional and county road networks here; the degree to which such funds are being made available or are likely to be made available for the alleviation of flooding and the elimination of accident blackspots thereby contributing to the safety of motorists and pedestrians; and if he will make a statement on the matter. [45901/09]

Minister for Transport (Deputy Noel Dempsey): The improvement and maintenance of regional and local roads is a statutory function of each road authority in accordance with the provisions of section 13 of the Roads Act 1993. The carrying out of works on these roads is a matter for the relevant local authority to be funded from its own resources supplemented by State road grants. The initial selection and prioritisation of projects to be funded is also a matter for the local authority.

Local authorities may submit applications for funding projects to eliminate accident blackspots, under my Department’s Low Cost Safety Improvement Works scheme of grants for regional and local roads. This scheme of grants was introduced in 2000 as an extension of the scheme operated on national roads under the auspices of the National Roads Authority (NRA).

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The NRA assesses applications for grant assistance under the scheme on behalf of my Department. The criteria for grant approval are based on accident data, inspection of sites, locations showing demonstrable hazard and discussions between the local authority and the NRA.

When Exchequer grants for regional and local roads are allocated each year, my Department does not hold back a reserve allocation, at central level, to deal with weather contingencies such as flooding. Holding back such an allocation would mean a reduction in the road grant allocations made to all local authorities at the beginning of each year.

The allocations made to local authorities are inclusive of a weather risk factor. Local authorities are expressly advised in the annual road grants circular letter that they should set aside contingency sums from their overall regional and local roads resources to finance necessary weather related works.

My Department would be prepared to consider, sympathetically, any request from local authorities to adjust their multi-annual restoration programmes or revise their specific grant applications, in order to prioritise work in 2010 necessitated by the recent flooding.

Local authorities are still assessing the extent of flood damage in their regions. Because these assessments cannot be completed until the flooding subsides, I expect that it will take some time before all the authorities concerned can quantify the damage sustained by their regional and local road networks and cost repair work.

64. **Deputy Liz McManus** asked the Minister for Transport his views on the feasibility study on the Leinster outer orbital route which was submitted to his Department by the National Roads Authority in 2007; if he has been briefed by the NRA or Meath County Council on this matter; if he expects planning or works on the proposal to begin in 2010; and if he will make a statement on the matter. [45871/09]

Minister for Transport (Deputy Noel Dempsey): As Minister for Transport, I have responsibility for overall policy and funding in relation to the national roads programme element of Transport 21. The construction, improvement and maintenance of individual national roads, including the Leinster Orbital Route, is a matter for the National Roads Authority under the Roads Act 1993 in conjunction with the local authorities concerned.

The NRA completed an updated feasibility study, which built on a study completed in 2001. This study, which was presented to me in April 2007, looked at the costs and benefits of such a route. The study finds that there is merit in constructing an Orbital Route linking Drogheda/Navan/Naas. Overall, the study concludes that the route is economically viable, technically feasible and strategically beneficial.

Neither Transport 21 nor the National Development Plan provide any funding for a Leinster Orbital Route. The Government has already made it clear that under Transport 21, its priorities for the national roads investment programme, after the completion of the major inter-urban network in 2010, will be the Atlantic Road Corridor as well as the improvement of other key national primary routes and the targeting improvement of certain national secondary routes.

It is clear that, in the current economic climate, further progress on projects such as the Leinster Orbital Route will only be possible as and when resources become available.

Proposed Legislation.

65. **Deputy Jack Wall** asked the Minister for Transport his plans to bring forward legislation to amalgamate the Commission for Aviation Regulation and the regulatory functions of the

Irish Aviation Authority into the new National Transport Authority; the reason for the proposed amalgamation; the implications of subsuming the CAR and IAA into the NTA for staff of both bodies and for aviation regulation here; and if he will make a statement on the matter. [45878/09]

Minister for Transport (Deputy Noel Dempsey): I announced my intention to amalgamate the Commission for Aviation Regulation and the regulatory functions of the Irish Aviation Authority with the planned new National Transport Authority on 1st October concurrent with the publication of the Government Statement on Economic Regulation.

The amalgamation of these functions into the planned National Transport Authority will contribute to improving the efficiency and effectiveness of Ireland's regulatory environment and bring greater coherence to the regulatory framework for transport, in particular.

Detailed proposals to implement the decision are currently being considered. The decision will obviously have implications for staff of both organisations and I have written to both the Commissioner for Aviation Regulation and the Chairman of the Irish Aviation Authority to assure them that there will be full consultation with both organisations as these proposals are developed.

The International Civil Aviation Organisation (ICAO) will conduct a comprehensive audit of Ireland's system for safety oversight of civil aviation early in 2010. I do not propose to publish detailed proposals for the amalgamation in advance of the audit as some recommendations may emerge from the audit that could be implemented in tandem with the legislation that will be necessary to provide for the amalgamation of functions.

Public Transport.

66. **Deputy Liz McManus** asked the Minister for Transport if he has been briefed by management or unions at Bus Éireann on current cost-cutting proposals for jobs, services and fleets at the national bus company; his views on the impact of such cost-cutting proposals on services for commuters particularly on carriage routes linking towns and villages on the national Bus Éireann network and for the jobs of public transport workers; and if he will make a statement on the matter. [45873/09]

Minister for Transport (Deputy Noel Dempsey): I have been briefed by Bus Éireann management on the deterioration in its financial position due in the main to declining demand and revenue and increased costs, and on the measures necessary to maintain its financial viability. Earlier this year, in February, I was also briefed by the unions on the issues involved.

Decisions in relation to service rationalisations are a matter for the company itself. I understand that the Labour Court recently issued a recommendation relating to Bus Éireann's cost recovery plans and that this recommendation is now under consideration by the parties concerned.

Every effort should be made by all involved to maintain services to the maximum extent possible and to ensure the financial viability of the company.

Public Order Offences.

67. **Deputy Willie Penrose** asked the Minister for Transport if he has been contacted by any agency including the Railway Procurement Agency, workers' representatives or communities in relation to crime and anti-social activity on public transport vehicles targeting both passengers and public transport workers; if he is considering any proposals in conjunction with the

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Department of Justice, Equality and Law Reform to address this problem including garda patrols on public transport vehicles; and if he will make a statement on the matter. [45872/09]

Minister for Transport (Deputy Noel Dempsey): I have been briefed by the Railway Procurement Agency (RPA) in relation to the escalation of anti-social behaviour on trams and at Luas lines. The safety and security of passengers including arrangements to deal with anti-social behaviour is a matter for the transport operator in conjunction, as appropriate, with the Garda.

Integrated Ticketing Scheme.

68. **Deputy Michael Creed** asked the Minister for Transport when the full integrated ticketing scheme will commence; the estimated cost for developing and implementing integrated ticketing annually since its commencement; his views on whether 10 years for the roll out of this project could be considered a success; and if he will make a statement on the matter. [45938/09]

Minister for Transport (Deputy Noel Dempsey): The Integrated Ticketing project is being introduced in the Greater Dublin Area on a phased basis, based on smartcard technology. A progressive approach is being adopted to allow customers to familiarise themselves with using the new system and to permit transport operators to undertake the necessary testing with the integration of the technologies involved. The project is now firmly in the implementation phase and extensive testing of elements of the system is already under way.

Subject to successful in-house testing, the single smartcard will be rolled out initially to a small number of Dublin Bus testers for live consumer testing of the Dublin Bus/Luas integrated annual ticket, and then to a small number of customers in early 2010.

The system will be progressively rolled out on Dublin Bus and Luas services, such that, by end-2010, smartcards with a “pay-as-you-go” function will be available to some 75% of public transport customers in the GDA. Private bus operators are also participating in the scheme and it is anticipated that a number of these operators, along with DART and commuter rail services and Bus Éireann on a pilot basis, will join the scheme by end-2011.

The annual capital cost of the integrated ticketing system since 2002 is as follows:

Year	€m
2002	0.349
2003	1.866
2004	4.852
2005	2.410
2006	1.528
2007	1.499
2008	4.760
2009 (to end-November)	6.176

This expenditure encompasses project management, design and development costs and operator contributions for the development of the single smartcard.

Whilst progress in the delivery of the project has been slower than desired, good progress is now being made by the transport agencies in the delivery of this complex I.T. project. The project remains on target to deliver real and tangible benefits to public transport users on a progressive basis during 2010.

Regional Airports.

69. **Deputy Ciarán Lynch** asked the Minister for Transport if he has made recommendations to the Department of Finance regarding the Public Service obligation subsidy for regional airports in view of the Special Group on Public Service Numbers and Expenditure Programmes on public sector costs; and if he will make a statement on the matter. [45893/09]

Minister for Transport (Deputy Noel Dempsey): The Special Group on Public Service Numbers and Expenditure Programmes on Public Sector Costs (An Bord Snip) recommended that the Public Service Obligations for air services should be discontinued after the ending of the present contracts.

This proposal has been considered as part of the discussions with the Department of Finance relating to the Estimates for 2010 and later years. The current PSO contracts commenced on 22 July 2008 and are due to expire on 20 July 2011. The contracts have been awarded for services linking Dublin Airport with the regional airports at Derry, Donegal, Sligo, Ireland West Airport Knock, Galway and Kerry Airports. In 2010 there will be sufficient funds available to maintain the operations of existing PSO Air Services contracts.

Under updated EU legislation governing these services, more stringent conditions will apply to future PSO arrangements (i.e. from July 2011), having regard for example, to the availability of other transport connections and especially rail services with a travelling time of three hours or less.

I expect that a Value for Money review of regional airports being carried out within my Department will assist me in evaluating the appropriate scale of a regional airports programme in subsequent years bearing in mind my aviation policy objectives, the improved surface transport links under the NDP and Transport 21 and the need to address the difficulties with our public finances.

Question No. 70 answered with Question No. 48.

Greenhouse Gas Emissions.

71. **Deputy Joanna Tuffy** asked the Minister for Transport if his attention has been drawn to the International Energy Agency's report Transport, Energy and CO₂: Moving Toward Sustainability; his views on whether the report has implications for sustainable transport planning here; and if he will make a statement on the matter. [45890/09]

Minister for Transport (Deputy Noel Dempsey): I have considered the IEA report Transport, Energy and CO₂ and its recommendations.

The report sets out pathways for emissions reduction from the global transport sector by 2050. Its recommendations are similar to the policy measures I have put forward in the government policy Smarter Travel: A Sustainable Transport System for Ireland which I launched in February this year.

The IEA report highlights that CO₂ savings of up to 40% on 2005 levels can be made by 2050 with a combination of energy efficiency measures, use of alternative, low carbon fuels, deployment of electric vehicles, and modal shift. Smarter Travel addresses each of these policy areas and proposes a target for reducing emissions from transport by between 4-8MT CO₂ by 2020.

Good progress is being made on delivering the Smarter Travel programme. This Government is negotiating strongly in the EU for tougher limits on CO₂ emissions from cars and light duty vehicles. We have also introduced a new taxation system that incentivises the purchase of more energy efficient cars. My colleague the Minister for Communications, Energy and Natural Resources has recently announced that bio-fuels will make up 4% of transport fuel in 2010.

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My officials are leading on a number of objectives that will reduce the need to travel by car, and encourage people to switch to more sustainable travel patterns, walking, cycling or using public transport. A number of Smarter Travel project, including better cycle facilities, workplace travel plans, and school travel plans are already being delivered. The first Smarter Travel Areas will be launched in 2010, and these will showcase the potential we have in Ireland for moving to a more sustainable transport system and significantly reducing our emissions from transport.

Question No. 72 answered with Question No. 44.

Rail Accidents.

73. **Deputy Róisín Shortall** asked the Minister for Transport the status of his Department's report into the collapse of the Broadmeadow railway viaduct, County Dublin; when will this report be published; if he will also undertake any other independent review of the performance of the Railway Safety Commission in view of the alleged flaws in safety monitoring systems prior to the collapse of the bridge; and if he will make a statement on the matter. [45874/09]

Minister for Transport (Deputy Noel Dempsey): My Department is not preparing a report on the collapse of the Malahide viaduct, which is being investigated by the Railway Accident Investigation Unit (RAIU) in accordance with Section 58 of the Railway Safety Act 2005. This will address all matters, including safety monitoring, relevant to the incident. The RAIU is required to publish its report not later than 12 months after the date of the occurrence.

Road Safety.

74. **Deputy Thomas P. Broughan** asked the Minister for Transport if he has received the Road Safety Authority's draft regulations for the introduction of compulsory basic training for motor cyclists; the reason he has missed the deadline for introducing compulsory basic training for motorcyclists as mandated under the road safety strategy 2007 to 2012; his views on the continuing high casualties in road collisions involving motor cyclists; and if he will make a statement on the matter. [45861/09]

Minister for Transport (Deputy Noel Dempsey): The issue of compulsory basic training (CBT) for motorcyclists is primarily a matter for the Road Safety Authority (RSA).

I am aware that motorcyclists are vulnerable road users and I believe that CBT for motorcyclists will improve road safety not only for this group but for all road users.

I understand that the RSA undertook a pilot programme to prepare for the introduction of CBT for motorcyclists, which was completed earlier this year. Other necessary conditions for the introduction of a full CBT programme are, I understand, also now in place including the availability of a good supply of approved driving instructors.

Draft regulations are now being finalised within the RSA with a view to submitting them shortly to my Department for examination.

Question No. 75 answered with Question No. 48.

Port Development.

76. **Deputy Ciarán Lynch** asked the Minister for Transport the action he proposes to take to carry out a new strategic review of Irish port capacity and operations to 2030 and beyond; the position regarding the Bremore port proposal; if his attention has been drawn to reports of deficits in some port pension plans and the effect of this on port operators and workers; and if he will make a statement on the matter. [45892/09]

Minister for Transport (Deputy Noel Dempsey): In August 2009, the Dublin Port National Development Plan Study carried out by Indecon Economic Consultants was published on my Department's website, www.transport.ie.

I commented at the time that the report is an important analysis not just of the future of Dublin Port, but also provides a useful insight into the capacity challenges that face the sector as a whole.

The report forecasts traffic demands over the medium to long term and is clear in its conclusion that the sector will face renewed capacity constraints from approximately 2025 onwards.

As stated in the report, these capacity constraints will be such that the development of a significant additional capacity project will be required, such as that envisaged at Bremore or at Dublin Port. Dublin Port Company's proposed development is currently the subject of an oral hearing before An Bord Pleanála.

With regard to the Bremore project, Drogheda Port Company together with their partners, Castlemarket Holdings, are continuing to progress their plans to develop a deepwater port facility at Bremore.

I understand that preplanning consultations have taken place with An Bord Pleanála. However, to date no planning application has been lodged in respect of the development.

The turbulence experienced in financial markets over the last 18-24 months has had a detrimental impact on most pension funds, and the port companies are no different.

Port company pensions schemes are regulated like other company pension schemes under the Pension Act. Defined benefit schemes that fail to meet the Minimum Funding Standard are required to make a funding proposal to the Pensions Board for meeting the standard within a defined period.

Rural Transport Services.

77. **Deputy Seán Sherlock** asked the Minister for Transport the action which is being taken to secure continued funding for the rural transport programme under budget 2010; the way the programme can be enhanced in 2010 and the expansion he envisages post 2013; if he will introduce legislation for rural transport services; and if he will make a statement on the matter. [45882/09]

80. **Deputy Denis Naughten** asked the Minister for Transport his plans for the rural transport initiative; and if he will make a statement on the matter. [45809/09]

Minister for Transport (Deputy Noel Dempsey): I propose to take Questions Nos. 77 and 80 together.

The House is aware that the Report of the Special Group on Public Service Numbers and Expenditure Programmes recommended the termination of the Rural Transport Programme. The Government has considered all of the recommendations in the Special Group's Report in the context of the Budget for 2010, which will be presented to the House later today.

On rural transport generally, it is important that existing resources in this area are utilised as cost-effectively as possible and in that context a number of initiatives are currently underway in the country exploring the potential for improved synergies between existing transport providers, namely, the Health Service Executive for health transport, the Department of Education and Science for school transport, Bus Éireann, Pobal for Rural Transport Programme services and other transport providers, such as the Irish Wheelchair Association. These initiatives involve pilot transport projects in the North East and North West, an exercise to map all transport services in County Louth and a cross-border pilot rural community transport project

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under the auspices of the British/Irish Council. The outcome of these initiatives will feed into the process for developing rural transport policy into the future.

The Public Transport Regulation Act 2009 introduces a modern framework for public transport services, including rural public transport services.

Departmental Bodies.

78. **Deputy Mary Upton** asked the Minister for Transport if discussions are taking place as proposed in the special group on public service numbers and expenditure programmes regarding a merger between the National Roads Authority and the Road Safety Authority; if he will give a briefing on the new role of the National Roads Authority regarding the non-national and secondary roads; and if he will make a statement on the matter. [45894/09]

Minister for Transport (Deputy Noel Dempsey): There is no proposal in the report of the Special Group on Public Service Numbers and Expenditure Programmes regarding the merger of the National Roads Authority and the Road Safety Authority.

The position from 1st September last, the NRA began undertaking certain functions regarding regional and local road grants. This is being done on foot of an agreement negotiated by officials of my Department and the NRA and approved by me and the Board of the Authority. A copy of the agreement between the Authority and my Department is available in the Dáil Library. The role of the Authority is set out in that agreement.

The new arrangement was concluded on an administrative basis so as not to affect my statutory role or that of the local authorities in any way.

The improvement and maintenance of regional and local roads remains the statutory responsibility of road authorities under section 13 of the Roads Act 1993, and is not affected by the new administrative arrangements. The NRA is not being given any new statutory powers similar to those it has in relation to national roads.

Under section 82 of the Roads Act the Minister for Transport is empowered to pay grants to road authorities and under this power I allocate regional and local road grants to these authorities each year to supplement expenditure from their own resources. This power is also unaffected by the revised administrative arrangements and I will continue to decide on grants policy and on the grant allocations to each individual road authority.

This decision was taken on grounds of administrative efficiency, particularly in circumstances where there is increasing pressure on staffing and financial resources. It makes sense to use one organisation to administer all road grant payments and to monitor the expenditure of these road grants.

The NRA already had very effective systems in place to administer the national road improvement and maintenance programme and it was therefore concluded that the most logical and efficient approach was to use that NRA expertise to administer regional and local road grants as well.

Because there is no change in my statutory power I will continue to be accountable to the Oireachtas as at present and will continue to reply to appropriate Parliamentary Questions on regional and local road grants.

Public Transport.

79. **Deputy Ruairí Quinn** asked the Minister for Transport his estimates for transport capital spending in 2010 to 2013, inclusive; the recommendations he is making to the Minister for

Finance for transport capital spending for budget 2010; his transport priorities; and if he will make a statement on the matter. [45868/09]

Minister for Transport (Deputy Noel Dempsey): The capital funding allocation for my Department for 2010 will be announced later today as part of the Budget.

The priorities for future investment in transport are set out in the Renewed Programme for Government. Transport 21 will continue to provide the strategic framework for capital spending on transport infrastructure. Projects will commence subject to relevant statutory, procurement and contract award processes, and as the necessary funding becomes available.

Question No. 80 answered with Question No. 77.

State Airports.

81. **Deputy David Stanton** asked the Minister for Transport the position regarding the debt at Cork Airport; and if he will make a statement on the matter. [45904/09]

Minister for Transport (Deputy Noel Dempsey): Much of the Cork Airport debt was incurred in financing the new terminal and other infrastructure at the airport. In the event of full separation of Cork Airport, under the State Airports Act, 2004 my position has always been that the sharing of this debt between the Cork and Dublin Airport Authorities would have to take account of what is commercially and financially feasible for both authorities.

Following mediation on the matter in 2008 it was agreed that the Cork Airport Authority will take responsibility for €113 million of the debt in return for the transfer to it of net assets of €220 million, on the separation of the airport under the State Airports Act 2004. The Deputy will be aware that, having regard to the impact of the recession on the aviation sector, I have postponed a decision on airport separation until 2011.

Proposed Legislation.

82. **Deputy Pat Rabbitte** asked the Minister for Transport his plans to amend the Merchant Shipping Bill or any other legislation to increase the retirement age for maritime pilots; and if he will make a statement on the matter. [45887/09]

Minister for Transport (Deputy Noel Dempsey): As I indicated to the House during the passage of the Harbours (Amendment) Act 2009, my officials examined the issue of the compulsory retirement age for marine pilots in consultation with the Office of the Attorney General.

My Department has been in communication with the Association of Marine of Pilots of Ireland throughout this process.

It is my intention to introduce an amendment to section 69 of the Harbours Act 1996 to increase the age of retirement from 60 to 65 during the forthcoming Committee Stage of the Merchant Shipping Bill 2009.

Rail Services.

83. **Deputy Eamon Gilmore** asked the Minister for Transport if he will report on the proposed forum on rail freight that was mandated to be set up in the policy framework, Smarter Travel, A Sustainable Transport Future 2009 — 2020; the persons who will be members of the forum; the remit of the forum; when a policy document will issue on rail freight; when a target for the development of rail freight here will be established; and if he will make a statement on the matter. [45889/09]

Minister for Transport (Deputy Noel Dempsey): I propose to establish a forum on the movement of goods, as set out in the SMARTER TRAVEL policy paper, in 2010. My Department is currently undertaking preparatory work on the membership, tasks and timescales for the forum, which will include a North-South dimension. In that regard, discussions are taking place with the relevant Northern Ireland authorities. The forum will address both economic competitiveness and environmental matters within the context of a sustainable freight industry in relation to the movement of goods by air, sea, rail and road.

The potential for rail freight and its role within an integrated freight transport strategy will be among the matters explored by the forum.

Road Safety.

84. **Deputy Thomas P. Broughan** asked the Minister for Transport if he has given directions to the medical bureau of road safety on the recalibration or replacement of Breathalyzer and evidential breath-testing machines in the context of the Road Traffic Bill 2009; the number of machines which will be completely replaced; the number of same which will be recalibrated; the estimated cost of the recalibration or replacement of all the machines; if his attention has been drawn to the concerns raised by road safety campaigners in relation to aspects of his proposal for mandatory testing of all drivers involved in road collisions; his views on the continuing high casualties in road collisions involving motorcyclists; and if he will make a statement on the matter. [46095/09]

Minister for Transport (Deputy Noel Dempsey): I have already instructed the MBRS to commence the procurement process for the new EBT instruments. It is intended to increase their number from the current 64 to 86 instruments.

The cost of the machines will not be fully known until the procurement process is finished. In keeping with current practice I will not speculate on the cost until the procurement process is finished.

I believe that the provision included in the recently published Road Traffic Bill, 2009 in relation to the mandatory testing of drivers involved in collisions where injury occurs is an important new road safety measure, particularly focused on intoxicated driving.

I am aware of the high number of motorcyclists involved in road collisions and it is vital to maintain the momentum in the Road Safety Strategy to further reduce fatalities and injuries for all road users.

Departmental Bodies.

85. **Deputy Seán Sherlock** asked the Taoiseach the number of State boards, agencies, regulators or other bodies under his remit; the cost of these bodies; and if he will make a statement on the matter. [46058/09]

The Taoiseach: The information requested by the Deputy is set out in the following table:

Name	Cost to Date in 2009
	€
National Economic and Social Development Office	3,401,066
Law Reform Commission	3,183,487
National Statistics Board	30,798

Ministerial Staff.

86. **Deputy Paul Kehoe** asked the Taoiseach the number of persons employed in his private office and his constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in his Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if he will make a statement on the matter. [46384/09]

The Taoiseach: The information requested by the Deputy is detailed in the following table.

Office	No. of Staff	Salaries including Overtime & Allowances	Expenses
		€	€
Taoiseach's Private Office	12	688,076	984
Taoiseach's Constituency Office	7	341,954	Nil
Government Chief Whip's Private Office	4	254,077	Nil
Government Chief Whip's Constituency Office	5	154,346	Nil
*Minister of State for European Affairs' Private Office	3	136,937	1,907

*The Minister of State for European Affairs does not have a Constituency Office in my Department.

Departmental Bodies.

87. **Deputy Seán Sherlock** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of State boards, agencies, regulators or other bodies under her remit; the cost of these bodies; and if she will make a statement on the matter. [46051/09]

Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan): The following table lists the Offices, agencies, regulators and other bodies currently under the aegis of my Department. The table also sets out the funding allocated to each of these entities by my Department in 2009. 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. Bodies under the aegis of the Department of Enterprise, Trade and Employment and 2009 funding allocations

	2009 Allocation
	€000
<i>Offices</i>	
Labour Court	3,115
Labour Relations Commission	6,286
Companies Registration Office and Registrar of Friendly Societies	8,912
Office of the Director of Corporate Enforcement	5,535
National Employment Rights Authority	8,731

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	2009 Allocation
	€000
<i>Patents Office</i> ¹	
Employment Appeals Tribunal ¹	
<i>Agencies</i>	
County & City Enterprise Boards (35 in existence)	27,812
Competition Authority	5,568
Enterprise Ireland	199,972
FÁS	1,063,936
Forfás	37,164
Health & Safety Authority	22,638
IDA Ireland	117,971
InterTradeIreland ²	8,499
Irish Auditing & Accounting Supervisory Authority (IAASA) ³	1,532
National Consumer Agency	8,588
National Standards Authority of Ireland	8,241

	2009 REV Allocation
	€000
Personal Injuries Assessment Board ⁴	—
Science Foundation Ireland	170,524
Shannon Development	957
<i>Other Bodies</i> ⁵	
Skillnets	16,595
Joint Labour Committees	135
Company Law Review Group	113
Sales Review Group	20
Business Regulation Group	60

Notes

¹ The Employment Appeals Tribunal and the Patents Office are funded from the Department's central Administrative Budget and do not have separate budgetary allocations.

² InterTradeIreland is co-financed by the Department of Enterprise, Trade and Employment and the Department of Enterprise, Trade and Investment in Northern Ireland. The figure provided on the table refers to the contribution of the Department of Enterprise, Trade and Employment.

³ Irish Auditing & Accounting Supervisory Authority (IAASA) is co-financed by the Department of Enterprise, Trade and Employment and industry associations. The figure provided on the table refers to the contribution of the Department of Enterprise, Trade and Employment.

⁴ 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.

⁵ In addition to the entities shown on the above table, the following bodies/groups that come under the aegis of 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.

FÁS Training Programmes.

88. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment the FÁS training centres here in 2008; the number of persons who underwent training at each of these centres in 2008; and if she will make a statement on the matter. [46060/09]

89. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment the FÁS training centres here in 2007; the number of persons who underwent training at each of these centres in 2007; and if she will make a statement on the matter. [46061/09]

90. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment the FÁS training centres here in 2006; the number of persons who underwent training at each of these centres in 2006; and if she will make a statement on the matter. [46062/09]

91. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment the FÁS training centres here in 2005; the number of persons who underwent training at each of these centres in 2005; and if she will make a statement on the matter. [46063/09]

92. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment the FÁS training centres here in 2004; the number of persons who underwent training at each of these centres in 2004; and if she will make a statement on the matter. [46064/09]

93. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment the FÁS training centres here in 2003; the number of persons who underwent training at each of these centres in 2003; and if she will make a statement on the matter. [46065/09]

94. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment the FÁS training centres here in 2002; the number of persons who underwent training at each of these centres in 2002; and if she will make a statement on the matter. [46066/09]

95. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment the FÁS training centres here in 2001; the number of persons who underwent training at each of these centres in 2001; and if she will make a statement on the matter. [46067/09]

96. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment the FÁS training centres here in 2000; the number of persons who underwent training at each of these centres in 2000. [46068/09]

97. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment the FÁS training centres here in 1999; the number of persons who underwent training at each of these centres in 1999; and if she will make a statement on the matter. [46069/09]

98. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment the FÁS training centres here in 1998; the number of persons who underwent training at each of these centres in 1998; and if she will make a statement on the matter. [46070/09]

99. **Deputy George Lee** asked the Tánaiste and Minister for Enterprise, Trade and Employment the FÁS training centres here in 1997; the number of persons who underwent training at each of these centres in 1997; and if she will make a statement on the matter. [46071/09]

Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary): I propose to take Questions Nos. 88 to 99, inclusive, together.

[Deputy Dara Calleary.]

I understand that FÁS is currently collating the information requested by the Deputy. I will contact the Deputy once this has been completed.

Job Protection.

100. **Deputy Tom Sheahan** asked the Tánaiste and Minister for Enterprise, Trade and Employment the reason the fishery sector is excluded from the employment subsidy scheme in view of the fact that this is a major growth area for employment in the future; and if she will make a statement on the matter. [46082/09]

Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary): The objective of the Employment Subsidy Scheme (Temporary) is to provide an employment subsidy to vulnerable but viable enterprises in order to maintain as many jobs as possible within these enterprises.

The Employment Subsidy Scheme is being operated in accordance with the EU Temporary Aid Framework, and under paragraph 4.2.2(d) of the Temporary Community Framework on State Aid, aid to firms in the fisheries sector is excluded.

FÁS Training Programmes.

101. **Deputy Brian Hayes** asked the Tánaiste and Minister for Enterprise, Trade and Employment if efforts have been made to create training courses funded by FÁS through rapid areas to the extent of €2 million in Dublin by the end of 2009; if this money has been spent; if so, the specific courses or training opportunities involved; and if she will make a statement on the matter. [46117/09]

Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary): I understand that FÁS, in conjunction with local RAPID Groups, is organising basic training and work experience opportunities for 18 to 25 year old unemployed people from RAPID areas around the country. FÁS is investing €2 million nationally in the RAPID programme of which approximately a third is concentrated on schemes within the Dublin area.

Most of the initiatives have started and it is planned to have between 30 and 50 young people engaged in each RAPID area. The programme is scheduled for completion in April/May 2010 at which point it will be reviewed.

The table sets out the 16 programmes currently in progress in the Dublin area:

RAPID Area	Programme Description
Northside — Darndale / Belcamp	Bright Future — Through Retail Sales & Visual Merchandising
South East Inner City — Pearse Street	Career Awareness Programme
South East Inner City — Charlemont Street	Career Awareness Programme
North East Inner City	Employment Skills / Administration Skills Development
North West Inner City	Digimedia Programme
South Inner City	Health & Related Fitness
South Inner City	Digimedia Programme
South Inner City — Canals/ Kimmage/Crumlin	Digimedia Programme
South Inner City — Canals/ Kimmage/Crumlin	Personal & Career Development / Health & Beauty / Sport & Recreation/ Retail Sales

RAPID Area	Programme Description
Ballyfermot	Warehouse Course
Ballyfermot	Delivery Driver
North Clondalkin	Learning for Education, Employment and Progression (LEEP)
South Dublin	Skills Sampling
South Dublin	Entrepreneurship
South Dublin	Personal & Career Development
South Dublin	Green Energy

Wage Levels.

102. **Deputy Joe Costello** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of employees in the private sector who received wage increases in 2008 and to date in 2009; if any of the banks operating here have given wage increases to their employees in 2008 or to date in 2009; if so, the nature of these increases; if semi State employees have paid the pension levy; and if she will make a statement on the matter. [46143/09]

Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary): The information requested by the Deputy in relation to the number of employees in the private sector who received wage increases in 2008 and 2009 is not collected by my Department. Such increases would be a matter for negotiation between individual employers and employees. Aggregate data in relation to earnings in different sectors of the economy are collected by the Central Statistics Office and published regularly. The most recent figures in relation to average hourly earnings are available at:

<http://www.cso.ie/releasespublications/documents/earnings/current/earnlabcosts.pdf>.

Similarly, my Department has no information available with regard to wage increases given to staff working in banks.

I do not have any function with regard to the payment of the Pension Levy by semi State employees generally, as this is a matter for the Minister for Finance. However, I can confirm that employees in all State agencies under the auspices of my Department are subject to the terms of the Pension Levy.

Departmental Agencies.

103. **Deputy Leo Varadkar** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of ongoing and completed investigations regarding irregularities in the granting of certificates, examinations and other qualifications by FÁS; if she will provide a list of same; if, in each case, they pertain to training provided directly by FÁS or by an outsourced provider; and if she will make a statement on the matter. [46150/09]

Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan): I understand that FÁS is currently undertaking a comprehensive internal review in this matter. I will contact the Deputy when all the information has been collated.

Ministerial Staff.

104. **Deputy Paul Kehoe** asked the Tánaiste and Minister for Enterprise, Trade and Employment the number of persons employed in her private office and her constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in her Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if she will make a statement on the matter. [46377/09]

Tánaiste and Minister for Enterprise, Trade and Employment (Deputy Mary Coughlan): The tables below outline the number of staff, broken down by grade, in my private and constituency office and in those of each Minister of State within my Department. The cost of each office in terms of salary and expenses from 1st Jan 2009 to 30th November 2009 is also included. These figures include ministerial salaries and expenses.

Office of the Tánaiste and Minister for Enterprise Trade & Employment

Private Office	Constituency Office
2 Special Advisers	1 Personal Assistant
1 Press Adviser	1 Personal Secretary
1 Private Secretary	1 Executive Officer
2 Executive Officers	2.8 Clerical Officers
5 Clerical Officers	1 Temp. Clerical Officer

Period	Salaries, Wages and Allowances*	Travel & Subsistence**	Ministerial Allowance	Miscellaneous	Total
1 Jan-30 Nov	1,016,749.38	30,945.82	10,826.47	2,179.25	1,060,700.92

Office of the Minister for Labour Affairs

Private Office	Constituency Office
1 Private Secretary	1 Personal Assistant
1 Executive Officer	1 Personal Secretary
2 Clerical Officers	1 Clerical Officer (up until 22nd April '09)
	2 Civilian Drivers

Period	Salaries, Wages and Allowances*	Travel & Subsistence**	Ministerial Allowance	Miscellaneous	Total
1 Jan-30 Nov	412,428.11	66,441.28	10,863.61	657.25	490,390.25

Office of the Minister for Trade & Commerce

Private Office	Constituency Office
1 Private Secretary	1 Personal Assistant
1 Staff Officer	1 Personal Secretary
1 Clerical Officer	2 Secretarial Assistants (up until 22nd April '09)
	1 Clerical Officer
	2 Civilian Drivers

Period	Salaries, Wages and Allowances*	Travel & Subsistence**	Ministerial Allowance	Miscellaneous	Total
1 Jan-30 Nov	512,774.10	53,348.44	11,890.61	183.95	578,197.10

Office of the Minister for Science, Technology and Innovation

Private Office	Constituency Office
1 Private Secretary	1 Special Adviser (up until 22nd April '09)
1 Executive Officer	1 Personal Assistant
1 Clerical Officer	1 Personal Secretary
	1 Executive Officer (from 22nd April '09)
	1 Clerical Officer
	2 Civilian Drivers

Period	Salaries, Wages and Allowances*	Travel & Subsistence**	Ministerial Allowance	Miscellaneous	Total
1 Jan-30 Nov	468,934.67	76,253.37	10,876.41	—	556,064.45

*The totals provided for Salaries, Wages and Allowances include Overtime and Employer's PRSI.

**The totals provided for Travel and Subsistence Expenses include the cost of flights invoiced directly to the Department.

There are also two additional Ministers of State who have responsibility in this Department however; they do not have offices in the Department. The Ministers concerned are the Minister for Equality, Disability and Mental Health at the Department of Health and Children and the Minister for Lifelong Learning at the Department of Education and Science.

National Lottery Funding.

105. **Deputy Maureen O'Sullivan** asked the Minister for Finance the amount of money raised through the national lottery in 2007, 2008 and to date 2009; and if he can confirm the money that raised was used for community projects. [46083/09]

Minister for Finance (Deputy Brian Lenihan): The National Lottery surplus is allocated to a number of Government Departments in the context of the annual Estimates process. The copies of Appendix 1 of the Revised Estimates for the Public Services in each of the years 2007 to 2009, set out below, give a breakdown by Department of subheads which were part-funded by the surplus from the National Lottery.

The total outturn for all part-funded subheads in 2007 was €444m, of which €230m was funded from the National Lottery surplus. The total outturn for all part-funded subheads in 2008 was €472m, of which €265m was funded from the National Lottery surplus. The total allocation for all part-funded subheads in 2009 is €419m, of which €275m is profiled to be surrendered from the National Lottery surplus.

Community projects are supported by the Department of Community, Rural & Gaeltacht Affairs via its Grants for Community and Voluntary Programmes and Local and Community Development Programmes subheads, which are both part-funded by the surplus from the National Lottery. The level of expenditure under these two subheads was €101m in 2007 and €103m in 2008, of which €53m (2007) and €58m (2008) came from the National Lottery surplus. The Revised Estimates for Public Services for 2009 shows that the profile for the present year for these two subheads is a total expenditure of €90m, involving €58m of funding from the Lottery surplus.

Appendix 1: National Lottery Allocations

Vote/Subhead	2005 Provisional Outturn			2006 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>6. Office of the Minister for Finance</i>						
L. — Payments to the Promoters of certain Charitable Lotteries	7,729	—	7,729	8,618	—	8,618
<i>25. Environment, Heritage and Local Government</i>						
B.3 — Fund for Task Force on Special Housing Aid for the Elderly	—	11,024	11,024	—	12,141	12,141
B.4 — Communal Facilities in Voluntary Housing Schemes	—	2,066	2,066	—	1,977	1,977
E.2 — Grant for An Chomhairle Oidhreachta (Heritage Council)	1,891	4,863	6,754	1,699	4,313	6,012
<i>Subtotal:—</i>	<i>1,891</i>	<i>17,953</i>	<i>19,844</i>	<i>1,699</i>	<i>18,431</i>	<i>20,130</i>
<i>26. Education and Science.</i>						
B.1 — Grant-in-aid Fund for general expenses of Adult Education Organisations	782	—	782	701	—	701
B.9 — Grant-in-aid Fund for general expenses of youth and sport organisations and other expenditure in relation to youth activities	31,267	—	31,267	28,087	—	28,087
B.10 — Grants to Colleges providing courses in Irish	1,046	—	1,046	978	—	978
B.14 — Grant-in-aid Fund for general expenses of Cultural, Scientific and Educational Organisations	234	—	234	218	—	218
<i>Publications in Irish</i>	64	—	64	—	—	—
<i>Subtotal:—</i>	<i>33,393</i>	<i>—</i>	<i>33,393</i>	<i>29,984</i>	<i>—</i>	<i>29,984</i>
<i>27. Community, Rural and Gaeltacht Affairs</i>						
C. — Payments to Ciste na Gaeilge	3,016	—	3,016	2,781	—	2,781
K1. — Grants for Community and Voluntary Service.	29,552	—	29,552	30,033	—	30,033
<i>Subtotal:—</i>	<i>32,568</i>	<i>—</i>	<i>32,568</i>	<i>32,814</i>	<i>—</i>	<i>32,814</i>

Appendix 1: National Lottery Allocations — *continued*

Vote/Subhead	2005 Provisional Outturn			2006 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>35. Arts, Sport and Tourism</i>						
C.1 — Grants for sporting bodies and the provision of sports and recreational facilities		52,395	52,395	—	45,858	45,858
C.4 — Irish Sports Council — General Assistance to Sports Organisations and other expenditure in relation to sports activities (Grant-in-Aid)	30,056	—	30,056	31,539	—	31,539
D.7 — An Chomhairle Ealaíon (Grant-in-Aid)			21,223	18,504	990	19,494
<i>Subtotal:—</i>	<i>30,056</i>	<i>52,395</i>	<i>103,674</i>	<i>50,043</i>	<i>46,848</i>	<i>96,891</i>
<i>36. Defence</i>						
Y. — Coiste an Asgard (Grant-in-Aid)	1,036	—	1,036	606	—	608
<i>39. Health and Children</i>						
B.2 — Grants to Health Agencies and other similar organisations	3,434	—	3,434	3,085	—	3,084
<i>40. Health Service Executive</i>						
B.11 — Grants to Health Agencies and other similar organisations	6,476	—	6,476	5,818	—	5,813
C.2 — Building, Equipping and Furnishing of Health Facilities	—	2,343	2,343	—	2,053	2,053
<i>Subtotal:—</i>	<i>6,476</i>	<i>2,343</i>	<i>8,819</i>	<i>5,818</i>	<i>2,053</i>	<i>7,871</i>
Grand Total:—	116,583		210,497	132,667	67,333	200,000

Appendix 1: Expenditure Part-Funded by the National Lottery*

Vote/Subhead	2005 Provisional Outturn			2006 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>6. Office of the Minister for Finance</i>						
L. — Payments to the Promoters of certain Charitable Lotteries	7,730	—	7,730	8,618	—	8,618
<i>25. Environment, Heritage and Local Government</i>						
B.3 — Task Force on Special Housing Aid for the Elderly	—	11,948	11,948	—	17,012	17,012
B.4 — Communal Facilities in Voluntary Housing Schemes	—	2,240	2,240	—	2,445	2,445
E.1 — Grant for An Chomhairle Oidhreachta (Heritage Council)	3,717	5,270	8,987	3,862	7,108	10,970
<i>Subtotal:—</i>	<i>3,717</i>	<i>19,458</i>	<i>23,175</i>	<i>3,862</i>	<i>26,565</i>	<i>30,427</i>
<i>26. Education and Science.</i>						
B.1 — Grant-in-aid Fund for general expenses of Adult Education Organisations	848	—	848	891	—	891
B.9 — Grant-in-aid Fund for general expenses of Youth Organisations and other expenditure in relation to youth activities	33,885	—	33,885	36,728	—	36,728
B.10 — Grants to Colleges providing courses in Irish	1,134	—	1,134	1,175	—	1,175
B.14 — Grant-in-aid Fund for general expenses of Cultural, Scientific and Educational Organisations	254	—	254	269	—	269
<i>Publications in Irish</i>	<i>69</i>	<i>—</i>	<i>69</i>	<i>—</i>	<i>—</i>	<i>—</i>
<i>Subtotal:—</i>	<i>36,190</i>	<i>—</i>	<i>36,190</i>	<i>39,063</i>	<i>—</i>	<i>39,063</i>
<i>27. Community, Rural and Gaeltacht Affairs</i>						
C. — Payments to Ciste na Gaeilge	3,352	—	3,352	4,354	100	4,454
K.1 — Grants for Community and Voluntary Programmes	14,000	—	14,000	11,548	—	11,548
L.1 — Local and Community Development Programmes	70,396	—	70,396	74,381	—	74,381
<i>Subtotal:—</i>	<i>87,748</i>	<i>—</i>	<i>87,748</i>	<i>90,283</i>	<i>100</i>	<i>90,383</i>

Appendix 1: Expenditure Part-Funded by the National Lottery* — *continued*

Vote/Subhead	2005 Provisional Outturn			2006 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>35. Arts, Sport and Tourism</i>						
C.1 — Grants for sporting bodies and the provision of sports and recreational facilities	—	56,782	56,782	—	62,724	62,724
C.3 — Irish Sports Council (Grant-in-Aid)	34,425	—	34,425	40,914	—	40,914
D.7 — An Chomhairle Ealaíon (Grant-in-Aid)	62,645	3,588	66,233	68,640	3,670	72,310
	<i>97,070</i>	<i>60,370</i>	<i>157,440</i>	<i>109,554</i>	<i>66,394</i>	<i>175,948</i>
<i>36. Defence</i>						
Y. — Coiste an Asgard (Grant-in-Aid)	1,123	—	1,123	749	—	749
<i>39. Health and Children</i>						
B.2 — Grants to Health Agencies and other similar organisations	3,722	—	3,722	3,815	—	3,815
<i>40. Health Service Executive</i>						
B.11 — Grants to Health Agencies and other similar organisations	7,018	—	7,018	7,193	—	7,193
C.2 — Building, Equipping and Furnishing of Health Facilities	—	2,539	2,539	—	2,539	2,539
<i>Subtotal:—</i>	<i>7,018</i>	<i>2,539</i>	<i>9,557</i>	<i>7,193</i>	<i>2,539</i>	<i>9,732</i>
	244,318	82,367	326,685	263,137	95,598	358,735

*The total expenditure of €326.685 million in 2005 was financed by €210.5 million from the National Lottery; the balance was funded by the Exchequer. In 2006, estimated total expenditure of €358.735 million will be financed by €200 million from the National Lottery and the balance by the Exchequer.

Appendix 1: Expenditure Part-Funded by the National Lottery*

Vote/Subhead	2006 Provisional Outturn			2007 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>6. Office of the Minister for Finance</i>						
L. — Payments to the Promoters of certain Charitable Lotteries	8,618	—	8,618	8,618	—	8,618
<i>25. Environment, Heritage and Local Government</i>						
B.1.14 — Communal Facilities in Voluntary Co-Operative Housing Schemes	—	2,624	2,624	—	2,700	2,700
B.2.4 — Private Housing Grants	—	63,011	63,011	—	66,221	66,221
E.1 — Grant for An Chomhairle Oidhreachta (Heritage Council)	3,862	5,526	9,388	4,485	7,315	11,800
<i>Subtotal:—</i>	<i>3,862</i>	<i>71,161</i>	<i>75,023</i>	<i>4,485</i>	<i>76,236</i>	<i>80,721</i>
<i>26. Education and Science.</i>						
B.1 — Grant-in-aid Fund for general expenses of Adult Education Organisations	891	—	891	929	—	929
B.9 — Grant-in-aid Fund for general expenses of Youth Organisations and other expenditure in relation to youth activities	36,693	—	36,693	42,617	—	42,617
B.10 — Grants to Colleges providing courses in Irish	1,228	—	1,228	1,256	—	1,256
B.14 — Grant-in-aid Fund for general expenses of Cultural, Scientific and Educational Organisations	229	—	229	230	—	230
<i>Subtotal:—</i>	<i>39,041</i>	<i>—</i>	<i>39,041</i>	<i>45,032</i>	<i>—</i>	<i>45,032</i>
<i>27. Community, Rural and Gaeltacht Affairs</i>						
C. — Payments to Ciste na Gaeilge	4,251	—	4,251	4,352	100	4,452
K.1 — Grants for Community and Voluntary Programmes	11,145	—	11,145	26,548	—	26,548
L.1 — Local and Community Development Programmes	71,972	—	71,972	81,500	—	81,500
<i>Subtotal:—</i>	<i>87,368</i>	<i>—</i>	<i>87,368</i>	<i>112,400</i>	<i>100</i>	<i>112,500</i>

Appendix 1: Expenditure Part-Funded by the National Lottery* — *continued*

Vote/Subhead	2006 Provisional Outturn			2007 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>35. Arts, Sport and Tourism</i>						
C.1 — Grants for sporting bodies and the provision of sports and recreational facilities	—	55,053	55,053	—	49,250	49,250
C.3 — Irish Sports Council (Grant-in-Aid)	40,914	—	40,914	54,025	—	54,025
D.7 — An Chomhairle Ealaíon (Grant-in-Aid)	71,140	11,170	82,310	75,000	5,000	80,000
<i>Subtotal:—</i>	<i>112,054</i>	<i>66,223</i>	<i>178,277</i>	<i>129,025</i>	<i>54,250</i>	<i>183,275</i>
<i>36. Defence</i>						
Y. — Coiste an Asgard (Grant-in-Aid)	749	—	749	879	—	879
<i>39. Health and Children</i>						
B.2 — Grants to Health Agencies and other similar organisations	3,757	—	3,757	3,903	—	3,903
<i>40. Health Service Executive</i>						
B.11 — Grants to Health Agencies and other similar organisations	6,344	—	6,344	7,358	—	7,358
C.2 — Building, Equipping and Furnishing of Health Facilities	—	—	—	—	2,539	2,539
<i>Subtotal:—</i>	<i>6,344</i>	<i>—</i>	<i>6,344</i>	<i>7,358</i>	<i>2,539</i>	<i>9,897</i>
<i>Total:—</i>	<i>261,793</i>	<i>137,384</i>	<i>399,177</i>	<i>311,700</i>	<i>133,125</i>	<i>444,825</i>

*The total expenditure of €399,122 million in 2006 was financed by €200 million from the National Lottery; the remainder was funded by the Exchequer. In 2007, estimated total expenditure of €444.825 million will be financed by €205 million from the National Lottery and the remainder by the Exchequer

Aguisín 1: CAITEACHAS ARNA PHÁIRTMHAOINIÚ AG AN gCRANNCHUR NÁISIÚNTA*

Vóta/Fo-mhírcheann	2006 Caiteachas Sealadach			2007 Meastachán		
	Reatha	Caipitil	Iomlán	Reatha	Caipitil	Iomlán
	€000	€000	€000	€000	€000	€000
<i>6. Oifig an Aire Airgeadas</i>						
L. — Íocaíochtaí le Tionscnóirí Crannchur Carthanach Áirithe	8,618	—	8,618	8,618	—	8,618
<i>25. Comhshaol, Oidhreacht agus Rialtas Áitiúil</i>						
B.1.14 — Saoráidí comhchoiteanna i Scéimeanna Tithíochta Deonacha agus Comharchumainn	—	2,624	2,624	—	2,700	2,700
B.2.4 — Deontais Tithíochta Príobháidí	—	63,011	63,011	—	66,221	66,221
E.1 — Deontas don Chomhairle Oidhreachta	3,862	5,526	9,388	4,485	7,315	11,800
<i>Fo-Iomlán</i>	<i>3,862</i>	<i>71,161</i>	<i>75,023</i>	<i>4,485</i>	<i>76,236</i>	<i>80,721</i>
<i>26. Oideachas agus Eolaíocht</i>						
B.1 — Ciste Deontas-i-gCabhair le hAghaidh Costas Gineareálta Eagraíochtaí Oideachas Aosaigh	891	—	891	929	—	929
B.9 — Ciste Deontas-i-gCabhair le hAghaidh Costas Ginearealta Eagraíochtaí Óige agus Costas eile maidir le Gníomhaíochtaí Óige	36,693	—	36,693	42,617	—	42,617
B.10 — Deontais do Chóiláistí a Thugann Cúrsaí i nGaeilge	1,228	—	1,228	1,256	—	1,256
B.14 — Ciste Deontas-i-gCabhair le hAghaidh Costas Gineareálta Eagraíochtaí, Culturtha Eolaíochta agus Oideachais	229	—	229	230	—	230
<i>Fo-Iomlán</i>	<i>39,041</i>	<i>—</i>	<i>39,041</i>	<i>45,032</i>	<i>—</i>	<i>45,032</i>
<i>27. An Roinn Gnóthaí Pobail, Tuaithe agus Gaeltachta</i>						
C. — Íocaíocht le Ciste na Gaeilge	4,251	—	4,251	4,352	100	4,452
K1. — Deontais Phobail agus Cláir Dheonach	11,145	—	11,145	26,548	—	26,548
L1. — Cláir Forbartha Áitiúla agus Pobail	71,972	—	71,972	81,500	—	81,500
<i>Fo-Iomlán</i>	<i>87,368</i>	<i>—</i>	<i>87,368</i>	<i>112,400</i>	<i>100</i>	<i>112,500</i>

Aguisín 1: CAITEACHAS ARNA PHÁIRTMHAOINIÚ AG AN gCRANNCHUR NÁISIÚNTA* — *ar leanúint*

Vóta/Fo-mhírcheann	2006 Caiteachas Sealadach			2007 Meastachán		
	Reatha	Caipitil	Iomlán	Reatha	Caipitil	Iomlán
	€000	€000	€000	€000	€000	€000
<i>35. Ealaíona, Spórt agus Turasóireacht</i>						
C.1 — Deontais le hAghaidh Comhlachtaí Spóirt agus Soláthar Áiseanna Spóirt agus Caitheamh Aimsire	—	55,053	55,053	—	49,250	49,250
C.3 — Comhairle Spóirt na hÉireann (Deontas-i-gCabhair)	40,914	—	40,914	54,025	—	54,025
D.7 — An Chomhairle Ealaíon (Deontas-i-gCabhair)	71,140	11,170	82,310	75,000	5,000	80,000
<i>Fo-Iomlán</i>	<i>112,054</i>	<i>66,223</i>	<i>178,277</i>	<i>129,025</i>	<i>54,250</i>	<i>183,275</i>
<i>36. Cosaint</i>						
Y. — Coiste an Asgard (Deontas-i-gCabhair)	749	—	749	879	—	879
<i>39. Sláinte agus Leanaí</i>						
B.2 — Deontais do Ghníomhaireachtaí Sláinte agus d'eagraíochtaí eile cosúil leo	3,757	—	3,757	3,903	—	3,903
<i>40. Feidhmeannacht na Seirbhíse Sláinte</i>						
B.11 — Deontais do Ghníomhaireachtaí Sláinte agus d'eagraíochtaí eile cosúil leo	6,344	—	6,344	7,358	—	7,358
C.2 — Tógáil, Trealmhú agus Feistiú Saoráidí Sláinte	—	—	—	—	2,539	2,539
<i>Fo-Iomlán</i>	<i>6,344</i>	<i>—</i>	<i>6,344</i>	<i>7,358</i>	<i>2,539</i>	<i>9,897</i>
Iomlán:—	261,793	137,384	399,177	311,700	133,125	444,825

*In 2006 maoiníodh an caiteachas de €399.112 milliún le €200 milliún ón gCrannchur Náisiúnta; maoiníodh an t-iarmhéid as an Státchiste. In 2007, maoiníodh an caiteachas measta iomlán de €444.825 milliún, €205 milliún ón gCrannchur Náisiúnta agus an t-iarmhéid as an Státchiste.

	PROV OUTTURN 2006			REV 2007		
	Current	Capital	Total	Current	Capital	Total
V6 — DEPARTMENT OF FINANCE (NET)	88,565	7,938	96,503	88,424	9,076	97,500
L — PAYMENTS TO THE PROMOTERS OF CERTAIN CHARITABLE LOTTERIES	8,618		8,618	8,618		8,618
Total V6:—	8,618	0	8,618	8,618	0	8,618
V25 — ENVIRONMENT AND LOCAL GOVERNMENT (NET)	805,253	1,866,156	2,671,409	872,227	2,022,397	2,894,624
13. Sustainable Communities Fund				8,000		8,000
4. Private Housing Grants		63,011	63,011		66,221	66,221
Total V25:—		63,011	63,011	8,000	66,221	74,221
V26 — EDUCATION AND SCIENCE (NET)	6,999,106	648,161	7,647,267	7,662,731	722,600	8,385,331
B.1 — G-I-A FOR GEN EXP OF ADULT EDUCATION (NAT LOTTERY)	891		891	929		929
B.9 — G-I-A FOR GEN EXPS OF YOUTH ORGS (NAT LOTTERY)	36,693		36,693	42,617		42,617
B.10 — GRANTS TO COLLEGES — COURSES IN IRISH (NAT LOTTERY)	1,228		1,228	1,256		1,256
B.14 — G-I-A FOR GEN EXP OF SCIENTIFIC & EDUC ORGS (NAT LOTTERY)	229		229	230		230
Total V26:—	39,041		39,041	45,032		45,032
V27 — AN ROINN GNÓTHAÍ POBAIL, TUAITHE AGUS GAELTACHTA (NET)	276,549	134,702	411,251	342,000	133,000	475,000
C — ÍOCAÍOCHT LE CISTE NA GAEILGE (CRANNCHUR NÁISIÚNTA)	4,251		4,251	4,352	100	4,452
K.1 — GRANTS FOR COMMUNITY AND VOLUNTARY PROGRAMMES (MAINLY NATIONAL LOTTERY)	11,145		11,145	26,548		26,548
L.1 — LOCAL AND COMMUNITY DEVELOPMENT PROGRAMMES (PART FUNDED BY NAT LOTT)	71,972		71,972	81,500		81,500
Total V27:—	87,368		87,368	112,400	100	112,500

	PROV OUTTURN 2006			REV 2007		
	Current	Capital	Total	Current	Capital	Total
V35 — ARTS, SPORT AND TOURISM (NET)	363,656	163,729	527,385	397,470	251,805	649,275
C.1 — GRANTS FOR SPORTING BODIES (NAT LOTT)		55,053	55,053		49,250	49,250
C.3 — IRISH SPORTS COUNCIL ADMIN (PART FUNDED BY NAT LOTT(G-I-A))	40,914		40,914	54,025		54,025
D.7 — AN CHOMHAIRLE EALAÍON — PART NAT LOTT (GIA)	71,140	11,170	82,310	75,000	5,000	80,000
Total V35:—	112,054	66,223	178,277	129,025	54,250	183,275
V36 — DEFENCE (NET)	731,283	21,601	752,884	767,130	30,000	797,130
Y — COISTE AN ASGARD (GRANT-IN-AID) (NATIONAL LOTTERY)	749		749	879		879
Total V36:—	749	0	749	879	0	879
V39 — HEALTH AND CHILDREN (NET)	346,541	17,171	363,712	437,022	41,450	478,472
B.2 — GRANTS TO HEALTH AGENCIES & OTHER ORGS (NAT LOTTERY)	3,757		3,757	3,903		3,903
Total V39:—	3,757	0	3,757	3,903	0	3,903
Grand Total:—	257,931	129,234	387,165	315,215	123,110	438,325
V40 — HEALTH SERVICE EXECUTIVE (NET)	9,580,944	450,146	—	10,935,459	538,950	—
B.11 — GRANT TO HEALTH AGENCIES (NAT LOTTERY)	6,344		6,344	7,358		7,358
C.2 — BUILDING AND EQUIPMENT (NAT LOTTERY)					2,539	2,539
Total V40:—	6,344		6,344	7,358	2,539	9,897

Appendix 1: NATIONAL LOTTERY ALLOCATIONS

Vote/Subhead	2005 Provisional Outturn			2006 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>6. Office of the Minister for Finance</i>						
L. — Payments to the Promoters of certain Charitable Lotteries	7,729	—	7,729	8,618	—	8,618
<i>25. Environment, Heritage and Local Government</i>						
B.3 — Fund for Task Force on Special Housing Aid for the Elderly	—	11,024	11,024	—	12,141	12,141
B.4 — Communal Facilities in Voluntary Housing Schemes	—	2,066	2,066	—	1,977	1,977
E.2 — Grant for An Chomhairle Oidhreachta (Heritage Council)	1,891	4,863	6,754	1,699	4,313	6,012
<i>Subtotal:—</i>	<i>1,891</i>	<i>17,953</i>	<i>19,844</i>	<i>1,699</i>	<i>18,431</i>	<i>20,130</i>
<i>26. Education and Science.</i>						
B.1 — Grant-in-aid Fund for general expenses of Adult Education Organisations	782	—	782	701	—	701
B.9 — Grant-in-aid Fund for general expenses of youth and sport organisations and other expenditure in relation to youth activities	31,267	—	31,267	28,087	—	28,087
B.10 — Grants to Colleges providing courses in Irish	1,046	—	1,046	978	—	987
B.14 — Grant-in-aid Fund for general expenses of Cultural, Scientific and Educational Organisations	234	—	234	218	—	218
<i>Publications in Irish</i>	64	—	64	—	—	—
<i>Subtotal:—</i>	<i>33,393</i>	<i>—</i>	<i>33,393</i>	<i>29,984</i>	<i>—</i>	<i>29,984</i>
<i>27. Community, Rural and Gaeltacht Affairs</i>						
C. — Payments to Ciste na Gaeilge	3,016	—	3,016	2,781	—	2,781
K1. — Grants for Community and Voluntary Service	29,552	—	29,552	30,033	—	30,033
<i>Subtotal:—</i>	<i>32,568</i>	<i>—</i>	<i>32,568</i>	<i>32,814</i>	<i>—</i>	<i>32,814</i>

Appendix 1: NATIONAL LOTTERY ALLOCATIONS — *continued*

Vote/Subhead	2005 Provisional Outturn			2006 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>35. Arts, Sport and Tourism</i>						
C.1 — Grants for sporting bodies and the provision of sports and recreational facilities		52,395	52,395	—	45,858	45,858
C.4 — Irish Sports Council — General Assistance to Sports Organisations and other expenditure in relation to sports activities (Grant-in-Aid)	30,056	—	30,056	31,539	—	31,539
D.7 — An Chomhairle Ealaíon (Grant-in-Aid)			21,223	18,504	990	19,494
<i>Subtotal:—</i>	<i>30,056</i>	<i>52,395</i>	<i>103,674</i>	<i>50,043</i>	<i>46,848</i>	<i>96,891</i>
<i>36. Defence</i>						
Y. — Coiste an Asgard (Grant-in-Aid)	1,036	—	1,036	606	—	608
<i>39. Health and Children</i>						
B.2 — Grants to Health Agencies and other similar organisations	3,434	—	3,434	3,085	—	3,084
<i>40. Health Service Executive</i>						
B.11 — Grants to Health Agencies and other similar organisations	6,476	—	6,476	5,818	—	5,813
C.2 — Building, Equipping and Furnishing of Health Facilities	—	2,343	2,343	—	2,053	2,053
			8,819			
<i>Subtotal:—</i>	<i>6,476</i>	<i>2,343</i>	<i>8,819</i>	<i>5,818</i>	<i>2,053</i>	<i>7,871</i>
Grand Total:—	116,583	2,343	210,497	132,667	67,333	200,000

Appendix 1: EXPENDITURE PART-FUNDED BY THE NATIONAL LOTTERY *

Vote/Subhead	2005 Provisional Outturn			2006 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>6. Office of the Minister for Finance</i>						
L. — Payments to the Promoters of certain Charitable Lotteries	7,730	—	7,730	8,618	—	8,618
<i>25. Environment, Heritage and Local Government</i>						
B.3 — Task Force on Special Housing Aid for the Elderly	—	11,948	11,948	—	17,012	17,012
B.4 — Communal Facilities in Voluntary Housing Schemes	—	2,240	2,240	—	2,445	2,445
E.1 — Grant for An Chomhairle Oidhreachta (Heritage Council)	3,717	5,270	8,987	3,862	7,108	10,970
<i>Subtotal:—</i>	<i>3,717</i>	<i>19,458</i>	<i>23,175</i>	<i>3,862</i>	<i>26,565</i>	<i>30,427</i>
<i>26. Education and Science.</i>						
B.1 — Grant-in-aid Fund for general expenses of Adult Education Organisations	848	—	848	891	—	891
B.9 — Grant-in-aid Fund for general expenses of Youth Organisations and other expenditure in relation to youth activities	33,885	—	33,885	36,728	—	36,728
B.10 — Grants to Colleges providing courses in Irish	1,134	—	1,134	1,175	—	1,175
B.14 — Grant-in-aid Fund for general expenses of Cultural, Scientific and Educational Organisations	254	—	254	269	—	269
— <i>Publications in Irish</i>	<i>69</i>	—	<i>69</i>	—	—	—
<i>Subtotal:—</i>	<i>36,190</i>	—	<i>36,190</i>	<i>39,063</i>	—	<i>39,063</i>
<i>27. Community, Rural and Gaeltacht Affairs</i>						
C. — Payments to Ciste na Gaeilge	3,352	—	3,352	4,354	100	4,454
K.1 — Grants for Community and Voluntary Programmes	14,000	—	14,000	11,548	—	11,548
L.1 — Local and Community Development Programmes	70,396	—	70,396	74,381	—	74,381
<i>Subtotal:—</i>	<i>87,748</i>	—	<i>87,748</i>	<i>90,283</i>	<i>100</i>	<i>90,383</i>

Appendix 1: EXPENDITURE PART-FUNDED BY THE NATIONAL LOTTERY * — *continued*

Vote/Subhead	2005 Provisional Outturn			2006 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>35. Arts, Sport and Tourism</i>						
C.1 — Grants for sporting bodies and the provision of sports and recreational facilities	—	56,782	56,782	—	62,724	62,724
C.3 — Irish Sports Council (Grant-in-Aid)	34,425	—	34,425	40,914	—	40,914
D.7 — An Chomhairle Ealaíon (Grant-in-Aid)	62,645	3,588	66,233	68,640	3,670	72,310
	<i>97,070</i>	<i>60,370</i>	<i>157,440</i>	<i>109,554</i>	<i>66,394</i>	<i>175,948</i>
<i>36. Defence</i>						
Y. — Coiste an Asgard (Grant-in-Aid)	1,123	—	1,123	749	—	749
<i>39. Health and Children</i>						
B.2 — Grants to Health Agencies and other similar organisations	3,722	—	3,722	3,815	—	3,815
<i>40. Health Service Executive</i>						
B.11 — Grants to Health Agencies and other similar organisations	7,018	—	7,018	7,193	—	7,193
C.2 — Building, Equipping and Furnishing of Health Facilities	—	2,539	2,539	—	2,539	2,539
<i>Subtotal:—</i>	<i>7,018</i>	<i>2,539</i>	<i>9,557</i>	<i>7,193</i>	<i>2,539</i>	<i>9,732</i>
	244,318	82,367	326,685	263,137	95,598	358,735

The total expenditure of €326.685 million in 2005 was financed by €210.5 million from the National Lottery; the balance was funded by the Exchequer. In 2006, estimated total expenditure of €358.735 million will be financed by €200 million from the National Lottery and the balance by the Exchequer.

Appendix 1: EXPENDITURE PART-FUNDED BY THE NATIONAL LOTTERY*

Vote/Subhead	2006 Provisional Outturn			2007 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>6. Office of the Minister for Finance</i>						
L. — Payments to the Promoters of certain Charitable Lotteries	8,618	—	8,618	8,618	—	8,618
<i>25. Environment, Heritage and Local Government</i>						
B.1.14 — Communal Facilities in Voluntary Co-Operative Housing Schemes	—	2,624	2,624	—	2,700	2,700
B.2.4 — Private Housing Grants	—	63,011	63,011	—	66,221	66,221
E.1 — Grant for An Chomhairle Oidhreachta (Heritage Council)	3,862	5,526	9,388	4,485	7,315	11,800
<i>Subtotal:—</i>	<i>3,862</i>	<i>71,161</i>	<i>75,023</i>	<i>4,485</i>	<i>76,236</i>	<i>80,721</i>
<i>26. Education and Science.</i>						
B.1 — Grant-in-aid Fund for general expenses of Adult Education Organisations	929	—	929	959	—	959
B.9 — Grant-in-aid Fund for general expenses of Youth Organisations and other expenditure in relation to youth activities	42,617	—	42,617	43,733	—	43,733
B.10 — Grants to Colleges providing courses in Irish	1,178	—	1,178	1,256	—	1,256
B.14 — Grant-in-aid Fund for general expenses of Cultural, Scientific and Educational Organisations	230	—	230	235	—	235
<i>Subtotal:—</i>	<i>44,954</i>	<i>—</i>	<i>44,954</i>	<i>46,183</i>	<i>—</i>	<i>46,183</i>
<i>27. Community, Rural and Gaeltacht Affairs</i>						
C. — Payments to Ciste na Gaeilge	18,500	—	18,500	26,047	—	26,047
K.1 — Grants for Community and Voluntary Programmes	82,869	—	82,869	83,450	—	83,450
L.1 — Local and Community Development Programmes	4,058	214	4,272	4,365	1,000	5,365
<i>Subtotal:—</i>	<i>105,427</i>	<i>214</i>	<i>105,641</i>	<i>113,862</i>	<i>1,000</i>	<i>114,862</i>

Appendix 1: EXPENDITURE PART-FUNDED BY THE NATIONAL LOTTERY * — *continued*

Vote/Subhead	2006 Provisional Outturn			2007 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>35. Arts, Sport and Tourism</i>						
C.1 — Grants for sporting bodies and the provision of sports and recreational facilities	—	49,882	49,882	—	56,000	56,000
C.3 — Irish Sports Council (Grant-in-Aid)	54,025	—	54,025	57,631	—	57,631
D.7 — An Chomhairle Ealaíon (Grant-in-Aid)	77,000	6,000	83,000	77,102	5,000	82,102
<i>Subtotal:—</i>	<i>131,025</i>	<i>55,882</i>	<i>186,907</i>	<i>134,733</i>	<i>61,000</i>	<i>195,733</i>
<i>36. Defence</i>						
Y. — Coiste an Asgard (Grant-in-Aid)	879	—	879	803	—	803
<i>39. Health and Children</i>						
B.2 — Grants to Health Agencies and other similar organisations	3,901	—	3,901	3,985	—	3,985
<i>40. Health Service Executive</i>						
B.11 — Grants to Health Agencies and other similar organisations	7,702	—	7,702	7,513	—	7,513
C.2 — Building, Equipping and Furnishing of Health Facilities	—	2,539	2,539	—	2,539	2,539
<i>Subtotal:—</i>	<i>7,702</i>	<i>2,539</i>	<i>10,241</i>	<i>7,513</i>	<i>2,539</i>	<i>10,052</i>
Total:—	306,368	129,796	436,164	320,182	140,775	460,957

*The total expenditure of €399,122 million in 2006 was financed by €200 million from the National Lottery; the remainder was funded by the Exchequer. In 2007, estimated total expenditure of €444.825 million will be financed by €205 million from the National Lottery and the remainder by the Exchequer.

	PROV OUTTURN 2007			REV 2008		
	Current	Capital	Total	Current	Capital	Total
V6 — DEPARTMENT OF FINANCE (NET)	82,717	4,669	87,386	80,165	7,565	87,730
K — PAYMENTS TO THE PROMOTERS OF CERTAIN CHARITABLE LOTTERIES	8,618		8,618	8,618		8,618
Total V6:—	8,618	0	8,618	8,618	0	8,618
V25 — ENVIRONMENT, HERITAGE AND LOCAL GOVERNMENT (NET)	863,444	1,983,435	2,846,879	950,739	2,232,931	3,183,670
13. Sustainable Communities Fund	551		551	5,000		5,000
4. Private Housing Grants		67,342	67,342		69,221	69,221
Total V25:—	551	67,342	67,893	5,000	69,221	74,221
V26 — EDUCATION AND SCIENCE (NET)	7,666,427	811,152	8,477,579	8,246,852	806,600	9,053,452
B.1 — G-I-A FOR GEN EXP OF ADULT EDUCATION (NAT LOTTERY)	929		929	959		959
B.9 — G-I-A FOR GEN EXPS OF YOUTH ORGS (NAT LOTTERY)	42,617		42,617	43,733		43,733
B.10 — GRANTS TO COLLEGES — COURSES IN IRISH (NAT LOTTERY)	1,178		1,178	1,256		1,256
B.14 — G-I-A FOR GEN EXP OF SCIENTIFIC & EDUC ORGS (NAT LOTTERY)	230		230	235		235
Total V26:—	44,954		44,954	46,183		46,183
V27 — AN ROINN GNÓTHAÍ POBAIL, TUAITHE AGUS GAELTACHTA (NET)	331,431	119,605	451,036	372,594	136,000	508,594
B.1 — GRANTS FOR COMMUNITY AND VOLUNTARY PROGRAMMES (NAT LOTT)	18,500		18,500	26,047		26,047
B.3 — LOCAL AND COMMUNITY DEVELOPMENT PROGRAMMES (NAT LOTT)	82,869		82,869	83,450		83,450
F.1 — CISTE NA GAEILGE (NAT LOTT)	4,058	214	4,272	4,365	1,000	5,365
Total V27:—	105,427	214	105,641	113,862	1,000	114,862

	PROV OUTTURN 2007			REV 2008		
	Current	Capital	Total	Current	Capital	Total
V35 — ARTS, SPORT AND TOURISM (NET)	399,266	222,749	622,015	424,542	275,620	700,162
C.1 — GRANTS FOR SPORTING BODIES (NAT LOTT)		49,882	49,882		56,000	56,000
C.3 — IRISH SPORTS COUNCIL ADMIN (PART FUNDED BY NAT LOTT(G-I-A))	54,025		54,025	57,631		57,631
D.7 — AN CHOMHAIRLE EALAÍON — PART NAT LOTT (GIA)	77,000	6,000	83,000	77,102	5,000	82,102
Total V35:—	131,025	55,882	186,907	134,733	61,000	195,733
V36 — DEFENCE (NET)	766,411	26,653	793,064	845,011	30,100	875,111
Y — COISTE AN ASGARD (GRANT-IN-AID) (NATIONAL LOTTERY)	879		879	803		803
Total V36:—	879	0	879	803	0	803
V39 — HEALTH AND CHILDREN (NET)	403,435	30,839	434,274	508,832	20,450	529,282
B.2 — GRANTS TO HEALTH AGENCIES & OTHER ORGS (NAT LOTTERY)	3,901		3,901	3,985		3,985
Total V39:—	3,901	0	3,901	3,985	0	3,985
Grand Total:—	303,057	125,977	429,034	320,697	133,760	454,457
V40 — HEALTH SERVICE EXECUTIVE (NET)	10,936,114	517,781	11,453,895	11,743,325	586,720	12,330,045
B.11 — GRANT TO HEALTH AGENCIES (NAT LOTTERY)	7,702		7,702	7,513		7,513
C.2 — BUILDING AND EQUIPMENT (NAT LOTTERY)		2,539	2,539		2,539	2,539
Total V40:—	7,702	2,539	10,241	7,513	2,539	10,052

Appendix 1: EXPENDITURE PART-FUNDED BY THE NATIONAL LOTTERY*

Vote/Subhead	2007 Provisional Outturn			2008 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>6. Office of the Minister for Finance</i>						
K. — Payments to the Promoters of certain Charitable Lotteries	8,618	—	8,618	8,618	—	8,618
<i>25. Environment, Heritage and Local Government</i>						
B.1.14 — Communal Facilities in Voluntary Co-Operative Housing Schemes	—	1,922	1,922	—	3,000	3,000
B.2.4 — Private Housing Grants	—	67,342	67,342	—	69,221	69,221
G.1 — Grant for An Chomhairle Oidhreachta (Heritage Council)	4,485	9,051	13,536	5,529	7,874	13,403
<i>Subtotal:—</i>	<i>4,485</i>	<i>78,315</i>	<i>82,800</i>	<i>5,529</i>	<i>80,095</i>	<i>85,624</i>
<i>26. Education and Science.</i>						
B.1 — Grant-in-aid Fund for general expenses of Adult Education Organisations	929	—	929	959	—	959
B.9 — Grant-in-aid Fund for general expenses of Youth Organisations and other expenditure in relation to youth activities	42,617	—	42,617	43,733	—	43,733
B.10 — Grants to Colleges providing courses in Irish	1,178	—	1,178	1,256	—	1,256
B.14 — Grant-in-aid Fund for general expenses of Cultural, Scientific and Educational Organisations	230	—	230	235	—	235
<i>Subtotal:—</i>	<i>44,954</i>	<i>—</i>	<i>44,954</i>	<i>46,183</i>	<i>—</i>	<i>46,183</i>
<i>27. Community, Rural and Gaeltacht Affairs</i>						
B.1 — Supports for Community and Voluntary Sector	18,500	—	18,500	26,047	—	26,047
B.3 — Local and Community Development Programmes	82,869	—	82,869	83,450	—	83,450
F.1 — Payments to Ciste na Gaeilge	4,058	214	4,272	4,365	1,000	5,365
<i>Subtotal:—</i>	<i>105,427</i>	<i>214</i>	<i>105,641</i>	<i>113,862</i>	<i>1,000</i>	<i>114,862</i>

Appendix 1: EXPENDITURE PART-FUNDED BY THE NATIONAL LOTTERY* — *continued*

Vote/Subhead	2007 Provisional Outturn			2008 Estimate		
	Current	Capital	Total	Current	Capital	Total
	€000	€000	€000	€000	€000	€000
<i>35. Arts, Sport and Tourism</i>						
C.1 — Grants for sporting bodies and the provision of sports and recreational facilities	—	49,882	49,882	—	56,000	56,000
C.3 — Irish Sports Council (Grant-in-Aid) .	54,025	—	54,025	57,631	—	57,631
D.7 — An Chomhairle Ealaíon (Grant-in-Aid)	77,000	6,000	83,000	77,102	5,000	82,102
<i>Subtotal:—</i>	<i>131,025</i>	<i>55,882</i>	<i>186,907</i>	<i>134,733</i>	<i>61,000</i>	<i>195,733</i>
<i>36. Defence</i>						
Y. — Coiste an Asgard (Grant-in-Aid)	879	—	879	803	—	803
<i>39. Health and Children</i>						
B.2 — Grants to Health Agencies and other similar organisations	3,901	—	3,901	3,985	—	3,985
<i>40. Health Service Executive</i>						
B.11 — Grants to Health Agencies and other similar organisations	7,702	—	7,702	7,513	—	7,513
C.2 — Building, Equipping and Furnishing of Health Facilities	—	2,539	2,539	—	2,539	2,539
<i>Subtotal:—</i>	<i>7,702</i>	<i>2,539</i>	<i>10,241</i>	<i>7,513</i>	<i>2,539</i>	<i>10,052</i>
Total:—	306,991	136,950	443,941	321,226	144,634	465,860

*The total expenditure of €443.941 million in 2007 was financed by €230 million from the National Lottery; the remainder was funded by the Exchequer. In 2008, estimated total expenditure of €465.860 million will be financed by €250 million from the National Lottery and the remainder by the Exchequer.

Aguisín 1: CAITEACHAS ARNA PHÁIRTMHAOINIÚ AG AN gCRANNCHUR NÁISIÚNTA*

Vóta/Fo-mhírcheann	2007 Caiteachas Sealadach			2008 Meastachán		
	Reatha	Caipitil	Iomlán	Reatha	Caipitil	Iomlán
	€000	€000	€000	€000	€000	€000
<i>6. Oifig an Aire Airgeadas</i>						
L. — Íocaíochtaí le Tionscnóirí Crannchur Carthanach Áirithe	8,618	—	8,618	8,618	—	8,618
<i>25. Comhshaol, Oidhreacht agus Rialtas Áitiúil</i>						
B.1.14 — Saoráidí comhchoiteanna i Scéimeanna Tithíochta Deonacha agus Comharchumainn	—	1,922	1,922	—	3,000	3,000
B.2.4 — Deontais Tithíochta Príobháidí	—	67,342	67,342	—	69,221	69,221
G.1 — Deontas don Chomhairle Oidhreachta	4,485	9,051	13,536	5,529	7,874	13,403
<i>Fo-Iomlán</i>	<i>4,485</i>	<i>78,315</i>	<i>82,800</i>	<i>5,529</i>	<i>80,095</i>	<i>85,624</i>
<i>26. Oideachas agus Eolaíocht</i>						
B.1 — Ciste Deontas-i-gCabhair le hAghaidh Costas Gineareálta Eagraíochtaí Oideachas Aosaigh	929	—	929	959	—	959
B.9 — Ciste Deontas-i-gCabhair le hAghaidh Costas Ginearealta Eagraíochtaí Óige agus Costas eile maidir le Gníomhaíochtaí Óige	42,617	—	42,617	43,733	—	43,733
B.10 — Deontais do Chóiláistí a Thugann Cúrsaí i nGaeilge	1,178	—	1,178	1,256	—	1,256
B.14 — Ciste Deontas-i-gCabhair le hAghaidh Costas Gineareálta Eagraíochtaí, Culturtha Eolaíochta agus Oideachais	230	—	230	235	—	235
<i>Fo-Iomlán</i>	<i>44,954</i>	<i>—</i>	<i>44,954</i>	<i>46,183</i>	<i>—</i>	<i>46,183</i>
<i>27. An Roinn Gnóthaí Pobail, Tuaithe agus Gaeltachta</i>						
B.1 — Tacaí don Earnáil Phobail agus Dheonach	18,500	—	18,500	26,047	—	26,047
B.3 — Cláir Forbartha Áitiúla agus Pobail	82,869	—	82,869	83,450	—	83,450
F.1 — Íocaíocht le Ciste na Gaeilge	4,058	214	4,272	4,365	1,000	5,365
<i>Fo-Iomlán</i>	<i>105,427</i>	<i>214</i>	<i>105,641</i>	<i>113,862</i>	<i>1,000</i>	<i>114,862</i>

Aguisín 1: CAITEACHAS ARNA PHÁIRTMHAOINIÚ AG AN gCRANNCHUR NÁISIÚNTA* — *ar leanaim*

Vóta/Fo-mhírcheann	2007 Caiteachas Sealadach			2008 Meastachán		
	Reatha	Caipitil	Iomlán	Reatha	Caipitil	Iomlán
	€000	€000	€000	€000	€000	€000
<i>35. Ealaíona, Spórt agus Turasóireacht</i>						
C.1 — Deontais le hAghaidh Comhlachtaí Spóirt agus Soláthar Áiseanna Spóirt agus Caitheamh Aimsire	—	49,882	49,882	—	56,000	56,000
C.3 — Comhairle Spóirt na hÉireann (Deontas-i-gCabhair)	54,025	—	54,025	57,631	—	57,631
D.7 — An Chomhairle Ealaíon (Deontas-i-gCabhair)	77,000	6,000	83,000	77,102	5,000	82,102
<i>Fo-Iomlán</i>	<i>131,025</i>	<i>55,882</i>	<i>186,907</i>	<i>134,733</i>	<i>61,000</i>	<i>195,733</i>
<i>36. Cosaint</i>						
Y. — Coiste an Asgard (Deontas-i-gCabhair)	879	—	879	803	—	803
<i>39. Sláinte agus Leanaí</i>						
B.2 — Deontais do Ghníomhaireachtaí Sláinte agus d'eagraíochtaí eile cosúil leo	3,901	—	3,901	3,985	—	3,985
<i>40. Feidhmeannacht na Seirbhíse Sláinte</i>						
B.11 — Deontais do Ghníomhaireachtaí Sláinte agus d'eagraíochtaí eile cosúil leo	7,702	—	7,702	7,513	—	7,513
C.2 — Tógáil, Trealmhú agus Feistiú Saoráidí Sláinte	—	2,539	2,539	—	2,539	2,539
<i>Fo-Iomlán</i>	<i>7,702</i>	<i>2,539</i>	<i>10,241</i>	<i>7,513</i>	<i>2,539</i>	<i>10,052</i>
Iomlán:—	306,991	136,950	443,941	321,226	144,634	465,860

*In 2007 maoiníodh an caiteachas de €443.941 milliún le €230 milliún ón gCrannchur Náisiúnta; maoiníodh an t-iarmhéid as an Státchiste. In 2008, maoiníodh an caiteachas measta iomlán de €465.860 milliún, €250 milliún ón gCrannchur Náisiúnta agus an t-iarmhéid as an Státchiste.

*The total expenditure of €399,122 million in 2006 was financed by €200 million from the National Lottery; the remainder was funded by the Exchequer. In 2007, estimated total expenditure of €444.825 million will be financed by €205 million from the National Lottery and the remainder by the Exchequer.

*In 2005 maoiníodh an caiteachas de €326.685 milliún le €210.5 milliún ón gCrannchur Náisiúnta; maoiníodh an t-iarmhéid as an Státchiste. In 2006, maoiníodh an caiteachas measta iomlán de €358.735 milliún, €200 milliún ón gCrannchur Náisiúnta agus an t-iarmhéid as an Státchiste.

Flood Relief.

106. **Deputy Jan O’Sullivan** asked the Minister for Finance when he will implement the EU directive on flood control; and if he will make a statement on the matter. [46139/09]

Minister of State at the Department of Finance (Deputy Martin Mansergh): The Draft Regulation to transpose Directive 2007/60/EC is complete, and is awaiting a clarification on a single legal point from the Office of the Attorney General.

It is expected that the transposition will be completed within a few weeks and I am informed that this timing is in concert with many other Member States.

The Report of the Flood Policy Review Group (2004), approved by Government, recommended that the OPW should be the lead agency within the State for all matters concerned with flood risk management.

Directive 2007/60/EC of the European Parliament and the Council on the Assessment and Management of Flood Risk (EU Floods Directive), is primarily concerned with the assessment and management of flood risks, with the aim of reducing adverse consequence for human health, the environment, cultural heritage and economic activities associated with floods in the European Community.

There is an alignment between the recommendations of the Report of the Floods Policy Review Group 2004 and the requirement of the EU Floods Directive. The outputs from Flood Mapping and Flood Risk Assessment and Management studies programmes, which commenced on foot of the national flood policy, adopted by Government in 2004, will satisfy the requirements of the Floods Directive. Accordingly, the process of implementing the flood risk assessment programmes under national policy is taking place in conjunction with the transposition of the EU Floods Directive into Irish Law.

107. **Deputy Frank Feighan** asked the Minister for Finance the provision of flooding defence that will be put in place for Carrick-on-Shannon. [46228/09]

Minister of State at the Department of Finance (Deputy Martin Mansergh): I visited the Carrick-on-Shannon area on Tuesday 1 December, and witnessed at first hand the level of devastation experienced in the area. While it is too early to comment on what flood alleviation measures can be usefully provided in this area, I should point out that the Engineering Division of the Office of Public Works (OPW) has met with Leitrim County Council in relation to this matter.

Further meetings are planned with the Local Authority, and it is anticipated that Leitrim County Council will submit proposals to the Commissioners of Public Works for priority flood alleviation works under the Minor Flood Mitigation Works Scheme, where funding of up to 90% of the cost of qualifying works or studies would be provided by the OPW, provided the proposed works meet specific economic and environmental criteria.

The Shannon Catchment Flood Risk Assessment and Management (CFRAM) study will identify flood risk areas throughout the catchment and will produce a comprehensive plan of measures for dealing with the risk, where it is considered significant. The plan may recommend non-structural, as well as structural measures. The procurement process for this study has already begun, and it is expected that the study will be commissioned by mid-2010.

The OPW will lead the CFRAM, but will undertake the study in partnership with the local authorities, and will involve all stakeholders (particularly ESB and Waterways Ireland) in assessing the issues, constraints and objectives, and in developing solutions. Two meetings have already been held with local authorities to initiate the process and identify the areas where the

study will focus on (this will obviously take into account the current flooding event). Further public and stakeholder consultation will take place at various stages throughout the study to facilitate broad input to the measures that will be taken forward.

Departmental Bodies.

108. **Deputy Seán Sherlock** asked the Minister for Finance the number of State boards, agencies, regulators or other bodies under his remit; the cost of these bodies; and if he will make a statement on the matter. [46053/09]

Minister for Finance (Deputy Brian Lenihan): The information requested by the Deputy is outlined in the tables below. Table A lists the State Bodies under the aegis of my Department in receipt of Exchequer funding and their Budget allocation for 2009. Table B lists other State Bodies under the aegis of my Department not in receipt of Exchequer funding and as such information on budgets is not included.

Table A

Body	Budget for 2009
	€
Decentralisation Implementation Group	28,150
Public Appointments Service	13,100,000
Disabled Drivers Medical Board of Appeal (DDMA)	371,500
Special EU Programmes Body (SEUPB)	*3,762,000
Valuation Tribunal	300,000
Review Body on Higher Remuneration in the Public Sector	55,000
Committee for Performance Awards	48,000
Civil Service Arbitration Board Civil Service Disciplinary Code Appeal Board Independent Mediator for the Civil Service	70,000
Outside Appointments Board	20,000
National Treasury Management Agency	*43,000,000
National Treasury Management Agency Advisory Committee	
National Pensions Reserve Fund	
National Pensions Reserve Fund Commission	
State Claims Agency	
State Claims Agency Policy Commission	
National Development Finance Agency	
Board of the National Development Finance Agency	
National Asset Management Agency	

*The total budget for the running costs of Special EU Programmes Body in 2009 is €3.762m of which the Department of Finance is responsible for funding €1.709m. This figure represents a higher than average funding figure as the costs associated with the relocation of the Special EU Programmes Body's Belfast Office have been included.

**The NTMA acts as the State Claims Agency, the Manager of the National Pensions Reserve Fund and is the body through which the National Development Finance Agency (NDFA) performs its functions. Staff working in the areas of the State Claims Agency are NTMA employees who are assigned to these business activities.

***Exchequer cost which includes staff costs of NTMA, including staff assigned to State Claims Agency, National Pensions Reserve Fund Commission, State Claims Agency Policy Commission and Board of NDFA. In addition, costs of approximately €27 million were incurred in respect of management of National Pensions Reserve Fund and were charged directly to the Fund.

[Deputy Brian Lenihan.]

Table B

Name of Body

Interim Board of the Civil Service Childcare Initiative
 Disciplinary Appeals Board
 Central Bank and Financial Services Authority of Ireland
 Irish Financial Services Regulatory Authority (Financial Regulator)
 Irish Financial Services Appeals Tribunal
 Financial Services Ombudsman Council
 Financial Services Ombudsman
 Financial Services Consultative Consumer Panel
 Financial Services Consultative Industry Panel
 Investor Compensation Company Ltd.
 An Post National Lottery Company

As the Deputy may be aware, €4bn in capital was provided to Anglo Irish Bank from Exchequer funds in 2009 to protect the economy from the wider losses that would have occurred in the event of a failure of the Bank. Costs incurred in the provision of capital to Anglo are recoupable under the terms of the Subscription Agreement concluded with the Bank. Also, costs incurred by the State in relation to Anglo under the Credit Institutions (Financial Support) Act 2008 and the Anglo Irish Bank Act 2009 are recoupable under the terms of each Act.

Financial Services Regulation.

109. **Deputy Finian McGrath** asked the Minister for Finance if he will support the case of a person (details supplied). [46076/09]

Minister for Finance (Deputy Brian Lenihan): The decision to provide any specific form of insurance cover and the price at which it is offered is a commercial matter based on the assessment an insurer will make of the risks involved. This risk assessment process which insurance companies apply is essential if a company is to be able to provide its services over the longer term and continue to remain solvent. Unfortunately, this means on occasions they have difficulty approving certain types of business because the risk of claims based on previous experience is too high. The availability of loan protection insurance or death benefit insurance for credit union savers is a matter for each credit union to arrange for its members. I understand that a number of insurance companies provide Loan Protection & Life Savings insurance for credit unions. The Deputy might advise the person enquiring that he should contact his own credit union for details of the insurance products available that are most suited to his case. Alternatively, he could contact one of the credit union representative bodies directly — contact details of which are set out below.

Contact Details

Head of Insurance Services Irish League of Credit Unions (ILCU) 33-41 Lower Mount Street Dublin 2 Telephone (01) 6146960	Representative Affairs and Member Support Manager Credit Union Development Association (CUDA) Unit 3013, Lake Drive Citywest Business Campus Dublin 24 Telephone (01) 4693343
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Pension Provisions.

110. **Deputy Leo Varadkar** asked the Minister for Finance if he was briefed before the awarding of a pension package to the former chief executive of the financial regulator; if he approved of the extra payments granted; and if he will make a statement on the matter. [46151/09]

Minister for Finance (Deputy Brian Lenihan): The Chief Executive of the Financial Regulatory Authority holds office on such conditions of employment as are specified in the person's contract of appointment or are later agreed between the person and the other members of the Regulatory Authority. However, the Regulatory Authority has informed me that pension benefits to the former Chief Executive are payable in accordance with the Central Bank and Financial Services Authority of Ireland Superannuation Scheme. This Scheme has terms and conditions which allow, in certain circumstances, for the payment of full pension benefits in cases where less than 40 years service is accrued.

I am informed that the former Chief Executive had two years remaining on his contract. I am also informed that, having regard to strong independent legal advice, the Authority agreed to the payment of an additional €151,500 to the former Chief Executive, equivalent to six months remuneration, plus an additional two months salary, in return for which he agreed to make himself available exclusively available to the Authority for a period of three months.

111. **Deputy Leo Varadkar** asked the Minister for Finance the number of pension packages he has approved since June 2007; the number of these that involved extra payments for time not served; and if he will make a statement on the matter. [46152/09]

Minister for Finance (Deputy Brian Lenihan): The number of pension packages which have been approved since June 2007 is twenty six, twenty five of which included an award of notional service. This figure excludes commercial State Bodies and any retirements under the ill-health provisions, the Incentivised Scheme of Early Retirement and the Cost Neutral Early Retirement Scheme. It also excludes individuals e.g. Secretaries General of Government Departments and CEOs of non-commercial State Bodies who exited within the approved terms of their pension/severance arrangements.

Tax Code.

112. **Deputy Olivia Mitchell** asked the Minister for Finance if his attention has been drawn to the extent of challenges by US Internal Revenue to pricing arrangements between Irish based affiliates of US corporations and related corporations based in the US; if his attention has been drawn to the fact that successful challenges to pricing arrangements in these circumstances can result in a refund or downward adjustment having to be made by the Revenue Commissioners of corporation tax already paid on profits reported under Article 9 of the taxation treaty between the two countries; the number of such pricing challenges made by US Internal Revenue for the years 2005, 2006, 2007 and 2008; the number of cases finalised to date in 2009; the yearly amounts of tax repaid or agreed to be repaid for each year or where applicable, downward adjustments of Irish tax; and if he will make a statement on the matter. [46210/09]

Minister for Finance (Deputy Brian Lenihan): I am aware that the US Internal Revenue Service (IRS) routinely carries out transfer pricing audits of US multinational groups to check that the prices being charged between the US group companies and their non-resident affiliates represent those that would be charged between unrelated parties acting at arms-length. This may result in an adjustment of the amount of profits charged to tax in the US.

[Deputy Brian Lenihan.]

As the Deputy has pointed out, Article 9 of the Ireland-US Double Taxation Convention provides for the making of such adjustments. Article 9 also provides that where one country makes an upward adjustment to the profits of a company resident in it, in relation to transactions with an associated company resident in the other country, the other country should make a corresponding downward adjustment, in the profits of its company, if it agrees that the adjustment by the first country was justified. This can give rise to a reduction of tax paid in the other country, which is necessary to avoid double taxation of the same profits. The terms of Article 9 of the Ireland-US Double Taxation Convention fully reflect the OECD standard treatment of this issue in international agreements for the relief of double taxation.

In terms of the overall numbers of such transfer pricing adjustments carried out by the US IRS, the number of cases involving Ireland is small. In relation to your request for specific information, while full data on the numbers of such cases and the amounts of the corresponding adjustments to Irish tax which have been made since 2005 is not immediately to hand, it is being compiled by the Revenue Commissioners who will forward it to you shortly, as soon as it is complete.

113. **Deputy John Deasy** asked the Minister for Finance his plans regarding public transport providers paying the proposed carbon tax; and if he will make a statement on the matter. [46224/09]

Minister for Finance (Deputy Brian Lenihan): I am committed to the introduction of a carbon tax, however, I would draw to the Deputy's attention 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.

Ministerial Staff.

114. **Deputy Paul Kehoe** asked the Minister for Finance the number of persons employed in his private office and his constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in his Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if he will make a statement on the matter. [46379/09]

Minister for Finance (Deputy Brian Lenihan): The staffing of my private and constituency office is set out below:

Private Office

Title	Number	Annual Salary Range
Higher Executive Officer	1	€46,558 – €59,097 (plus allowance as Private Secretary to Minister of €20,687 p.a.)
Executive Officer	2	€30,566 – €50,510
Staff Officer	1	€34,941 – €46,655
Clerical Officer*	5	€23,174 – €40,417

*Including 1 work sharing.

Constituency Office

Title	Number	Annual Salary Range
Clerical Officer	2	€23,174 – €40,417
Personal Assistant	1	€46,558 – €55,030
Personal Secretary	1	€23,181 – €44,726

Salary and related allowance payments in my office amounted to €562,648 in 2009. The amount paid in expenses for foreign and domestic travel, official entertainment and miscellaneous for the same period was €14,263. This expenditure covers costs incurred on behalf of staff in the offices and by the Minister during that period. The financial reporting system currently in use in my Department does not differentiate between costs incurred in the Private and Constituency Offices.

I should point out that the staffing level in both my Private Office and Constituency Office is well below the Guidelines on the Staffing of Ministerial Offices.

As Minister of State assigned to more than one Department, Minister Mansergh is authorised under the Guidelines a maximum number of 9 staff in the Private Office and no more than 5 staff in his Constituency Office. The Minister of State may also appoint 2 civilian drivers (additional to the numbers above). Within these parameters, the Minister of State may appoint only 1 Personal Secretary, 1 Personal Assistant. Currently, Minister Mansergh has 1 Private Secretary and 3 staff, giving a total of 4 staff in his Private Office. In his Constituency Office, he has 1 Personal Secretary and 1 Personal Assistant. The Minister has also appointed 2 civilian drivers. I am advised by the Office of Public Works that the following staff are employed in the Private and Constituency Offices of Minister of State, Martin Mansergh:

Private Office

Grade	Number	Annual Salary Range
Higher Executive Officer	1	€46,558 – €59,097
Executive Officer	1	€30,566 – €48,504
Clerical Officer	2	€24,397 – €39,558

Constituency Office

Grade	Number	Annual Salary Range
Personal Secretary	1	€30,566 – €50,410
Personal Assistant	1	€46,558 – €59,097

The Minister of State employs 2 civilian drivers at an annual salary of €34,826 each.

Note: All staff working in the Private Offices of both minister and Minister of State are established Civil Servants.

Preschool Services.

115. **Deputy George Lee** asked the Minister for Health and Children if an exception to the age criteria of the early childhood care education scheme preschool scheme will be allowed in respect of a child (details supplied) in Dublin 16; and if she will make a statement on the matter. [46135/09]

Minister of State at the Department of Health and Children (Deputy Barry Andrews): I have responsibility for the implementation of the Early Childhood Care and Education (ECCE) scheme which is being introduced in January 2010. Children will qualify for the free pre-school year where they are aged between 3 years 3 months and 4 years 6 months at the start of each academic year. The application of the age range is being interpreted as generously as possible, to include children who are aged more than 3 years 2 months and less than 4 years 7 months at 1 September each year. This will mean that, in January 2010, children born on or after 2 February 2005 or on or before 30 June 2006 will qualify. Children born between 2 February 2006 and 30 June 2007 will qualify for the free pre-school year in September 2010. In the case in question, I understand that the child referred to by the Deputy was aged 3 years 1 month in September of this year and will not, therefore, be eligible for the free pre-school year in January 2010 but would be eligible to qualify in September 2010.

Departmental Bodies.

116. **Deputy Seán Sherlock** asked the Minister for Health and Children the number of State boards, agencies, regulators or other bodies under her remit; the cost of these bodies; and if she will make a statement on the matter. [46055/09]

Minister for Health and Children (Deputy Mary Harney): The information requested is being compiled by my Department and will be forwarded to the deputy when available.

Hospital Services.

117. **Deputy Seán Barrett** asked the Minister for Health and Children if every hospital admitting patients with acute stroke has a properly staffed and fully resourced stroke unit; and if she will make a statement on the matter. [46102/09]

119. **Deputy Seán Barrett** asked the Minister for Health and Children if the appointment of more consultant stroke physicians to provide greater expertise in the diagnosis and treatment of stroke; and if she will make a statement on the matter. [46104/09]

120. **Deputy Seán Barrett** asked the Minister for Health and Children if emergency services will be equipped to deal with acute strokes; and if she will make a statement on the matter. [46105/09]

121. **Deputy Seán Barrett** asked the Minister for Health and Children her plans to bring forward the development of a national stroke register; and if she will make a statement on the matter. [46106/09]

122. **Deputy Seán Barrett** asked the Minister for Health and Children if social and vocational supports will be available to enable stroke patients to achieve the best possible post-stroke quality of life; if State assistance will be available to ensure that persons who have had a stroke will have access to a properly-resourced support group; and if she will make a statement on the matter. [46107/09]

123. **Deputy Seán Barrett** asked the Minister for Health and Children her views on the appointment of regional stroke coordinators with responsibility for ensuring that stroke services in every community are meeting the needs of people who have had a stroke; and if she will make a statement on the matter. [46108/09]

124. **Deputy Seán Barrett** asked the Minister for Health and Children the steps she will take to eliminate age discrimination from stroke services and that they will always be provided on the basis of individual need; and if she will make a statement on the matter. [46109/09]

125. **Deputy Seán Barrett** asked the Minister for Health and Children her plans to establish a public health educational programme to increase awareness of stroke warning signs with a view to reducing the risk of stroke or transient ischaemic attack; and if she will make a statement on the matter. [46110/09]

126. **Deputy Seán Barrett** asked the Minister for Health and Children if social, emotional and practical needs of carers in supporting stroke survivors will be adequately addressed; and if she will make a statement on the matter. [46111/09]

127. **Deputy Seán Barrett** asked the Minister for Health and Children her plans to ensure the adoption of a charter to inform all stroke patients, their families and carers of their entitlements in relation to hospital treatment, care and rehabilitation; and if she will make a statement on the matter. [46112/09]

128. **Deputy Seán Barrett** asked the Minister for Health and Children if every stroke patient will be entitled to appropriate levels of short and long-term rehabilitation in hospital and in the community; and if she will make a statement on the matter. [46113/09]

129. **Deputy Seán Barrett** asked the Minister for Health and Children if the Health Service Executive complies with European stroke organisation guidelines in the delivery of a national network of stroke units; if she will arrange for continual monitoring of their compliance with these standards; and if she will make a statement on the matter. [46114/09]

130. **Deputy Seán Barrett** asked the Minister for Health and Children if the 24/7 availability of thrombolysis clot-busting therapy will be available to all suitable stroke patients; and if she will make a statement on the matter. [46115/09]

131. **Deputy Seán Barrett** asked the Minister for Health and Children her plans to provide consultant-led rapid access transient ischaemic attack clinics will be open seven days a week; and if she will make a statement on the matter. [46116/09]

138. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children her views on correspondence (details supplied); and if she will make a statement on the matter. [46197/09]

Minister for Health and Children (Deputy Mary Harney): I propose to take Questions Nos. 117, 119 to 131, inclusive, and 138 together.

In September 2007, I established a National Cardiovascular and Stroke Policy Group to review policy in this area and to draw up a new policy framework for the development of all aspects of cardiovascular health, including stroke. The Group considered the findings of the Irish National Audit of Stroke Care 2008 and addressed the issues raised, including awareness of stroke and recognition of symptoms, prevention of stroke, stroke treatment including emergency thrombolysis, stroke units and rehabilitation.

The Report of the Policy Group is being finalised at present. My Department is working closely with the Health Service Executive on an implementation plan. This will include a Health Service Executive Stroke Programme to support improvements in all aspects of stroke care. The aims of this programme will be to prevent stroke and to deliver high quality care to all patients with stroke, with a view to reducing the number of deaths and the number of patients

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with severe disability. Once approved by Government, this implementation plan will be published in conjunction with the Policy Report. Both these reports are expected to be brought to Government shortly.

Health Services.

118. **Deputy Seán Barrett** asked the Minister for Health and Children if the right of each patient to a planned and timely transition from hospital to their home or residential care, and long-term institutional care can be provided on the basis of medical and social need rather than inadequate community services or supports; and if she will make a statement on the matter. [46103/09]

Minister of State at the Department of the Health and Children (Deputy Áine Brady): The Deputy will be aware that it is Government Policy in relation to support older people to live in dignity and independence in their own homes and communities for as long as possible. The overall emphasis is on promoting a high quality service, delivered to those who require it, in the most appropriate setting and to ensure that the needs of patients and clients are met as much as possible in a community setting and, where this is not possible, through residential services.

In 2008 the Health Service Executive launched a Code of Practice for Integrated Discharge Planning. The Code acts as a guide to the required standards of practice in the management of integrated discharge planning in the HSE and in any facility providing services on behalf of the HSE with a view to improving the processes for accessing community and long stay supports and changing the way we care and treat older persons. In this regard, Joint Implementation Groups have been established in each region to drive implementation across primary and secondary care services.

The Deputy will be aware that the new Nursing Homes Support Scheme commenced on 27 October. The Scheme encompasses a care needs assessment which identifies whether or not a person requires long-term nursing home care. Its purpose is to ensure that long-term nursing home care is necessary and is the right choice for the particular person. The assessment takes into account both medical and social factors and considers whether a person can be supported to continue living at home or whether long-term nursing home care is appropriate.

Earlier this year my colleague the Minister for Health and Children approved the national standards for all residential care settings for older people under section 10(2) of the Health Act, 2007. Amongst other things, the standards govern the procedure for moving to long-term residential care. These Standards are underpinned by the Health Act, 2007 (Care and Welfare of Residents in Designated Centres for Older People) Regulations 2009.

The development of community based services remains a priority for the Government. During 2009 the Health Service Executive expects to deliver almost 12 million home helps hours benefiting over 54,500 clients, provide 21,600 Day Care Places benefiting an estimated 80,000-100,000 people annually and provide over 700 designated Respite Care Beds benefiting 19,000 people annually, based on an average length of stay of 2 weeks per person. In addition the HSE provides home care packages to approximately 11,500 recipients over the course of the year. These packages are an additional support over and above existing mainstream community services. They are designed to be flexible and are particularly targeted at those at risk of inappropriate admission to either long-term residential care or acute hospital, or those requiring discharge home, from an acute hospital.

Questions Nos. 119 to 131, inclusive, answered with Question No. 117.

132. **Deputy Kathleen Lynch** asked the Minister for Health and Children her views on the consent form for the administration of the swine flu vaccine (details supplied); if it complies with the Health Service Executive guidelines for obtaining consent for non-emergency treatment or services from parents of children and young persons under the age of 18 years; and if she will make a statement on the matter. [46118/09]

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 Cards.

133. **Deputy Joanna Tuffy** asked the Minister for Health and Children if she will expedite an application for a medical card in respect of a person (details supplied) in County Dublin; the reason in the delay; and if she will make a statement on the matter. [46119/09]

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.

134. **Deputy John O'Mahony** asked the Minister for Health and Children when a decision will be made in respect of the review of a medical card in the case of a person (details supplied) in County Mayo. [46125/09]

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.

Health Services.

135. **Deputy Ciarán Lynch** asked the Minister for Health and Children if swine flu vaccine will be made available to a person (details supplied) in County Cork; and if she will make a statement on the matter. [46130/09]

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 Insurance.

136. **Deputy Rory O'Hanlon** asked the Minister for Health and Children the new reciprocal arrangements which will be put in place to facilitate Irish persons visiting Jersey, Guernsey and, after 1 January 2010, the Isle of Man and for citizens of those crown dependencies visiting here in view of the fact that citizens of the three islands will no longer be automatically entitled to treatment under the National Health Service; and if she will make a statement on the matter. [46137/09]

Minister for Health and Children (Deputy Mary Harney): There are no reciprocal healthcare arrangements in place between Ireland, the Channel Islands (which include Guernsey, Jersey, Alderney, Sark and Herm) and the Isle of Man. I currently have no plans to introduce such arrangements. Irish people visiting these islands should always ensure they have travel insurance to cover any medical treatment they may need.

Hospital Accommodation.

137. **Deputy Jan O'Sullivan** asked the Minister for Health and Children further to Parliamentary Question No. 96 on 21 May 2009, the overall figure on the number of acute beds in the hospital system in 2006; the number of beds in 2009; and if she will make a statement on the matter. [46138/09]

Minister for Health and Children (Deputy Mary Harney): The national average number of acute hospital beds available in public hospitals in 2007, the latest year for which validated data has been compiled by the HSE, is 13,688. This includes both in patient beds and day places. The national average number of acute hospital beds available in public hospitals in 2006 was 13,528. This shows an increase year on year of 160.

My Department has requested the HSE to provide validated data on the national average number of acute hospital beds available in 2008 to the Deputy as soon as this becomes available.

Question No. 138 answered with Question No. 117.

Hospital Waiting Lists.

139. **Deputy Jimmy Devins** asked the Minister for Health and Children when a person (details supplied) in County Sligo will be called for an operation in Beaumont Hospital, Dublin 9. [46200/09]

Minister for Health and Children (Deputy Mary Harney): The management of waiting lists generally is a matter for the Health Service Executive and the individual hospitals concerned. I have, therefore, referred the Deputy's question to the Executive for direct reply.

Health Services.

140. **Deputy Denis Naughten** asked the Minister for Health and Children if she is satisfied that there is no differentiation in the care provision, care practices, care priorities, standards or protocols between separated asylum children and children who normally reside here by the end of 2010; if the Health Service Executive's key deliverables for separated children within the 2009 service plan will be achieved by the end of 2009; and if she will make a statement on the matter. [46209/09]

Minister of State at the Department of Health and Children (Deputy Barry Andrews): As this is a service matter it has been referred to the HSE for direct reply.

141. **Deputy Paul Kehoe** asked the Minister for Health and Children the position regarding an application for subvention in respect of a person (details supplied); and if she will make a statement on the matter. [46213/09]

Minister of State at the Department of the Health and Children (Deputy Áine Brady): As this is a service matter it has been referred to the Health Service Executive for direct reply.

Inter-Country Adoptions.

142. **Deputy Maureen O'Sullivan** asked the Minister for Health and Children the position regarding persons who wish to adopt children from Vietnam; if an interim agreement will be put in place with Vietnam to accommodate applicants who had registered to adopt prior to 1 May 2009; if the Hague convention is ratified, will Irish persons be prohibited from adopting children from non-Hague or non-bilateral countries; if the Adoption Bill 2009 has allowed for the appropriate transition measures particularly for those who have already invested time and money; and if she will outline the statutory rights of sole applicants. [46216/09]

Minister of State at the Department of Health and Children (Deputy Barry Andrews): The Adoption Bill, 2009, is designed to give force of law to the Hague Convention on the Protection of Children and Co-operation in Respect of Inter-country Adoption. The new legislation, which incorporates the provisions of the Hague Convention, is designed to provide a framework to ensure that appropriate procedures have been followed and that all adoptions are effected in the best interests of the child. Future intercountry adoption arrangements will be governed by

the terms of the Adoption Bill 2009 when enacted. The issue of transitional measures for prospective parents who are at a definable stage in the adoption process when the Bill is enacted and who wish to continue to adopt a child from a non-Hague, non-bilateral country, is being examined. Prospective adoptive parents have waited a long time and it is my intention to be as flexible as possible in relation to applicants.

I recently received the UNICEF report '*Adoption from Vietnam: Problems and Challenges*' carried out by the International Social Service (ISS). I discussed the findings of the report yesterday with a number of groups representing persons wishing to adopt from Vietnam. I indicated that the report will be considered by Government and that a decision will be made in the near future with regard to future adoptions from Vietnam.

Services for People with Disabilities.

143. **Deputy John Deasy** asked the Minister for Health and Children if she will ensure that budget 2010 protects funding to voluntary bodies providing services for those with an intellectual disability; and if she will make a statement on the matter. [46225/09]

Minister of State at the Department of Health and Children (Deputy John Moloney): Planned expenditure levels for my Department will be considered as part of the Estimates and budgetary process for 2010. It would not be appropriate for me to comment further at this stage pending the outcome of these deliberative processes.

Medical Cards.

144. **Deputy James Bannon** asked the Minister for Health and Children the reason the medical card of a person (details supplied) in County Westmeath has been withdrawn; and if she will make a statement on the matter. [46320/09]

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.

Mental Health Services.

145. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health and Children the measures she will undertake to ensure that A Vision for Change is rolled out and fully funded in 2010; if all proceeds from the sale of buildings and land of former psychiatric institutions will be ring fenced for mental health services; the amount of such proceeds that have been allocated to mental health to date; and if she will make a statement on the matter. [46346/09]

Minister of State at the Department of Health and Children (Deputy John Moloney): The modernisation of mental health services in line with A Vision for Change is the responsibility of the HSE and in this regard an implementation plan for the five year period 2009 — 2013 was approved by the HSE Board in April 2009. While the estimated additional cost of the implementation of A Vision for Change is €150 million over 7–10 years, and additional development funding has been provided to the HSE in recent years, the position is that implementation is largely dependent on the reallocation and remodelling of existing resources. Substantial resources are already invested in mental health services; overall spending on these services amounts to an estimated €1 billion annually.

One of the key priorities for mental health in the revised programme for Government, is the use of the proceeds of the sale of psychiatric lands to fund new mental health capital developments. This commitment reflects the recommendation in A Vision for Change that a plan to bring about the closure of all psychiatric hospitals should be drawn up and implemented and that the resources released by these closures should be re-invested in the mental health service. The HSE has disposed of a small number of psychiatric properties in recent years and the

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proceeds of these sales, which amount to just over €42 million, have been surrendered to the Exchequer. The HSE Mental Health Capital Programme, which will be funded from the proceeds of these and future sales, is under consideration in the context of budget 2010 and I expect to make an announcement imminently.

Accident and Emergency Services.

146. **Deputy James Reilly** asked the Minister for Health and Children the number of people attending the emergency department of Galway University Hospital who required isolation due to underlying medical conditions such as cystic fibrosis, neutropenia and so on who would be very susceptible to MRSA, VRE and C Difficile; the number of these patients who were isolated; the number this represents as a percentage of those who require isolation but were not from January to September 2009; the figures on a monthly basis for the number of persons who required isolation and the number of persons who actually were isolated; and if she will make a statement on the matter. [46349/09]

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.

Medical Cards.

147. **Deputy Róisín Shortall** asked the Minister for Health and Children if she will support the case of persons (details supplied) in Dublin 11, whose medical cards were revoked as a result of a clerical error; if she will ensure that this error is rectified and the applications processed. [46355/09]

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.

148. **Deputy Thomas Byrne** asked the Minister for Health and Children the status of an application for a medical card by a person (details supplied) in County Meath. [46362/09]

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.

Inter-Country Adoptions.

149. **Deputy Michael McGrath** asked the Minister for Health and Children the position regarding the negotiation of a new bilateral inter-country adoption agreement between Ireland and Vietnam; and if she will make a statement on the matter. [46363/09]

Minister for Health and Children (Deputy Mary Harney): The Adoption Bill 2009, is designed to give force of law to the Hague Convention on the Protection of Children and Co-operation in Respect of Inter-country Adoption. The new legislation, which incorporates the provisions of the Hague Convention, is designed to provide a framework to ensure that appropriate procedures have been followed and that all adoptions are effected in the best interests of the child. Future intercountry adoption arrangements will be governed by the terms of the Adoption Bill 2009 when enacted.

I recently received the UNICEF report '*Adoption from Vietnam: Problems and Challenges*' carried out by the International Social Service (ISS). I discussed the findings of the report yesterday with a number of groups representing persons wishing to adopt from Vietnam. I indicated that the report will be considered by Government and that a decision will be made in the near future with regard to future adoptions from Vietnam.

Community Care.

150. **Deputy Seán Sherlock** asked the Minister for Health and Children if she will examine the discrepancies in access to home care packages as cited by a group (details supplied), who claim that access to home care packages are inconsistent; and if she will make a statement on the matter. [46368/09]

Minister of State at the Department of the Health and Children (Deputy Áine Brady): The Department of Health and Children earlier this year commissioned an independent evaluation of Home Care Packages (HCPs) by PA Consulting Group. This report was published on the Department website on 3 December last. The report indicates that, while significant progress has been achieved in relation to the original objectives of these packages, a more standardised approach to provision is required nationally, including the question of access. The Department is at present working closely with the HSE on an Action Plan to address, in 2010, the particular issue raised by the Deputy, and the other implications arising from this evaluation.

Ministerial Staff.

151. **Deputy Paul Kehoe** asked the Minister for Health and Children the number of persons employed in her private office and her constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in her Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if she will make a statement on the matter. [46381/09]

Minister for Health and Children (Deputy Mary Harney): The information requested by the Deputy is set out in the following table.

Minister/Minister of State	Office	No's WTE	Annual Salary	Expenses to Date 2009
Minister Harney	Private	10.0	642,554	7,774
	Constituency	2.0	98,952	—
Minister Andrews	Private	5.6	363,487	3,145
	Constituency	3.0	127,005	—
Minister of State Brady	Private	5.0	219,659	5,613
	Constituency	4.0	171,819	—
Minister of State Moloney	Private	5.8	244,287	25,716
	Constituency	3.0	137,184	—
Minister of State Sargent	Private	1.0	*39,825	—
Total		39.4	2,004,947	42,248

It should be noted that:

- The figures provided for salary are exclusive of Employers PRSI and Employers Superannuation Costs;
- There is one officer in Minister Harney's Private Office who is currently on maternity leave;

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- There is one additional officer working in Minister Andrews Private Office and one additional officer working in Minister of State Moloney's Private Office who are on loan from the Department of Education and Science (and are not included in the above table);
- My Department has loaned an officer (listed above) to the Department of Agriculture, Fisheries and Food who is working for Minister of State Sargent, the salary figure provided for this officer represents the mid-point of the scale;
- The figures provided for Minister Andrew's Private Office are inclusive of one officer who is on a temporary transfer into the Office to provide cover for maternity leave.
- The expenses listed relate to the personal expenses incurred by individual staff members (e.g. subsistence payments) and do not take account of official expenses such as air travel or bills paid by the Department of Foreign Affairs.

State Airports.

152. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Transport the number of US troops bound for Afghanistan who have passed through Shannon Airport to date in 2009; if he anticipates an increase in numbers in view of the recent announcement by the US administration of the deployment of more troops in Afghanistan; and if he will make a statement on the matter. [46196/09]

Minister for Transport (Deputy Noel Dempsey): The Department of Transport does not collate information with regard to the number of military troops onboard civilian aircraft. However I am informed by the Shannon Airport Authority that some 243,000 US troops have passed through Shannon Airport in 2009 to date. My Department does not have information on the final destination of US soldiers on civilian aircraft that have stopped at Shannon Airport.

It is a matter for the carriers concerned as to where they choose to make a transit stop. It is not possible to say if the US administration's recent announcement will have any impact on numbers of troops transiting through Shannon.

Railway Procurement Processes.

153. **Deputy Fergus O'Dowd** asked the Minister for Transport the details of an internal Iarnróid Éireann report arising from a reference in the Baker Tilly Report (details supplied); and if he will make a statement on the matter. [46221/09]

Minister for Transport (Deputy Noel Dempsey): I have sought a full report from the Board of CIE on the circumstances giving rise to the Baker Tilly Ryan Glennon report, the extent to which progress has been made in implementing the recommendations in the report and the measures being taken to ensure adequate controls in expenditure areas not covered by the report. I expect to receive this comprehensive report shortly. The CIE Board have been asked to address areas of expenditure such as those referred to by the Deputy, not covered in the Baker Tilly Ryan Glennon report. In the meantime the Chairman and the CEO's of the CIE companies have confirmed that the CIE companies are adhering to national and EU procurement rules and to their own internal procurement policies and procedures.

I will, in light of the report from the Board, consider any necessary action on my part including the need to put in place additional measures beyond those in the Code of Practice for the Governance of State Bodies relating to procurement and auditing practices in CIE.

Departmental Bodies.

154. **Deputy Seán Sherlock** asked the Minister for Transport the number of State boards, agencies, regulators or other bodies under his remit; the cost of these bodies; and if he will make a statement on the matter. [46059/09]

Minister for Transport (Deputy Noel Dempsey): The agencies under my remit are listed below, with details of any funding made available towards the cost of their administration in 2008 and 2009. Department funds the general administrative expenses of the following agencies and the estimates costs in 2008 and 2009 are set out below:

General Administrative Expenses

State Body	2008	2009
	€million	€million
CIE Group — Bus Átha Cliath	Nil	Nil
CIE Group — Bus Éireann	Nil	Nil
CIE Group — Iarnród Éireann	Nil	Nil
Railway Safety Commission	2.1	2.0
Railway Procurement Agency	11.0	10.6
National Roads Authority	16.3	15.9
Dublin Transportation Office	1.1	1.0
Road Safety Authority	22.7	32.8
Medical Bureau of Road Safety	3.3	4.3
Marine Casualty Investigation Board	0.2	0.2
Dublin Airport Authority	Nil	Nil
Shannon Airport Authority	Nil	Nil
Cork Airport Authority	Nil	Nil
Commission for Taxi Regulation	Nil	Nil
Commission for Aviation Regulation	Nil	Nil
Irish Aviation Authority	Nil	Nil
Port of Cork Company	Nil	Nil
Drogheda Port Company	Nil	Nil
Dublin Port Company	Nil	Nil
Dundalk Port Company	Nil	Nil
Dun Laoghaire Harbour Company	Nil	Nil
Galway Harbour Company	Nil	Nil
New Ross Port Company	Nil	Nil
Shannon/Foynes Port Company	Nil	Nil
Port of Waterford Company	Nil	Nil
Wicklow Port Company	Nil	Nil
Arklow Harbour Commissioners	Nil	Nil
Baltimore Harbour Commissioners	Nil	Nil
Bantry Bay Harbour Commissioners	Nil	Nil
Kinsale Harbour Commissioners	Nil	Nil
Tralee and Fenit and Harbour Commissioners	Nil	Nil
Wexford Harbour Commissioners	Nil	Nil

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General Administrative Expenses

State Agency	2008	2009
	€m	€m
National Roads Authority	16.3	15.9
Road Safety Authority	22.7	32.8
Medical Bureau of Road Safety	3.3	4.3
Railway Procurement Agency	11.0	10.6
Railway Safety Commission	2.1	2
Dublin Transportation Office	1.1	1
Marine Casualty Investigation Board	0.2	0.2

Public Transport.

155. **Deputy George Lee** asked the Minister for Transport the person responsible for providing park and ride facilities at LUAS stations; and if he will make a statement on the matter. [46134/09]

Minister for Transport (Deputy Noel Dempsey): The National Transport Authority or NTA was formally established on the 1st of December 2009. The functions of the Authority, pursuant to section 11 of the Dublin Transport Authority Act 2008, include securing the provision of public transport infrastructure in the Greater Dublin Area. Statutory responsibility for securing the delivery of infrastructure projects, such as park and ride facilities at Luas stations, is now a matter for the NTA. As is the case with the National Roads Authority, the NTA has appointed an Oireachtas Liaison Officer to respond to questions raised by Deputies. The Oireachtas Liaison Officer is Matt Benville and he may be contacted at 6041098 or at the National Transport Authority, 59 Dawson Street, Dublin 2.

156. **Deputy Bernard J. Durkan** asked the Minister for Transport further to Parliamentary Question Nos. 256 to 261, 265 and 268 of 21 February 2007, the position regarding same; and if he will make a statement on the matter. [46331/09]

Minister for Transport (Deputy Noel Dempsey): The National Transport Authority or NTA was formally established on the 1st of December 2009. The functions of the Authority, pursuant to section 11 of the Dublin Transport Authority Act 2008, include securing the provision of public transport infrastructure in the Greater Dublin Area. Statutory responsibility for commuter rail services in the Greater Dublin Area is now a matter for the NTA.

As is the case with the National Roads Authority, the NTA has appointed an Oireachtas Liaison Officer to respond to questions raised by Deputies. The Oireachtas Liaison Officer is Matt Benville and he may be contacted at 6041098 or at the National Transport Authority, 59 Dawson Street, Dublin 2.

Road Network.

157. **Deputy Bernard J. Durkan** asked the Minister for Transport if he will increase the funding to Kildare County Council for road restoration in the aftermath of severe weather conditions; and if he will make a statement on the matter. [46332/09]

Minister for Transport (Deputy Noel Dempsey): The improvement and maintenance of regional and local roads is a statutory function of each road authority in accordance with the

provisions of section 13 of the Roads Act 1993. The carrying out of works on these roads is a matter for the relevant local authority to be funded from its own resources supplemented by State road grants.

The initial selection and prioritisation of projects to be funded is also a matter for the local authority.

When Exchequer grants for regional and local roads are allocated each year, my Department does not hold back a reserve allocation, at central level, to deal with weather contingencies such as flooding. Holding back such an allocation would mean a reduction in the road grant allocations made to all local authorities at the beginning of each year.

The allocations made to local authorities are inclusive of a weather risk factor. Local authorities are expressly advised in the annual road grants circular letter that they should set aside contingency sums from their overall regional and local roads resources to finance necessary weather related works.

My Department would be prepared to consider, sympathetically, any request from Kildare County Council to adjust their multi-annual restoration programme or revise their specific grant applications, in order to prioritise work in 2010 necessitated by the recent flooding.

As the Deputy will appreciate, local authorities, including Kildare County Council, are still assessing the extent of flood damage in their regions. Because these assessments cannot be completed until the flooding subsides, I expect that it will take some time before the damage sustained by regional and local road networks in recent days and the cost of their repair can be quantified.

Rail Network.

158. **Deputy Bernard J. Durkan** asked the Minister for Transport if consideration has been given to the restoration of the rail link between Sallins and Naas, County Kildare; and if he will make a statement on the matter. [46333/09]

Minister for Transport (Deputy Noel Dempsey): The National Transport Authority or NTA was formally established on the 1st of December 2009. The functions of the Authority, pursuant to section 11 of the Dublin Transport Authority Act 2008, include securing the provision of public transport infrastructure in the Greater Dublin Area. Statutory responsibility for the re-opening of closed railway lines in the Greater Dublin Area is now a matter for the NTA.

As is the case with the National Roads Authority, the NTA has appointed an Oireachtas Liaison Officer to respond to questions raised by Deputies. The Oireachtas Liaison Officer is Matt Benville and he may be contacted at 6041098 or at the National Transport Authority, 59 Dawson Street, Dublin 2.

National Development Plan.

159. **Deputy Bernard J. Durkan** asked the Minister for Transport the extent to which the various projects identified by his Department in the context of the National Development Plan are on time and within cost; and if he will make a statement on the matter. [46335/09]

Minister for Transport (Deputy Noel Dempsey): Substantial progress has been made to date on the transport projects contained in the National Development Plan. The major inter urban roads programme, linking Dublin with Cork, Limerick, Galway, Waterford and the Border with Northern Ireland, is on target for full completion in 2010. The upgrade of the M50 motorway is also on target for completion in 2010.

On public transport, new railway stations have opened on the Kildare line and Irish Rail has completely modernised its intercity rolling stock under Transport 21. I opened the Cork com-

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muter rail line from Glounthaune to Midleton earlier this year and the Luas line extension to the Docklands opened on the 8th December. Both Phase 1 of the Western Rail Corridor and the Kildare Rail Project will open early in the New Year. Construction continues on other projects such as the Luas lines to Cherrywood and Citywest, and the first phase of the Navan rail line between Clonsilla and Pace.

The start and completion dates for National Development Plan projects that have not yet commenced will be subject to the relevant statutory and procurement and contract award processes and will also be determined by the funding allocation available during the current difficult economic climate, having regard to the priorities for transport investment set out in the Renewed Programme for Government.

The vast majority of National Development Plan projects completed to date have come in on or under budget. A small number of projects ran over budget largely due to changes in the scope of those projects.

Road Network.

160. **Deputy Bernard J. Durkan** asked the Minister for Transport the extent to which he expects to meet budgetary requirements arising from road development proposals contained in the National Development Plan; and if he will make a statement on the matter. [46336/09]

Minister for Transport (Deputy Noel Dempsey): Under the National Development Plan and Transport 21, the priority up to the end of 2010 is on the completion of the five major interurban routes (MIUs) linking Dublin to Galway, Limerick, Cork and Waterford.

The projects are on target for completion by the end of 2010. The M1 to the border is already complete and I expect the final section of the M6 to Galway to open before the end of this year.

The priority for the roads investment programme after the completion of the major interurban network will be on the Atlantic Road Corridor, where construction is already underway, as well as the improvement of other key national primary routes and targeted improvement of certain national secondary routes. Decisions to proceed with individual projects will be taken by the National Roads Authority from time to time in the light of the Renewed Programme for Government and available Exchequer resources.

Road Traffic Offences.

161. **Deputy Bernard J. Durkan** asked the Minister for Transport the number of drivers that have lost their licences arising from incurring the maximum number of penalty points; the number whose licences have been restored or renewed since the introduction of the regime; and if he will make a statement on the matter. [46337/09]

Minister for Transport (Deputy Noel Dempsey): Since the commencement of the penalty points system in 2002 a total of 877 drivers have been disqualified from holding a licence having reached the 12 penalty points limit. The disqualification period has ended for 689 drivers and 188 drivers are currently disqualified.

Local Authority Funding.

162. **Deputy Bernard J. Durkan** asked the Minister for Transport if he proposes to offer or has offered capital funding to Kildare County Council or other local authorities in respect of payments in Transport 21; and if he will make a statement on the matter. [46338/09]

Minister for Transport (Deputy Noel Dempsey): Transport 21 provides for investment in national roads, public transport and regional airports. Funding for national roads is allocated

to local authorities by the National Roads Authority. Funding has been and will continue to be provided to local authorities in respect of traffic management and bus priority measures. No public transport funding has been provided directly to Kildare County Council, though the county will benefit from investment by the relevant public transport agencies in projects such as the Kildare rail upgrade.

On national roads, the construction, improvement and maintenance of individual national roads, including those within Kildare County Council’s administrative area, is a matter for the National Roads Authority under the Roads Acts 1993 to 2007 in consultation with that local authority.

EU Funding.

163. **Deputy Bernard J. Durkan** asked the Minister for Transport the extent of EU funding received for the provision of road, rail, air and seaport transport facilities or installations in each of the past five years to date; and if he will make a statement on the matter. [46339/09]

164. **Deputy Bernard J. Durkan** asked the Minister for Transport the extent of EU financial aid received for major or minor road works, rail or bus services or installations in each of the past five years to date; and if he will make a statement on the matter. [46340/09]

Minister for Transport (Deputy Noel Dempsey): I propose to take Questions Nos. 163 and 164 together.

The information requested by the Deputy is being compiled and will be forwarded as soon as possible.

Ministerial Staff.

165. **Deputy Paul Kehoe** asked the Minister for Transport the number of persons employed in his private office and his constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in his Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if he will make a statement on the matter. [46385/09]

Minister for Transport (Deputy Noel Dempsey): The number of persons employed and the annual amount paid in salaries in my private and constituency offices are outlined in the table. The annual amount paid in respect of expenses in regard to my private and constituency offices is €47,261.

All information provided is in respect of the year 2009 to date.

Office	Number of staff	Salaries (including allowances)
		€
Constituency Office	4	200,153
Private Office	10	452,557

There is no Minister of State in my Department.

Stardust Tragedy.

166. **Deputy Aengus Ó Snodaigh** asked the Minister for Justice, Equality and Law Reform the reason no arrangements have been made for the counselling and medical needs for the families of the deceased victims or the survivors of the Stardust fire disaster, despite the passing

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unanimously of a motion in the Dáil and a promise to the families of the deceased victims.
[46098/09]

Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern): I can inform the Deputy that there has been ongoing contact with the Victims Committee's legal advisor with a view to identifying the level of demand for services referred to by him. As this process had yet to produce sufficient information to allow arrangements be made and so as to avoid having to intrude on the privacy of those victims or bereaved who might not welcome direct contact, a public information notice appeared in newspapers on 27 October 2009 asking those who wish to access such services through this channel to register their interest. The responses to this notice have now been compiled and arrangements for the provision of these services will be finalised in the very near future.

Departmental Bodies.

167. **Deputy Seán Sherlock** asked the Minister for Justice, Equality and Law Reform the number of State boards, agencies, regulators or other bodies under his remit; the cost of these bodies; and if he will make a statement on the matter. [46056/09]

Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern): I can inform the Deputy that the main bodies within the remit of my Department include An Garda Síochána, the Courts Service, the Irish Prison Service and the Property Registration Authority in addition to twenty four other bodies, details of which can be found in the appendices to my Department's most recent Annual Report available at www.justice.ie and also in the Oireachtas Library. Full details of costs associated with all the bodies concerned are contained in the Revised Estimates for Public Services 2009 available at www.finance.irlgov.ie and in the Oireachtas Library.

Probation and Welfare Service.

168. **Deputy Bernard Allen** asked the Minister for Justice, Equality and Law Reform the activities that are being undertaken at a centre (details supplied) in County Cork; the numbers and categories of staff at the centre; the number of young offenders passing through the centre on a daily basis; the projected growth within the next five years; if the activities at the facility at Cove Street are being transferred to Patrick's Hill. [46126/09]

Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern): I wish to inform the Deputy that the premises in question have been used by the Probation Service for over 25 years. It previously operated as a hostel and day centre for young persons under probation supervision in the community, but ceased being used as a hostel a number of years ago. It currently operates under the responsibility of the Young Persons Probation Division (YPP) of the Probation Service. It is used as a base for probation officers working with YPP and for offices of the Le Chéile Mentoring Project, an Irish Youth Justice Service/ YPP funded community programme. The premises are also used as a Day Centre training and activities facility for a separate IYJS/YPP funded community programme operated by Ógra Chorcaí.

It is estimated that there would be some 30 young people using the centre on a weekly basis at different times, with less than 10 young people visiting over the full course of the day. These young people who are from Cork city come to the premises, sometimes with their parents, to meet with their probation officer or to attend Day Centre training and activities. However the majority of probation officer/client meetings take place in the client's home. The Le Chéile project does not engage in direct mentoring services on the premises, but it trains mentors who

then participate in mentoring services off-site. The total number of personnel operating out of the premises is 16, made up of:

- probation officers (9)
- clerical officer (1),
- Ógra Chorcaí youth workers (4)
- Le Chéile staff (2).

While the numbers using the premises fluctuate according to court referrals, it is not expected to grow substantially above these estimates over the next 5 years. Only the young persons' activities in Cove Street have moved to the premises in question. The Probation Service continues to offer a service to adults in Cove Street.

Citizenship Applications.

169. **Deputy Finian McGrath** asked the Minister for Justice, Equality and Law Reform the position regarding the case of a person (details supplied). [46132/09]

Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern): A valid application for a certificate of naturalisation from the person referred to in the Deputy's Question was received in the Citizenship Division of my Department in April 2009. All valid applications are dealt with in chronological order as this is deemed to be the fairest to all applicants. The average processing time from application to decision is now at 24 months. More complicated cases can at times take more than the current average, while an element of straight forward cases can be dealt with in less than that timescale.

The length of time taken to process each application should not be classified as a delay, as the length of time taken for any application to be decided is purely a function of the time taken to carry out necessary checks. There is a limit to the reduction in the processing time that can be achieved as applications for naturalisation must be processed in a way which preserves the necessary checks and balances to ensure that it is not undervalued and is only given to persons who genuinely satisfy the necessary qualifying criteria.

Tribunals of Inquiry.

170. **Deputy Maureen O'Sullivan** asked the Minister for Justice, Equality and Law Reform if he will make a statement on the existence or otherwise of a non-attendance form for lawyers involved in tribunal hearings. [46217/09]

Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern): I assume the Deputy is referring to a system of verification of attendance by lawyers at Tribunals of Inquiry for the purpose of payment of fees. While the matter is one for the Tribunal I can say that the role of each relevant Department in relation to a Tribunal is to account for its overall expenditure.

Proposed Legislation.

171. **Deputy Darragh O'Brien** asked the Minister for Justice, Equality and Law Reform if the draft heads of the Bill for the regulation of the gaming sector will be published in the first quarter of 2010; and if he will make a statement on the matter. [46233/09]

Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern): I refer the Deputy to my reply to Parliamentary Questions Nos. 204 and 205 of 1 December last in which I outlined progress on the review of gambling being undertaken by my Department. The Deputy will note that the review of gambling is not yet completed. The Deputy will appreciate that developing a revised gambling code that is capable of generating broad public support is a complex task. Notwithstanding that, I have instructed the Casino Gaming Control Section of my Department to make every effort to provide me and the Government with policy options for a new gambling architecture, including a Draft Bill, within the time frame mentioned by the Deputy. The policy options will lead to the publication of a draft Bill. Ultimately, of course, it will be for Government to agree the policy approach to be legislated for in this area.

Residency Permits.

172. **Deputy Finian McGrath** asked the Minister for Justice, Equality and Law Reform the position regarding an application for residency in respect of a person (details supplied) in County Dublin. [46347/09]

Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern): I am informed by the Immigration Division of my Department that the person concerned made an application for residence in the State based on her marriage to a German National on 15 November 2008. The person referred to by the Deputy was informed of the decision to refuse this application on 18 May 2009. A request by the applicant and their spouse for review of this decision was received on 26 May 2009 and the decision to refuse this application is currently under review.

Garda Operations.

173. **Deputy Seán Sherlock** asked the Minister for Justice, Equality and Law Reform his plans to implement changes in the interest of transparency within An Garda Síochána, in view of allegations that it is one of the most secretive police forces in the world. [46366/09]

Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern): The loaded description of the Garda Síochána as one of the most secretive police forces in the world simply does not stand up to scrutiny. In fact, the Garda Síochána Act 2005 has extensive provisions on the accountability and transparency of the Force. Under the Act, the Minister sets policing priorities each year which must be taken into account by the Garda Commissioner when drawing up the annual policing plan and the 3 year Garda strategy statement. All of these documents are laid before the Houses of the Oireachtas, and the Commissioner attended a meeting of the Joint Committee on Justice, Equality, Defence and Women's Rights in January this year to discuss the 2009 policing plan. The Commissioner now also attends meetings of the Public Accounts Committee as accounting officer for the Garda Vote, and answers detailed questions relating to the Force.

Under the Act, the Commissioner is also fully accountable to Government for all aspects of the Garda Síochána. Furthermore, the Garda Ombudsman Commission has independent oversight of the investigation of complaints against members of the Garda Síochána, and designated officers of the Ombudsman Commission have Garda powers in carrying out any investigations. The Garda Inspectorate now also carries out inspections and inquiries into aspects of the operation and administration of the Force, and reports to the Minister on how best to achieve the highest levels of efficiency and effectiveness. These reports are also laid before the Houses of the Oireachtas.

Bearing in mind that the Garda Síochána is not only our national police force but also our national security and intelligence agency, this is a level of accountability, openness and transparency which compares well to comparable agencies abroad.

Garda Deployment.

174. **Deputy Charlie O'Connor** asked the Minister for Justice, Equality and Law Reform the progress regarding an estate (details supplied) in Dublin 24 being served by one Garda station; if his attention has been drawn to the concerns of the residents association of the estate; and if he will make a statement on the matter. [46370/09]

Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern): I am advised by the Garda Authorities that, at present, the area referred to by the Deputy is covered by the Tallaght Garda District and the Clondalkin Garda sub-district. I am informed that there is excellent liaison and communication between the respective Community Policing Units, which are specifically tasked with policing the area, with monthly meetings between the relevant personnel taking place. In addition, regular meetings are held with Residents' Groups from the area, the most recent of which took place on Thursday, 3rd December, 2009.

I am further advised that the area is subject to regular patrols by both uniform and plain-clothes personnel, including the Garda Mountain Bike Units, District Detective and Drug Unit personnel, supplemented as necessary by the Divisional Crime Task Force and Traffic Corps personnel. Current policing plans for the area are designed to address crime and public order issues, crime prevention and the maintenance of an environment conducive to the improvement of quality of life for the residents of the area. Community policing is a central feature and core value of this policing policy. Senior Garda Management are, as part of the ongoing review of Divisional and District Boundaries, examining areas that span different Garda Districts and Divisions within the Dublin Metropolitan Area including the area referred to by the Deputy.

Ministerial Staff.

175. **Deputy Paul Kehoe** asked the Minister for Justice, Equality and Law Reform the number of persons employed in his private office and his constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in his Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if he will make a statement on the matter. [46382/09]

Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern): I would refer the Deputy to my reply to Question No. 647 on 27 January 2009. There has been no change in the position in the meantime. The offices of the Ministers of State attached to my Department are staffed by the other Departments in which they are based.

Departmental Staff.

176. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Foreign Affairs if, in addition to the Defence Forces members in International Security Assistance Force, there are Irish civilians involved in Afghanistan; and if so, the cost of same. [46195/09]

Minister for Foreign Affairs (Deputy Micheál Martin): At present, two Irish civilians are seconded by the Department of Foreign Affairs to positions in Afghanistan. One of these works as a Rule of Law Outreach Officer with the EU Police Mission to Afghanistan (EUPOL Afghanistan), which is contributing to the establishment of sustainable and effective civilian

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policing arrangements under Afghan ownership and in accordance with international standards. Her period of secondment runs from 30 August 2009 until 31 March 2010 at an estimated cost of €44,000. Previously, another civilian expert was seconded to the Mission, also as a Rule of Law Outreach officer, for 3 months from 28 February 2009 at a cost of €21,320.

One member of the Irish Aid Rapid Response Initiative has been working in Afghanistan as a Reporting Officer with the UN Office for the Coordination of Humanitarian Affairs (OCHA) since 10 September 2009 and is currently scheduled to finish up on 9 March 2010. The estimated total cost for this officer's term of work is €52,122.70. I am aware that seven Irish persons are directly contracted by EUPOL Afghanistan. However, they are not seconded by the Department of Foreign Affairs, and no expenditure arises to the State from their activities.

Departmental Boards.

177. **Deputy Seán Sherlock** asked the Minister for Foreign Affairs the number of State boards, agencies, regulators or other bodies under his remit; the cost of these bodies; and if he will make a statement on the matter. [46054/09]

Minister for Foreign Affairs (Deputy Micheál Martin): There are no state boards, agencies or regulatory bodies operating under the responsibility of my Department. However, there are currently three bodies; two Advisory Committees and one Educational Commission, which operate under the aegis of my Department. All members serving on these bodies do so in a voluntary capacity and are not in receipt of a salary or fee.

The Development Education Advisory Committee was established in 2003 following the recommendations of the Ireland Aid Review Committee. Its purpose is to advise the Minister, the Minister of State and Irish Aid on development education policy. This Advisory Committee has no distinct budget and administrative support is provided by the Irish Aid division of my Department. A small amount of travel related costs are incurred by member's attendance at committee meetings, approximately €2,500 annually.

The Government Emigrant Services Advisory Committee (previously known as *Díon*) was set up in 1984 to advise the Government on the welfare of the Irish community in Britain. The Committee's primary role is to advise on the distribution of Government support to voluntary agencies providing front line services and community care to Irish people in Britain. This Advisory Committee has no distinct budget and administrative support is provided by the Irish Embassy in London. A small amount of travel related costs are incurred by members attendance at committee meeting, approximately €1,000 annually.

The Fulbright Commission (The Board of the Ireland — United States Commission for Educational Exchange) finances study, research, teaching and other educational activities between Ireland and the United States of America. As Minister for Foreign Affairs, I have some statutory obligations in regard to this organisation, including the appointment of four members of the eight-member Commission. My Department makes an annual grant in aid payment to the Commission which in 2008 was €254,000, a figure which represented approximately 25% of the Commission's budget for that year.

Overseas Development Aid.

178. **Deputy Michael D. Higgins** asked the Minister for Foreign Affairs the cuts to date in funding to each of the multilateral agencies supported by Irish aid and to each sector of our bilateral aid to our priority partner countries. [46146/09]

Minister of State at the Department of Foreign Affairs (Deputy Peter Power): Last year the Government provided a total budget of €920 million on Official Development Assistance (ODA). This represented approximately 0.59 % of our Gross National Product (GNP), making Ireland the sixth most generous aid donor internationally in per capita terms. This year, the Government had to take the regrettable decision to reduce the allocation for ODA. Total ODA is expected to reach €696 million in 2009, which, on current projections, will represent approximately 0.52% of GNP.

In making adjustments across the aid programme this year, the Government ensured that programmes in our priority countries were protected to the extent possible. Ireland provides bilateral development assistance to over ninety countries worldwide. Nine have been designated as Programme Countries, where we have a commitment to long term strategic assistance. These are Ethiopia, Lesotho, Malawi, Mozambique, Tanzania, Timor Leste, Uganda, Vietnam, and Zambia. Irish Aid provided direct programme funding of €220 million to these countries in 2008. This year, €198 million is being provided. Breaking these figures down by Programme Country:

- In Ethiopia, €36 million was provided in 2008 and €27.8 million in 2009.
- In Lesotho, €9.1 million was provided in 2008 and €11.4 million in 2009.
- In Malawi, almost €10 million was provided in 2008 and €8.8 million in 2009. I have recently approved funding of a further €2 million for the fight against hunger in Malawi.
- In Mozambique, €34 million was provided in 2008 and €40.5 million in 2009.
- In Tanzania, €38 million was provided in 2008 and €33.5 million in 2009.
- In Timor Leste, €5 million was provided in 2008 and €3.42 million in 2009. In addition, over €1 million was allocated in 2008 and €990,000 in 2009 for a programme of conflict resolution activities in Timor Leste.
- In Uganda, €42 million was provided in 2008 and €35.5 million in 2009.
- In Vietnam, €21 million was provided in 2008 and €13.75 million in 2009.
- In Zambia, €23.5 million was provided in 2008 and €23.2 million in 2009.

Additional funding is channelled to the Programme Countries in response to emergencies and humanitarian disasters, as necessary, and through Irish Aid funding for the activities of Non-Governmental Organisations and international agencies. The development objectives for each of the Programme Countries are outlined in country strategy papers, typically covering a period of five years. These strategies identify the key sectors in which the bilateral programmes focus. For example, education is at the heart of Ireland's current strategy in Zambia, while the programme in Tanzania concentrates on the sectors of governance, agriculture and health. All strategies are agreed with partner countries in the context of their own programmes for poverty reduction. In making the budget adjustments, we have in all cases ensured that the continuity of our programmes will be maintained. In some cases, funding timeframes have been extended and disbursement rates modified, but the planned final outputs will be delivered, even if they have been delayed somewhat.

In relation to the multilateral agencies, I regret that it was necessary this year to reduce by 50% Ireland's planned voluntary contributions to United Nations Agencies. Nonetheless, the Government has provided €40.5 million to the UN agencies for their development activities in

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2009. This includes core funding of €8.7 million to the UN Development Programme (UNDP), €8 million to the UN Fund for Children (UNICEF), €6 million to the UN High Commissioner for Refugees (UNHCR), €3 million to UNAIDS, €3 million to the UN Population Fund (UNFPA), and €2 million to the Office of the High Commissioner for Human Rights. Significant additional funding has been channelled through the UN agencies in response to emergency and humanitarian needs.

Other multilateral funding provided by Irish Aid this year included contributions to help developing countries take advantage of the global trading system and represent their interests more effectively in international trade negotiations. In this regard, the Government's support for the World Trade Organisation Technical Assistance programmes, the International Trade Centre, and the Advisory Centre on WTO Law amounted to €3.3 million in 2009, an overall reduction of €2.9 million on 2008 levels.

Finally, it is important to note that Ireland's overall assessed contribution to the European Union Development Fund was not reduced in 2009, remaining at €21.9 million.

Ministerial Staff.

179. **Deputy Paul Kehoe** asked the Minister for Foreign Affairs the number of persons employed in his private office and his constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in his Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if he will make a statement on the matter. [46380/09]

Minister for Foreign Affairs (Deputy Micheál Martin): The number and grades of staff in my Private and Constituency Offices are set out in the following tabular format.

Staff of Private Office of Minister Micheál Martin, T.D.

Grade	Number of staff
First Secretary	1.0
Higher Executive Officer	1.0
Executive Officer	1.0
Staff Officer	1.0
Clerical Officer	2.9
Special Advisor	2.0
Total	8.9

Staff of Constituency Office of Minister Micheál Martin, T.D.

Grade	Number of staff
Executive Officer	1.0
Clerical Officer	1.8
Personal Assistant	1.0
Personal Secretary	1.0
Total	4.8

The following table gives the annual salary costs for each office for 2009.

2009 Total Salary Costs in Offices of Minister for Foreign Affairs

Private Office	Constituency Office
€532,252	€149,971

The following tables set out the number and grades of staff employed in the Private and Constituency Offices of each Minister of State in my Department.

Staff of Private Office of Minister of State Dick Roche, T.D.

Grade / Position	Number
Higher Executive Officer	1
Clerical Officer	2
Special Advisor	1
Total	4

Staff of Constituency Office of Minister of State Dick Roche, T.D.

Grade / Position	Number
Staff Officer	1.0
Clerical Officer	2.8
Personal Assistant	1.0
Personal Secretary	1.0
Total	5.8

Staff of Private Office of Minister of State Peter Power, T.D.

Grade / Position	Number
First Secretary	1
Staff Officer	1
Clerical Officer	1
Special Advisor	1
Total	4

Staff of Constituency Office of Minister of State Peter Power, T.D.

Grade / Position	Number
Clerical Officer	3
Personal Assistant	1
Personal Secretary	1
Total	5

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The following table gives the annual salary costs for each Minister of State's office for 2009.

2009 Total Salary Costs in Offices of Minister of State Dick Roche, T.D.

Private Office	Constituency Office
€245,021	€252,116

2009 Total Salary Costs in Offices of Minister of State Peter Power, T.D.

Private Office	Constituency Office
€262,945	€181,300

In the time available, it is not possible to provide precise information in relation to the travel, subsistence and overtime expenses attributed to the above offices. However, I can confirm that any such expenses would be processed in full compliance with the standard Civil Service regulations governing overtime, travel and subsistence.

Sports Funding.

180. **Deputy Frank Feighan** asked the Minister for Arts, Sport and Tourism the way an association (details supplied) will be recognised here as a national sports organisation. [46120/09]

Minister for Arts, Sport and Tourism (Deputy Martin Cullen): The Irish Sports Council (ISC), which is funded by my Department, is the statutory body responsible for the promotion, development and coordination of sport which includes responsibility for dealing with the recognised sporting organisations and allocation of funding to same.

The ISC was established on a statutory basis on 1st July, 1999, and the functions of the Council are outlined in Section 6 of the Irish Sports Council Act 1999. Section 6 (1)(a) states that one of the functions of the Council shall be “to encourage the promotion, development and coordination of competitive sport and the achievement of excellence in competitive sport.” Section 6.1 (b) states, as one of the functions of the Council, that the ISC has responsibility for developing “strategies for increasing participation in recreational sport and to coordinate their implementation by all bodies (including public authorities and publicly funded bodies) involved in promoting recreational sport and providing recreational facilities”.

This includes recognition, for purposes of funding or for any other reason, of any sporting or recreational activity, including dealing with sporting organisations and allocation of funding to same. The Department provides funding to the ISC and the ISC allocates funding to the sporting organisations (including the Federation of Irish Sport, the Olympic Council of Ireland, the Paralympic Council and the National Governing Bodies of sport), at the discretion of the ISC and based on ISC criteria. As this matter falls within the day to day responsibilities of the ISC I have asked the Council to provide the Deputy with the information sought.

Sports Capital Funding.

181. **Deputy Finian McGrath** asked the Minister for Arts, Sport and Tourism if he will support a matter (details supplied). [46133/09]

Minister for Arts, Sport and Tourism (Deputy Martin Cullen): The organisation in question has received very generous funding under various rounds of the Sports Capital Programme.

Since 1999 the club has received over €1,000,000 in funding towards the development of facilities. All of this funding has been drawn down.

Tourism Promotion.

182. **Deputy Joe Carey** asked the Minister for Arts, Sport and Tourism his views on the report by a company (details supplied) in March 2008 which indicates that the economy here could realise €58 million in gross additional tourism receipts as a result of the 2012 Olympic Games by pre-games sports training and event related tourism activity, additional visitors here during the periods of the games being hosted and post-games legacy benefits through repeat business; the measures he has taken to date; the additional actions he intends to take in order to capitalise on this financial opportunity; and if he will make a statement on the matter. [46140/09]

183. **Deputy Joe Carey** asked the Minister for Arts, Sport and Tourism if the efforts of the London 2012 task force have been successful here in attracting teams participating in the summer Olympic Games and Paralympic Games in view of the fact that Northern Ireland is seeking to attract ten countries or teams for pre-games training; the number of such teams he has identified; and if he will make a statement on the matter. [46141/09]

Minister for Arts, Sport and Tourism (Deputy Martin Cullen): I propose to take Questions Nos. 182 and 183 together.

The London 2012 Olympics and Paralympics Task Force was established in August 2006 to ensure Ireland could identify and maximise the complete range of opportunities arising from our proximity to the Olympic and Paralympic Games in London 2012. The Task Force included experts from the sport, tourism, cultural and business sectors and was supported by staff within my Department.

The Task Force report, which was published last February, makes a number of recommendations arising from an audit carried out of high quality sports facilities in Ireland and the findings of a report by Indecon International Economic Consultants on the economic evaluation of the benefit to the island of Ireland of the London 2012 Olympic and Paralympic games.

Irrespective of the sporting facilities we have to offer, it is unlikely that there will be a significant number of international teams and athletes coming to Ireland in the lead up to the 2012 Games. Some individual competitors in specific sports may come here for particular reasons. However, there are a number of opportunities on the tourism and cultural sides which can be pursued.

I have recently established a high-level London 2012 coordinating group, chaired by my Department and comprising of representatives of the arts, sports, tourism and cultural agencies, to explore and develop initiatives and opportunities across the various sectors to capitalise on the proximity of the London Games. The discussions of the group will take into account the current economic situation and the findings of the London 2012 Olympics and Paralympics Task Force Report. The first meeting of the group took place on 30th November 2009.

Ministerial Staff.

184. **Deputy Paul Kehoe** asked the Minister for Arts, Sport and Tourism the number of persons employed in his private office and his constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in his Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if he will make a statement on the matter. [46372/09]

Minister for Arts, Sport and Tourism (Deputy Martin Cullen): There are four full time established civil servants in my Private Office, i.e. my Private Secretary at Higher Executive Officer level and three Executive Officers. The staffing of my constituency Office consists of one fulltime established civil servant (Staff Officer), and local constituency office staff of 3 comprising of a Personal Assistant at Higher Executive Officer level, a Constituency Assistant at Higher Executive Officer level and a Personal Secretary at Secretarial Assistant level. All the above staff are paid at the appropriate civil service pay scales for these grades. My Private Secretary is also paid the normal Private Secretary allowance, currently €21,775 and my Personal Secretary is paid an attraction allowance of 10% of salary. The expenses to date in 2009 in respect of my private office total €5,965 and in respect of my constituency office total €4,551.

The Minister of State at this Department, Dr. Martin Mansergh, T.D, does not have a private office or a constituency office in the Department. However, expenses totaling €595 were incurred to date in 2009 in relation to the operation by the Minister of State of his functions in respect of this Department. The above staff numbers are in line with Department of Finance guidelines on staffing of private and constituency offices.

Stáisiúin Dóiteáin.

185. D'fhiafraigh **Deputy Dinny McGinley** den Aire Gnóthaí Pobail, Tuaithe agus Gaeltachta an bhfuil iarratas déanta maidir le cuidiú a chur ar fáil do phobal áirithe (sonraí tugtha) le haghaidh stáisiún dóiteáin a thógáil; agus an ndéanfaidh sé ráiteas ina thaobh. [46199/09]

Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív): Is féidir liom a dheimhniú don Teachta nach bhfuil iarratas faighte ag mo Roinnse ar chúnamh faoi na Scéimeanna Gaeltachta d'fhorbairt stáisiúin dóiteáin don phobal atá luaite aige. Is gnó don Roinn Comhshaoil, Oidhreachta agus Rialtas Áitiúil maoiniú a dhéanamh ar a leithéid. Níl aon scéim ag mo roinn faoin a bhféadfaí a leithéid a mhaoiniú.

Harbours and Piers.

186. **Deputy Pat Breen** asked the Minister for Community, Rural and Gaeltacht Affairs if he has received a submission from a local authority (details supplied); his views regarding same; if he will make funding available for the project; and if he will make a statement on the matter. [46326/09]

Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív): I refer the Deputy to my reply to Question No 411 of 20 October 2009.

My Department has received a submission from the relevant local authority in regard to the facility referred to by the Deputy. While I am positively disposed towards the proposed development, I am not in a position to commit financial assistance towards it at present due to substantial existing commitments that fall to be honoured in 2010.

Ministerial Staff.

187. **Deputy Paul Kehoe** asked the Minister for Community, Rural and Gaeltacht Affairs the number of persons employed in his private office and his constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in his Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if he will make a statement on the matter. [46374/09]

Minister for Community, Rural and Gaeltacht Affairs (Deputy Éamon Ó Cuív): The details requested by the Deputy in relation to my private and constituency offices are set out in the

following table. For completeness, details relating to my Special Advisor and Media Advisor are included in the figures provided in respect of my private office.

Office	Number of Staff	Salary (inclusive of Employers PRSI) for 2009	Expenses to date in 2009
		€	€
Private Office	9*	491,707	11,039
Constituency Office	5	205,946	236

*Current staff level, following a reduction of 1.6 in April 2009.

The details requested in relation to the staffing in the private and constituency offices of Mr John Curran, T.D., Minister of State at this Department, are set out in the following table.

Office	Number of Staff	Salary (inclusive of Employers PRSI) for 2009	Expenses to date in 2009
		€	€
Private Office	4.4	189,188	1,038
Constituency Office	2.0	131,607	Nil

Proposed Legislation.

188. **Deputy Ciarán Cuffe** asked the Minister for Social and Family Affairs her plans to introduce changes in legislation to ensure that there is an obligation on the father of a child to be identified on the birth certificate; and if she will make a statement on the matter. [46128/09]

Minister for Social and Family Affairs (Deputy Mary Hanafin): The current position in relation to births registrations is that no man can be named as the father of a child in an entry unless he consents to do so or unless he is found to be the father of the child by the Courts, in proceedings relating to guardianship or maintenance or by way of a declaration of parentage, made under section 35 of the Status of Children Act, 1987.

Under the provisions of the Civil Registration Act, 2004, where the parents are not married to each other at the time of the birth, the father's particulars can be registered if the parents make a joint application to do so, or if either makes an application, accompanied by a statutory declaration from the other parent, naming the father, or if either parent makes an application accompanied by a court order naming the father.

Where a father's details are not registered initially, the parents may re-register the birth to add his details. The procedures for such re-registrations are similar to those for registrations. Also, if the parents marry each other following the birth, they are legally obliged to re-register the birth, under the provisions of section 24 of the Act.

The Houses of the Oireachtas Joint Committee on Social and Family Affairs has strongly recommended that it should be made compulsory for the father's name to be registered on a child's birth certificate (First Report — October 2009).

In September last, the Law Reform Commission (LRC) issued a discussion document on Legal Aspects of Family Relationships, which included the issue of the registration of the father's particulars. They have invited submissions from interested parties and will, in due course, issue recommendations in a further report. Any recommendation in relation to the compulsory registration of the father's details on a birth record will be of considerable significance and will be seriously considered, especially in light of the Joint Committee's recommendation on the registration of the father's particulars.

Departmental Bodies.

189. **Deputy Seán Sherlock** asked the Minister for Social and Family Affairs the number of State boards, agencies, regulators or other bodies under her remit; the cost of these bodies; and if she will make a statement on the matter. [46057/09]

Minister for Social and Family Affairs (Deputy Mary Hanafin): The four statutory bodies operating under the aegis of the Department are the Pensions Board, the Citizens Information Board, the Family Support Agency and the Social Welfare Tribunal. In addition the Pensions Ombudsman comes under the remit of the Department.

From 1 July 2009, the Combat Poverty Agency integrated with the former Office for Social Inclusion within the Department of Social and Family Affairs, to form the new Social Inclusion Division within the Department. The budget estimate for these bodies in 2009 is set out as follows:

Name of Agency/Board	Budget Estimate in 2009
Social Welfare Tribunal	€6,000
Citizens Information Board	€28.7m
Money Advice and Budgeting Service*	€17.9m
	Total: €46.6m
Family Support Agency	€35.707m
Pensions Board**	€8.74m (incl. allocation of €500,000 from DSFA in respect of the National Pensions Awareness Campaign)
Pension's Ombudsman	€974,000

*Since 13 July 2009 MABS has been integrated into the Department.

**The operations of the Pensions Board are largely financed by annual fees payable to it by occupational pension schemes and by providers of Personal Retirement Savings Accounts.

Pension Provisions.

190. **Deputy Emmet Stagg** asked the Minister for Social and Family Affairs the reason she will not inquire into a person's British national insurance record to determine a pension entitlement in respect of a person (details supplied) in County Kildare. [46079/09]

Minister for Social and Family Affairs (Deputy Mary Hanafin): The Medical Appliance Benefit Scheme provides assistance towards the cost of a hearing aid. The Department will pay up to half the cost of a hearing aid or repairs to a hearing aid, subject to a fixed maximum contribution of €760 per aid.

To qualify for Medical Appliance Benefit you must satisfy certain PRSI conditions. A person aged 66 or over must have a total of 260 paid PRSI contributions since first starting work and either (i) 39 paid or credited PRSI contributions in either of the two relevant tax years on which the claim is based OR (ii) 26 paid PRSI contributions in both the relevant tax year and the tax year immediately before the relevant tax year. If you satisfy the PRSI conditions when you reach age 60, you will remain qualified for life.

As per the records of the Department, the person concerned has no post-1953 PRSI contributions and so does not qualify for Medical Appliance Benefit. A pre-1953 record is not sufficient on its own to qualify for this scheme; the person concerned would also need to have made Irish contributions within two years of their 60th birthday or retirement at age 66 years.

Neither can their UK insurance record be counted, as they did not pay PRSI in Ireland following their return from the UK. In these circumstances, the UK remains the competent

state for insurance based benefits and the person concerned may have an entitlement in the UK, as this was the last country in which they paid PRSI contributions.

The person concerned may have an entitlement in Ireland under the Medical Card scheme. Any queries in this regard should be directed to the Department of Health and Children.

Departmental Schemes.

191. **Deputy George Lee** asked the Minister for Social and Family Affairs further to Parliamentary Question No. 905 of 3 November 2009, when the review will be completed; if she will provide this Deputy with a copy of the report after it is completed; and if she will make a statement on the matter. [46136/09]

Minister for Social and Family Affairs (Deputy Mary Hanafin): The review of the Disability Allowance scheme is examining the objectives of the scheme and their compatibility with the overall strategy of the Department, in particular the policy objective of supporting people of working age into employment, and the extent to which the objectives have been achieved. It is envisaged that the review will be finalised early in 2010.

Question No. 192 withdrawn.

Pension Provisions.

193. **Deputy Róisín Shortall** asked the Minister for Social and Family Affairs the reason she has reduced the annual fees payable by occupational pension schemes to the Pensions Board; and the cost of this reduction to the board in a full year. [46356/09]

Minister for Social and Family Affairs (Deputy Mary Hanafin): Section 25 of the Pensions Act 1990 (as amended) provides for the payment of annual fees by occupational pension schemes and PRSAs to the Pensions Board. Fees generated fund the day-to-day operations of the Board. The level of fees is reviewed each year and, on average, they have been revised every five years with the last increase occurring in 2003.

As the Pensions Board has a surplus for some years, the Board recommended to me that fees should be reduced by 7.5%. I strongly welcomed this recommendation as it reflects both the current financial position of the Board as well as providing a welcome respite to pension schemes which have been under strain. The fee reduction will be implemented from January 2010. The total estimated cost to the Board of the 7.5% fee reduction is €296,000 in 2010.

Social Welfare Benefits.

194. **Deputy Pat Breen** asked the Minister for Social and Family Affairs when an application for domiciliary allowance will be processed in respect of a person (details supplied) in County Clare; and if she will make a statement on the matter. [46357/09]

Minister for Social and Family Affairs (Deputy Mary Hanafin): In order to qualify for Domiciliary Care Allowance a child must have a disability so severe that the child needs care and attention and/or supervision substantially in excess of another child of the same age. This care and attention must be given by another person, effectively full time, so that the child can deal with the activities of daily living. The child must be likely to require this level of care and attention for at least 12 months.

The person in question has made applications for Domiciliary Care Allowance in respect of each of her twins boys. An application for Domiciliary Care Allowance was received by the Department on 15th July 2009 in respect of her son "C". This application was referred to one of the Departments Medical Assessors who found that the child in question did not meet the medical criteria to qualify for Domiciliary Care Allowance.

[Deputy Mary Hanafin.]

A letter issued to the person in question on 27th August 2009 advising her of the decision to refuse Domiciliary Care Allowance. In the case of an application which is refused on medical grounds, the applicant may submit additional information and/or ask for the case to be reviewed by a different Medical Assessor specially designated for this task.

The person in question requested a review of the decision to refuse Domiciliary Care Allowance and the application was reviewed by a different Medical Assessor on the 25th November 2009 who found that the child in question was not medically eligible for Domiciliary Care Allowance. A letter issued to the person in question on 1st December 2009 advising of this decision.

An application for Domiciliary Care Allowance was received by the Department on 1st October 2009 in respect of her son “E”. This application was referred to one of the Departments Medical Assessors who found on 19th October 2009 that the child in question was not medically eligible for Domiciliary Care Allowance.

Further information was received prior to the formal decision being issued and the application was returned for a review to a different Medical assessor. This Medical Assessor found that the child in question was not medically eligible for Domiciliary Care Allowance. A letter issued to the person in question on 1st December 2009 advising of this decision.

Where a person is not satisfied with the decision of a Deciding Officer, they may appeal the decision to the Social Welfare Appeals Office. Additional information was received and forwarded to the Social Welfare Appeals Office on 4th December 2009. The Social Welfare Appeals Office have been requested to register an appeal in relation to each application, they will be in contact directly with the person in question in due course.

Social Welfare Appeals.

195. **Deputy Jack Wall** asked the Minister for Social and Family Affairs the length of time taken to decide appeals cases; her plans to address the problem in view of the hardship that persons are experiencing due to the delay; and if she will make a statement on the matter. [46358/09]

196. **Deputy Jack Wall** asked the Minister for Social and Family Affairs when a decision will issue on an appeal in respect of a person (details supplied) in County Kildare in view of the hardship they are enduring due to the length of time taken for the appeal to be decided; and if she will make a statement on the matter. [46359/09]

Minister for Social and Family Affairs (Deputy Mary Hanafin): I propose to take Questions Nos. 195 and 196 together.

The Social Welfare Appeals Office has advised me that, following receipt of the relevant Departmental papers including comments on the grounds of appeal, the appeal from the person concerned has been referred to an Appeals Officer for consideration.

I am advised by the Social Welfare Appeals Office that during 2008 the average time taken to process all appeals (i.e. those decided summarily and by way of oral hearing) was 22 weeks. However, if allowance was made for the 25% most protracted cases, the average time fell to just over 14 weeks. These processing times replicate those for 2007 notwithstanding the fact that there was an increase of 27% in the number of appeals received during 2008. Although, there are no figures for the processing times to date in 2009, there has been an increase of a further 45% in the number of appeals received by the Social Welfare Appeals Office to the end of November 2009 and I am very concerned about the likely effect of these increases on processing times.

The Chief Appeals Officer is keeping current processes under continuous review with a view to achieving a more effective throughput of appeals having regard to due process in terms of the rights of appellants and adherence to the requirements of natural justice. The matter of assigning additional Appeals Officers is also kept under constant review but any consideration of extra assignments must be taken in the context of overall government policy on civil service numbers.

Fuel Poverty.

197. **Deputy Seán Sherlock** asked the Minister for Social and Family Affairs her plans to tackle the increasing risk of fuel poverty in view of significant increases in unemployment; and if she will make a statement on the matter. [46367/09]

Minister for Social and Family Affairs (Deputy Mary Hanafin): The Department's role is to assist social welfare recipients with heating costs, both through their basic payments and through the fuel allowance scheme and the household benefits package of electricity and gas allowances. These schemes have been improved significantly in recent years.

The national fuel allowance scheme assists householders on long-term social welfare or health service executive (HSE) payments with meeting the cost of their heating needs during the winter season. The allowance represents a contribution towards a person's normal heating expenses. It is not intended to meet those costs in full. Fuel allowance is payable for 32 weeks a year, up from 30 weeks a year in 2007. The standard allowance is €20 a week while the rate in smokeless zones is €23.90 a week, up by €2 a week from 2008. The scheme benefits almost 320,000 people a year at an estimated cost of €217 million in 2009.

Electricity and gas allowances under the household benefits package, are payable throughout the year to almost 380,000 pensioners, people with disabilities, and carer households towards their heating, light and cooking costs at an estimated cost of €200m in 2009. The electricity allowance covers standing charges plus VAT and up to 2,400 units of electricity in each billing period, increased from 1,800 units in January 2007. The gas allowance covers a cash equivalent amount. The supplementary welfare allowance scheme can also be used to assist people in certain circumstances with specific heating needs due to infirmity or a particular medical condition.

Government policy in recent years has focused on increasing primary social welfare rates significantly to ensure that people on social welfare can meet their basic living costs, including heating, throughout the year. Since December 2001, overall inflation has increased by 19% while energy product prices have increased by over 50%. However, increases in social welfare payments have been between 78% and 95% in the same period.

Any improvement to social welfare programmes to assist with heating costs would have considerable cost implications and would have to be considered in the light of resources available for improvements in social welfare payments generally. Income support is only part of the answer in terms of addressing fuel poverty. Proper household insulation is absolutely vital. Initiatives such as the Warmer Homes Scheme, operated by Sustainable Energy Ireland, under the aegis of the Department of Communications, Energy and Natural Resources have a very valuable role to play in that regard, as does funding from the Department of the Environment, Heritage and Local Government to improve the quality of existing local authority housing.

The Government is committed to protecting vulnerable households from the impact of energy costs through a combination of supports, investment in improving the energy efficiency of the housing stock and the availability of advice such as "The Keep Well and Warm booklet" and accompanying associated website. Some 132,000 copies of the booklet have been distributed in 2009.

[Deputy Mary Hanafin.]

The Department of Communications, Energy and Natural Resources has overarching responsibility for the energy portfolio and has convened an inter- Departmental/Agency Group on Affordable Energy, co-chaired by the Social Inclusion Division of the Department of Social and Family Affairs, to coordinate and drive Government policy in this area. The Group includes officials of the departments of the Taoiseach, Finance, Environment, Heritage and Local Government, Health and Children, the Commission for Energy Regulation, Sustainable Energy Ireland, the ESB and Bord Gais. The objective is to ensure shared understanding of the challenges and actions underway and to ensure a fully cohesive strategic approach to delivery of affordable energy initiatives and programmes. The Inter Departmental/Agency Group has been asked to draw up an Energy Affordability Strategy for consultation by January 2010. This strategy will set out existing and future approaches to addressing energy affordability.

The Group will report to the Cabinet Committee on Social Inclusion, Children and Integration and the Cabinet Committee on Climate Change and Energy Security Infrastructure.

Ministerial Staff.

198. **Deputy Paul Kehoe** asked the Minister for Social and Family Affairs the number of persons employed in her private office and her constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in her Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if she will make a statement on the matter. [46383/09]

Minister for Social and Family Affairs (Deputy Mary Hanafin): The details the Deputy has requested in respect of the staffing of my private and constituency offices are shown in the tabular statement. There has been no Minister of State formally assigned to my Department. However, Minister of State, Áine Brady, who is Minister of State at the Department of Health and Children, has special responsibility for older people, areas of which fall under the remit of my Department. There are no staff assigned to her office from my Department.

Private Office

Ministerial Appointments

Grade	Salary Scale	Allowance Annual
	€	
1 Special Adviser	100,191	
1 Press Officer	77,731	

(civil servant on loan from the Central Statistics Office for period of Minister's term of office).

The total expenses incurred by these officers in 2008 was €470.37. No overtime costs were incurred by these officers who are on call on a seven day per week basis.

Established civil servants

Grade	Salary Scale	Allowance Annual
	€	€
1 Higher Executive Officer (Private Secretary)	46,558 – 59,097	20,669
1 Executive Officer	30,566 – 48,504	
2 Clerical Officers	23,174 – 37,584	
1 Clerical Officer	24,397 – 39,558*	

Overtime and expenses incurred by these officers in 2008 was €4,698.79.

Constituency Office
Ministerial Appointments

Grade	Salary Scale	Allowance
	€	€
1 Personal Assistant	55,030	
1 Personal Secretary	42,391	10% Attraction Allowance

Overtime costs incurred by these officers in 2008 were €7,653.44 and €1,290.66 respectively.

Established civil servants

Grade	Salary Scale	Allowance
	€	€
1 Executive Officer	32,179 – 51,054*	
2 Clerical Officers	24,397 – 39,558*	
1 Clerical Officer	23,174 – 37,584	

No overtime or expenses were incurred by these officers in 2008.

*Class A PRSI applies as employment commenced after 6 April 1995

Departmental Boards.

199. **Deputy Seán Sherlock** asked the Minister for Defence the number of State boards, agencies, regulators or other bodies under his remit; the cost of these bodies; and if he will make a statement on the matter. [46049/09]

Minister for Defence (Deputy Willie O’Dea): The bodies under the aegis of my Department are the Civil Defence Board, the Army Pensions Board and the Board of Coiste an Asgard. The information in respect of 2009 is as follows:

Payable To	2009 Estimates Provision	Expenditure to end of November 2009
	€	€
Civil Defence Board	6,148,000	5,197,000
Army Pensions Board	110,000	96,000
Coiste an Asgard	830,000	305,986

My Department also provides support services (finance, IT, human resources) to all three of these bodies.

Ministerial Staff.

200. **Deputy Paul Kehoe** asked the Minister for Defence the number of persons employed in his private office and his constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in his Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if he will make a statement on the matter. [46375/09]

Minister for Defence (Deputy Willie O’Dea): The information requested by the Deputy is set out below.

Private Office

Grade/Position	Number	Current Salary Scale
Special Adviser (Non-established)	1	Principal Officer standard scale €86,168 – €106,582
Press Adviser (Non-established)	1	Principal Officer standard scale €86,168 – €106,582
Higher Executive Officer	1	Higher Executive Officer standard scale €46,558 – €59,097
Executive Officer	1	Executive Officer standard scale €30,566 – €48,504
Staff Officer	1	Staff Officer €34,941 – €46,655
Clerical Officer	1	Clerical Officer PPC scale €24,397 – €39,558

Constituency Office

Grade/Position	Number	Current Salary Scale
Personal Assistant (Non-established, based in constituency)	1	Higher Executive Officer standard scale €46,558 – €55,030 (excludes long service increments)
Personal Secretary (Non-established, based in constituency)	1	Secretarial Assistant contract scale €23,182 – €44,726
Staff Officer	1	Staff Officer PPC scale €36,779 – €49,104
Clerical Officer	1	Clerical Officer higher scale €24,255 – €38,397
Clerical Officer	2	Clerical Officer PPC standard scale €24,397 – €39,558
Clerical Officer	1	Clerical Officer standard scale €23,174 – €37,584

Minister of State, Mr. Pat Carey, T.D.

There is one staff member assigned to cover both the private office and the constituency office of the Minister of State. He is located in the Minister of State’s Private Office. His salary details are as follows:

Grade/Position	Number	Current Salary Scale
Higher Executive Officer	1	Higher Executive Officer standard scale €46,558 – €59,097

The employment contract of the non-established officers referred to in these tables is coterminous with the appointment of the relevant office holder. Overtime, travel and subsistence expenses are paid in accordance with normal Civil Service regulations. Personal Pension Contribution (PPC) scales apply where officers were employed since 6 April 1995, pay class A rate of PRSI and make a personal pension contribution.

Departmental Bodies.

201. **Deputy Seán Sherlock** asked the Minister for the Environment, Heritage and Local Government the number of State boards, agencies, regulators or other bodies under his remit; the cost of these bodies; and if he will make a statement on the matter. [46052/09]

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): The information requested is set out in the table below and is in respect of funding being provided directly by my Department to the agencies in 2009. Agencies and bodies referred to may be funded solely by my Department or through a combination of income from my Depart-

ment, local authorities, other funds including their own resources and fees. Certain regulatory functions arising from my Department's mandate are also undertaken directly by local authorities.

Name of body/board	Funding Provided by DEHLG in 2009
	€
Affordable Homes Partnership	2,405,000
An Bord Pleanála	13,581,000
Building Regulations Advisory Board	20,000
An Chomhairle Leabharlanna	None
Comhar Sustainable Development Council	*537,000
Designated Areas Appeals Advisory Board	50,000
Dublin Docklands Development Authority	None
Environmental Protection Agency	**51,070,000
Fire Services Council	300,000
The Heritage Council	10,142,000
Housing Finance Agency	None
Irish Water Safety	556,000
Limerick Northside Regeneration Agency	2,600,000 (for both agencies)
Limerick Southside Regeneration Agency	See above
Local Government Computer Services Board	None
Local Government Management Services Board	None
National Building Agency	None
Private Residential Tenancies Board	1,000,000
Radiological Protection Institute of Ireland (RPII)	3,945,000
The Rent Tribunal	27,750

*Environment Fund.

**Vote and Environment Fund.

Water and Sewerage Schemes.

202. **Deputy John O'Donoghue** asked the Minister for the Environment, Heritage and Local Government if funding will be made available in 2010 for the provision of a new sewage scheme (details supplied) in County Kerry. [46077/09]

203. **Deputy John O'Donoghue** asked the Minister for the Environment, Heritage and Local Government if funding will be made available in 2010 for the provision of a new sewage scheme (details supplied) in County Kerry. [46078/09]

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): I propose to take Questions Nos. 202 and 203 together.

Kerry County Council is undertaking a strategic study with a view to optimising the delivery of wastewater infrastructure in up to 90 towns and villages in the county, including Castlegregory. My Department will consider the Council's Preliminary Report for the Castlegregory Sewerage Scheme in the light of the study recommendations. The Kerry Villages Sewerage Schemes — Phase 1, which will provide improved wastewater infrastructure to fourteen villages including Boolteens, is included in the Department's Water Services Investment Programme 2007 — 2009 at an estimated cost of €8.75m. Kerry County Council's Preliminary Report for the Boolteens Sewerage Scheme is awaited in my Department.

[Deputy John Gormley.]

The NSS Hub Cluster Sewerage Scheme, which will provide improved wastewater infrastructure to nine villages including Castlemaine, is also included in the Programme at an estimated cost of €18m. Kerry County Council's Preliminary Report for the Castlemaine Scheme is under examination in my Department. Local authorities were asked in July 2009 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.

204. **Deputy John O'Mahony** asked the Minister for the Environment, Heritage and Local Government if the funding announced in respect of a project (details supplied) for County Mayo is still ring fenced. [46080/09]

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): I refer to the reply to Question Nos. 387 and 388 of 13 October 2009. The position is unchanged in relation to the proposals for the network improvements, but I understand that Mayo County council signed the contract for the new Wastewater Treatment Plant last month.

Advertising Standards.

205. **Deputy Ciarán Lynch** asked the Minister for the Environment, Heritage and Local Government if his attention has been drawn to radio advertisements by an organisation (details supplied) denigrating, as incompetent, architects who are not registered with that body; if his further attention has been drawn to the negative impact of such advertisements on experienced architects in legitimate practice who are in the process of registration; if he will take steps to prevent this unfair practice; and if he will make a statement on the matter. [46129/09]

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): I have no function in regard to the placing of radio advertisements by the organisation referred to in the Question.

Fire Stations.

206. **Deputy Dinny McGinley** asked the Minister for the Environment, Heritage and Local Government the arrangements that have being made to improve fire fighting services in the Ballyshannon and Bundoran area, County Donegal; and if he will make a statement on the matter. [46142/09]

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): The provision of a fire service in its functional area, including the establishment and maintenance of a fire brigade, the assessment of fire cover needs and the provision of premises is a statutory function of individual fire authorities under section 10 of the Fire Services Act 1981. My Department's role is one of supporting and assisting local authorities in delivering fire services through the provision of funding under the fire service capital programme and through setting of general policy. Approval in principle for the replacement of the fire stations in Ballyshannon

and Bundoran was conveyed to the Donegal County Council in July 2009. Proposals from the Council are awaited.

Cork Docklands Development.

207. **Deputy Deirdre Clune** asked the Minister for the Environment, Heritage and Local Government if he will make a statement on the promise of gateway funding for the Cork docklands project and in particular for the eastern gateway bridge. [46350/09]

208. **Deputy Deirdre Clune** asked the Minister for the Environment, Heritage and Local Government further to Parliamentary Question Nos 71 and 91 of 24 November 2009, the main findings and recommendations of the Cork Docklands Development Forum Report in the public domain; if he has officially published this report; if not, the reason for same; when he will publish this report; and if he will make a statement on the matter. [46351/09]

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): I propose to take Question Nos. 207 and 208 together.

The Cork Docklands Development Forum Report envisages very significant investment in public infrastructure, including the provision of an Eastern Gateway Bridge and the re-location of the port to Ringaskiddy. Due to the prevailing budgetary conditions, decisions in relation to the bridge, enabling link roads and port re-location, for which funding had been sought under the Gateway Innovation Fund, have been deferred. Future decisions will be subject to the overall capital funding position to be determined as part of the annual estimates process. Regarding the reply to Question Nos. 71 and 91 of 24 November 2009, the position is as set out in that reply.

Ministerial Staff.

209. **Deputy Paul Kehoe** asked the Minister for the Environment, Heritage and Local Government the number of persons employed in his private office and his constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in his Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if he will make a statement on the matter. [46378/09]

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): The following table sets out details of the number of staff currently serving in my private and constituency office and the amounts paid in respect of pay and expenses for the year to date (up to end November 2009):

Office	Number of Staff (FTE)	Pay Cost to end November 2009	Expenses to end November 2009
		€	€
Private Office	6.5	248,104	4,063
Constituency Office	4.0	189,335	Nil
Special Advisers	2.0	184,949	2,846

The following table sets out details of the number of staff currently serving in Minister of State Michael Finneran's private and constituency offices and the amounts paid in respect of pay and expenses for the year to date (up to end November 2009):

[Deputy John Gormley.]

Office	Number of Staff (FTE)	Pay Cost to end November 2009	Expenses to end November 2009
		€	€
Private Office	5	189,938	4,629
Constituency Office	4	140,803	169
Civilian Driver	2	80,914	25,584

Decentralisation Programme.

210. **Deputy Frank Feighan** asked the Minister for Communications, Energy and Natural Resources his plans to move the Inland Fisheries Ireland headquarters to Carrick-on-Shannon where a building for this purpose lies empty; if he will end the position where premises in Swords have been rented since 2004 at more than €1,000,000; if he will expedite the move as promised in 2002. [46229/09]

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): The Decentralisation Programme as originally announced in December 2003, included the proposal to relocate the Headquarters of the Central Fisheries Board to Carrick-on-Shannon, County Leitrim. As announced by the Minister for Finance in his statement of 14 October 2008, the Government has deferred decisions on the timing of the implementation of elements of the Decentralisation Programme including that of the Central Fisheries Board, pending a review in 2011. Issues relating to the possible purchase of a site in Carrick-on-Shannon for the proposed decentralisation and to the cost of rental of offices generally for the Board are matters for the Office of Public Works (OPW). However I understand, from liaison between officials in my Department and OPW, that while a number of site and property options have been investigated, no interest in any property has yet been acquired by OPW for the proposed decentralisation in Carrick-on-Shannon.

Departmental Properties.

211. **Deputy Frank Feighan** asked the Minister for Communications, Energy and Natural Resources the reason the old headquarters for Inland Fisheries Ireland in Glasnevin which has been vacant since 2004 has not been sold; and if he will make a statement on the matter. [46230/09]

Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy Conor Lenihan): I am advised that the Central Fisheries Board vacated the building and site, referred to by the Deputy, in 2005 due to health and safety concerns. While the Government decided in April 2008 to release the building and site in question to the Affordable Housing Initiative, more recently an interest was expressed by a voluntary education group. Any question of an alternative development of the site would be a matter for the appropriate authorities.

Telecommunications Services.

212. **Deputy Dinny McGinley** asked the Minister for Communications, Energy and Natural Resources the position regarding the provision of broadband in an area (details supplied) in County Donegal; and if he will make a statement on the matter. [46328/09]

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): My Department has entered into a contract with “3”, a Hutchison Whampoa company, for the

delivery of the National Broadband Scheme (NBS). 3 is required to provide services to all residences and businesses that are within the NBS area and which seek a service. The company is progressing its network roll-out and services have gone live in a number of areas. The entire NBS area must be covered by September 2010. The general area of Cresslough, County Donegal, will be covered by the NBS. The current service status of each NBS area is available at www.three.ie/nbs.

Ministerial Staff.

213. **Deputy Paul Kehoe** asked the Minister for Communications, Energy and Natural Resources the number of persons employed in his private office and his constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in his Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if he will make a statement on the matter. [46373/09]

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): There is a full time equivalent total of 11.9 staff currently employed in my private and constituency offices and 3.8 staff employed in the private office of the Minister of State. The Minister of State does not have any staff engaged on constituency matters in my Department. Further information requested by the Deputy is outlined in the following tables:

Minister's Staff

Office	Number of Staff	Annual salaries	Expenses paid 1 Dec 2008 to 30 Nov 2009 (includes overtime)
		€	€
Private Office	9.6	496,008.00	4,469.34
Constituency Office	2.3	97,318.20	253.30

Minister of State's Staff

Office	Number of Staff	Annual salaries	Expenses paid 1 Dec 2008 to 30 Nov 2009 (includes overtime)
		€	€
Private Office	3.8	215,011.00	1,352.45

Fisheries Protection.

214. **Deputy Tom Sheahan** asked the Minister for Agriculture, Fisheries and Food the person who has rights or jurisdiction over the Lough Foyle fishery; and if he will make a statement on the matter. [46081/09]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I understand that the Deputy's question relates to the regulation of aquaculture in Lough Foyle. My Department is responsible for the regulation of aquaculture in the State. However, the governing legislation, the Fisheries (Amendment) Act, 1997, does not apply to the Moville area within the meaning of the Foyle Fisheries Act, 1952. The Foyle and Carlingford Irish Lights Commission (the Loughs Agency) will be empowered to regulate aquaculture in Lough Foyle on commencement

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of Part 2 of the Foyle and Carlingford Fisheries Act, 2007 and the relevant portions of the equivalent legislation in Northern Ireland, the Foyle and Carlingford Fisheries (Northern Ireland) Order 2007.

Grant Payments.

215. **Deputy Martin Ferris** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) will receive their REP scheme four payment. [46144/09]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The REPS 3 payment due to the person named will issue within the next 10 days.

216. **Deputy Seymour Crawford** asked the Minister for Agriculture, Fisheries and Food when a REP scheme payment will be issued to a person (details supplied) in County Monaghan; and if he will make a statement on the matter. [46208/09]

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 that of the person named, is at an advanced stage.

I hope to be in a position to release the 75% payment due on valid applications in mid-December and the remaining 25% once the last of the on-the-spot inspections for 2009 has taken place.

Departmental Expenditure.

217. **Deputy Frank Feighan** asked the Minister for Agriculture, Fisheries and Food the financial package that will be made available to farmers. [46227/09]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The information sought by the Deputy will be published in the context of the 2010 Budget, details of which are being announced by the Minister for Finance this afternoon.

Ministerial Staff.

218. **Deputy Paul Kehoe** asked the Minister for Agriculture, Fisheries and Food the number of persons employed in his private office and his constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in his Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if he will make a statement on the matter. [46371/09]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The information requested is being compiled and will be forwarded to the Deputy as soon as possible.

Grant Payments.

219. **Deputy Michael Ring** asked the Minister for Agriculture, Fisheries and Food further to Parliamentary Question No. 301 of 18 November 2009, when a person (details supplied) in County Mayo will receive their disadvantaged area scheme payment for 2009. [46386/09]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): As indicated in my previous reply of 18 November, an application under the 2009 Disadvantaged Areas Scheme was received from the person named on 15 May 2009. Payments under the Disadvantaged Areas Scheme commenced on 22 September, with payments issuing in respect of those cases cleared for payment at that stage. Payments have continued to issue, as outstanding issues are resolved. While it had been indicated in my previous reply that the application of the person named had been fully processed, thereby allowing payment to issue the following week, due to technical difficulties this did not happen. These issues have now been resolved and payment will issue within the coming days, directly to the nominated bank account of the person named.

Departmental Bodies.

220. **Deputy Seán Sherlock** asked the Minister for Education and Science the number of State boards, agencies, regulators or other bodies under his remit; the cost of these bodies; and if he will make a statement on the matter. [46050/09]

Minister for Education and Science (Deputy Batt O’Keeffe): The information requested by the Deputy is currently being collated and will be forwarded to him as soon as possible.

I can confirm to the Deputy that there are no regulators under the control of my Department.

Computerisation Programme.

221. **Deputy George Lee** asked the Minister for Education and Science the tendering process used for the information communication and technology infrastructure grant scheme 2009 for primary schools; if schools must buy from one of five nominated suppliers; and if he will make a statement on the matter. [46100/09]

Minister for Education and Science (Deputy Batt O’Keeffe): The Deputy will be aware that €22 million in ICT grants was issued to primary schools at the end of November, with the priority on ensuring that there is a teaching computer and digital projector in every classroom. Purchase of this ICT equipment will be under public procurement operations carried out by the schools.

The purchase of ICT equipment and associated products and services by the public sector was identified under the National Public Procurement Policy Framework as one of those areas where economies could be achieved. EU Directive 2004/18/EC provides for the use of Framework Agreements by the public sector. The public sector utilises such frameworks to facilitate greater flexibility in the acquisition of goods and services, and support more responsive pricing mechanisms that deliver better value for money. In this regard, four distinct National Frameworks for the supply of specific categories of ICT equipment to public sector bodies have been set up by the Department of Finance. The categories in question are PCs, Notebooks (laptops), Mono Laser Printers and Colour Laser Printers. The number of Suppliers on each Framework varies; the number of suppliers for PCs and Notebooks is five (5) and six (6) respectively, and all suppliers were selected following an open competitive tendering exercise in compliance with EU and national procurement rules.

In the interests of achieving best value for money, schools are required to use the Frameworks for the purchase of ICT equipment under the relevant categories. Schools can run a mini competitive tendering process by a simple email “Request for Quotation” to a single central email address, setting out their requirements. In addition to the core products of PCs and Notebooks, schools can also request quotations for associated services such as installation. While delivering competitive prices, the Frameworks are also all covered by a three year on-site next business day warranty and support. Operation of the Frameworks is governed by

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Vendor Participation Agreements, through which schools are able to benefit from a range of favourable terms and conditions, agreed in the aggregate for eligible non-commercial public sector bodies.

For procurement outside these four categories, where Frameworks do not exist, schools are required to carry out normal competitive tendering processes under general public procurement rules. All schools who received ICT grants have also been issued with a letter outlining the requirement to purchase from the Frameworks and to comply with public procurement rules. Additional specific guidance for schools regarding procurement and the Frameworks is available through the National Centre for Technology in Education (NCTE).

In addition to the four Frameworks mentioned above, a Framework for Digital Projectors for schools is in the process of being established, and is currently at tender evaluation phase. It is expected that this Framework will become available to schools in the next few weeks.

Legislative Programme.

222. **Deputy Jack Wall** asked the Minister for Education and Science the plans he has to finalise the Student Support Bill; if his attention has been drawn to concerns of the student unions here regarding the delay in completing the Bill; if he met with the student unions regarding the delay; if not, if he will agree to meet with them to alleviate their concerns; and if he will make a statement on the matter. [46101/09]

Minister for Education and Science (Deputy Batt O’Keeffe): The Deputy will be aware that a number of amendments to the Bill in relation to legal and policy issues which have arisen since Second Stage are being advanced by my Department in close consultation with the Office of the Attorney General.

The Bill makes provision for the transfer of responsibility for student grants to the VEC sector. In the existing budgetary situation, resources are not currently available to advance transition to new administrative arrangements in the immediate future. However, it is not possible to say definitively at this point when new administrative arrangements can be put in place and I am anxious, in light of the commitment to put all student grants on a statutory footing, to provide a statutory basis for all student grants for the intervening period.

Therefore, I am endeavouring to progress to a single scheme of grants as provided for in the Bill at the earliest possible date. While the current financial situation may necessitate retention of the existing administrative structures in the immediate term, I am assessing organisational options for the grants administration function in the longer run, with a view to streamlining operations and achieving more effective administrative efficiencies. Possible options for a more significant aggregation of functions are now being explored in the context of budgetary considerations and the Government’s overall programme of public service reform.

These developments also require consideration of a complex set of legal options in relation to further amendment of the Bill and my Department is working closely with the Office of the Attorney General to explore the issues in that regard. Subject to any technical, drafting and legal considerations arising, I hope to be in a position to have these amendments advanced sufficiently in order to progress to Committee as soon as possible.

My Department engages on the on-going basis with the Union of Students of Ireland (USI) in relation to my Department’s Programme of Legislative and Administrative Reform of Student Grants. Officials of my Department met with USI on the 18th November, 2009 to alleviate their concerns and provide an update in relation to the Bill.

School Staffing.

223. **Deputy Brian Hayes** asked the Minister for Education and Science if his attention has been drawn to the fact that the moratorium on posts of responsibility in community and comprehensive schools, that when a director of adult education retires a replacement will not be made; his views regarding flexibility on this position in view of the importance of adult education and the level of expenditure on the part of his Department in this area; and if he will make a statement on the matter. [46127/09]

Minister of State at the Department of Education and Science (Deputy Seán Haughey): Following the Government decision on the moratorium on promotions in the public service my Department issued a circular to all schools indicating that with effect from 27 March, 2009 schools may no longer make any appointment to a post of responsibility including those that may have fallen vacant on or before 27 March, 2009. The post referred to by the Deputy is subject to this moratorium. It is a matter for the school authority to re-organise and prioritise the appropriate duties for the post of responsibility holders in the context of implementing the moratorium.

Capitation Grants.

224. **Deputy Ruairí Quinn** asked the Minister for Education and Science when he will award the capitation grants to schools; if he will direct his officials to pay the full grant to schools at the beginning of the year; and if he will make a statement on the matter. [46156/09]

Minister for Education and Science (Deputy Batt O’Keeffe): Capitation grants to primary schools are paid in two instalments. The first instalment is based on 70% of the grant due from enrolment figures for the previous school year. This payment is made in January. The second instalment is the balance due to the schools based on enrolment in the current school year. This payment is made in June.

In the case of Post-Primary schools capitation grants are paid in three instalments. The first moiety issues in September, followed by payments in January and April. The final payment in April takes account of any variation in a schools’ enrolment from the previous year. Payment of the capitation grant in the manner suggested by the Deputy would result in many schools being under or over paid, as the enrolment figures in the majority of schools vary from year to year. I do not propose therefore to change the schedule set out above in respect of the payment of capitation grants to schools.

Employment Support Services.

225. **Deputy Richard Bruton** asked the Minister for Education and Science if his attention has been drawn to any initiatives for skilled professionals such as in architecture or information technology who see no immediate prospect of re-employment getting the opportunity for supported career change either through a once-off grant or through a back-to-education type scheme; and if he will make a statement on the matter. [46198/09]

Minister for Education and Science (Deputy Batt O’Keeffe): Since the beginning of the year the Government has launched a number of new initiatives to support unemployed people return to education and engage in upskilling. In the higher education sector this includes the provision of 2,500 places to enable unemployed people to pursue undergraduate and postgraduate courses on a part-time basis. All 2,500 places are on courses that support the goals of the “Smart Economy” and particularly those relating to specific skills needs of exporting sectors identified by the Expert Group on Future Skills Needs. The scheme is open to people who

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have been on the Live Register for at least six months or who have been awarded statutory redundancy. Participants on the scheme are not required to pay the €1,500 registration fee and, while postgraduate students may be required to pay a nominal charge, students are not charged tuition fees. Participants who continue to meet all Department of Social and Family Affairs criteria on eligibility for Job Seekers Benefit and Job Seekers Allowance are entitled to retain their payments while studying on these programmes.

The scope to introduce further labour market activation initiatives is under consideration by my Department in the context of ongoing discussions with other Government Departments on developing appropriate upskilling training and education responses for unemployed people. Under the terms of my Department’s student grant and free fees schemes, students who are entering approved courses for the first time are eligible for grants and free tuition fees where they satisfy the prescribed conditions of the individual schemes, including those relating to progression. In general, students who previously pursued a course of study are not eligible for grant assistance or free tuition fees in respect of a second period of study at the same level, irrespective of whether or not a grant or tuition fees were paid previously. The main objective of this policy is to assist as many students as possible in obtaining one undergraduate degree and in progressing, where appropriate, to a postgraduate course of study. Subject to the conditions of the individual schemes, free tuition and grants are available where students are progressing to a course at a higher level.

An approved course for the purposes of the Schemes means a full-time undergraduate course of not less than two years duration and a full-time postgraduate course of not less than one year duration pursued in an approved institution. There are no plans at present to change the current progression requirements of the existing schemes.

The Back to Education Allowance (BTEA) is a second chance education opportunities scheme designed to encourage and facilitate people on certain social welfare payments to improve their skills and qualifications and therefore, their prospects of returning to the workforce. Eligibility for the Back to Education Allowance and associated payments is determined and administered by the Department of Social and Family Affairs and is primarily a matter for my colleague, the Minister for Social and Family Affairs.

Educational Projects.

226. **Deputy Mary Upton** asked the Minister for Education and Science if he will review a decision to remove funding from a project (details supplied) in Dublin 8; if his attention has been drawn to the level of disadvantage in the area referred to and the importance of the programme to the pupils and their families; the negative outcomes for the pupils if they can not avail of this programme; and if he will make a statement on the matter. [46226/09]

Minister of State at the Department of Education and Science (Deputy Seán Haughey): The project to which the Deputy refers is among a number of Theatre and Arts groups that received funding from my Department over the last ten years or so. This support was drawn from my Department’s educational disadvantage budget which is primarily focussed on assisting schools in their efforts to cater for the specific educational needs of children from disadvantaged backgrounds. With the introduction of the DEIS (Delivering Equality of Opportunity in Schools) programme in 2006, significant additional capitation funding was made and continues to be made available to the 881 schools in DEIS. All of the schools involved with this particular project are included in DEIS which is designed to ensure that schools serving the most disadvantaged communities benefit from the maximum level of support available.

There is a need to focus targeted resources on the schools in most need and this approach is in line with the broad thrust of the recommendations of the Comptroller and Auditor General which are set out in his report on Primary Disadvantage of 2006, which recommended that the Department should focus its educational disadvantage measures on those schools serving the most disadvantaged communities.

In light of the current economic downturn my Department's focus is to retain mainstream resources on core interventions in schools. Support for the Theatre and Arts Groups is not consistent with this focus and such spending can not be regarded as a priority. While it is appreciated that the discontinuation of these resources will impact on the groups, given the extremely challenging economic circumstances, difficult decisions had to be made in order to contain public sector spending.

My Department fully appreciates the importance of arts and culture to children's education and personal development. The arts help to promote a child's self esteem and enjoyment of learning. They also provide an important vehicle for personal enrichment and cultural expression, as well as creating awareness and respect for other cultures. Working through the arts helps to nurture and develop cognitive, communicative, emotional, imaginative, aesthetic, social, and spiritual intelligences and skills. Learning through guided activity and discovery, with children as active agents in their own learning and enrichment, is a vital part of this process. This is why arts education, through Music, Visual Arts, and Drama, and of course, through language, forms an integral part of the primary curriculum. Schools in DEIS are particularly aware of the importance of the arts in addressing disadvantage, and in promoting success in learning. Many schools in DEIS use the flexible budgets they receive to promote integrated links with community arts organisations and to offer enrichment programmes in support of the curriculum.

Computerisation Programme.

227. Deputy Caoimhghín Ó Caoláin asked the Minister for Education and Science if he will approve the inclusion of a school (details supplied) in County Cavan on the list of schools to receive information and communication technology funding under the recently announced €4.2 million package for schools, both new build and with extensions in view of the extensive work undertaken at this school which has been transformed at significant cost, including a substantial contribution from the local community; and if he will make a statement on the matter.
[46329/09]

Minister for Education and Science (Deputy Batt O'Keeffe): In October of this year I announced the provision of €4.2 million in grants for high-tech equipment as part of the Government's continuing efforts to make technology an integral part of the learning process. Schools where major construction work was completed this year and last year will each get €5,000 per classroom to buy computer hardware, software and digital equipment. The allocation amounted to €5,000 in respect of each occupied permanent classroom built this year and last year. The school referred to by the Deputy did not qualify for this grant as it had no new classroom build.

Earlier this year I set up the Joint Advisory Group to explore, with industry, possible recommendations of the Advisory Group have been published in the "Smart Schools = Smart Economy" Report which the Taoiseach launched on 16 November last. The Advisory Group Report recommends an initial investment package of €150m over the next 3 years and I am committed to making funding available for ICT in schools over these years. As a first step, €22 million in grants was issued to primary schools last month, with the priority on ensuring that there is a teaching computer and digital projector in every classroom. The total amount of funding to be

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made available for ICT equipment next year is being considered as part of the overall Capital allocation that is to be agreed by Government. The school referred to by the Deputy received €3,844.58 under this grant scheme.

Higher Education Grants.

228. **Deputy Bernard J. Durkan** asked the Minister for Education and Science when a decision will be made on foot of an educational grant appeal in respect of a person (details supplied) in County Kildare. [46343/09]

Minister for Education and Science (Deputy Batt O’Keeffe): A reply has issued to the correspondence referred to by the Deputy by the Higher Education — Equity Of Access Unit of my Department.

Psychological Service.

229. **Deputy Christy O’Sullivan** asked the Minister for Education and Science the options that are available to a person (details supplied) whose child has been referred to the national educational psychological service and has been informed that only one referral can take place in a school year and in view of the fact that this has already been allocated it will be at least September 2010 before this child will be assessed. [46345/09]

Minister for Education and Science (Deputy Batt O’Keeffe): I can inform the Deputy that all primary and post primary schools have access to psychological assessments either directly through my Department’s National Educational Psychological Service (NEPS) or through the Scheme for Commissioning Psychological Assessments (SCPA) which is administered by NEPS.

NEPS in common with other psychological services encourages a staged assessment process whereby each school takes responsibility for initial assessment, educational planning and remedial intervention, in consultation with their assigned NEPS psychologist. Only if there is a failure to make reasonable progress in spite of the school’s best efforts, will a child be referred for individual psychological assessment. This system allows the psychologists to give early attention to urgent cases and also to help many more children indirectly than could be seen individually.

The introduction of the General Allocation model for primary schools in 2005/06 means that children with high incidence special needs can get access to extra support without having to undergo an individual assessment. Children who manifest very special or urgent needs in school and who have not been previously assessed by a psychologist and are brought to the attention of a NEPS psychologist by the Principal teacher will usually be assessed by the psychologist within that school term. Normally, principals of schools prioritise those children in need of psychological assessment in consultation with the assigned psychologist. Should school authorities have specific difficulties with regard any of the foregoing I would suggest that they contact the relevant local NEPS Regional Director (in this instance NEPS Southern Regional Office, Tel: 021- 4536358) to discuss the matter.

School Transport.

230. **Deputy Brendan Howlin** asked the Minister for Education and Science further to Parliamentary Question No. 1109 of 3 November 2009, if Bus Éireann has provided the required background information; if this matter has been examined in view of such information; the outcome of such examination; and if he will make a statement on the matter. [46360/09]

Minister of State at the Department of Education and Science (Deputy Seán Haughey): My Department has consulted with Bus Éireann which operates the school transport scheme. Bus Éireann is satisfied that the terms of the scheme have been applied in this case. However, if the Deputy has any additional information regarding other pupils in the area I will be glad to have the case examined further.

Departmental Properties.

231. **Deputy Terence Flanagan** asked the Minister for Education and Science the position regarding a matter (details supplied); and if he will make a statement on the matter. [46365/09]

Minister for Education and Science (Deputy Batt O’Keeffe): I wish to advise the Deputy that my officials visited the location in question recently. The information sought by the Deputy will be forwarded to him in the coming days.

Ministerial Staff.

232. **Deputy Paul Kehoe** asked the Minister for Education and Science the number of persons employed in his private office and his constituency office; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; the number of persons employed in the private and constituency offices of the Ministers of State in his Department; the annual amount paid in respect of salaries and expenses in regard to each office in tabular form; and if he will make a statement on the matter. [46376/09]

Minister for Education and Science (Deputy Batt O’Keeffe): There are currently 8 officers in my Private Office as follows:

- 2 Special Advisers, one of whom has responsibility for press and communications;
- 1 Higher Executive Officer;
- 2 Executive Officers;
- 3 Clerical Officers.

Their total annual salaries in 2009 are approximately €445,766 and their expenses to date in 2009 are €17,276.

There are currently 4.8 officers in my Constituency Office as follows:

- 1 Personal Assistant;
- 1 Personal Secretary;
- 1 Higher Executive Officer;
- 0.80 Staff Officer;
- 1 Clerical Officer.

Their total annual salaries in 2009 are approximately €178,344 and nil expenses to date in 2009.

There are currently 7 officers in the Private Office of the Minister of State at my Department as follows:

- 1 Higher Executive Officer/Private Secretary
- 1 Executive Officer

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- 3 Clerical Officers
- 2 Civilian Drivers

Their total annual salaries in 2009 are approximately €285,713 and their expenses to date in 2009 are €11,950.

There are currently 3.8 officers in the Constituency Office of the Minister of State at my Department as follows:

- 1 Personal Assistant
- Personal Secretary
- 0.80 Staff Officer
- 1 Clerical Officer

Their total annual salaries in 2009 are approximately €169,632 and their expenses to date in 2009 are €13.71.

In addition, 2 Executive Officers have been assigned by my Department to the offices of Mr Barry Andrews, T.D., Minister of State with responsibility for Children and Youth Affairs and of Mr John Moloney, T.D., Minister of State with responsibility for Equality, Disability Issues and Mental Health. Their total annual salaries in 2009 are approximately €87,627.

The above staffing levels are within the Department of Finance Guidelines for the staffing of the Private and Constituency offices of a Minister and Minister of State. The salaries paid to the Civil Servants are in accordance with the Department of Finance salary scales for the relevant grades. The salaries paid to the non-civil servant staff are in accordance with the Department of Finance Instructions relating to the Appointment of Ministerial Private Office Staff.