



# DÁIL ÉIREANN

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## DÍOSPÓIREACHTAÍ PARLAIMINTE PARLIAMENTARY DEBATES

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### TUAIRISC OIFIGIÚIL OFFICIAL REPORT

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*Dé Céadaoin, 21 Aibreán 2010.*  
*Wednesday, 21 April 2010.*

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Chuaigh an Ceann Comhairle i gceannas ar 10.30

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*Paidir.*  
*Prayer.*

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#### **Message from Select Committee.**

**An Ceann Comhairle:** The Select Committee on Environment, Heritage and Local Government has completed its consideration of the Estimate for Vote 25 of the public services for the service of the year ending 31 December 2010.

#### **Leaders' Questions.**

**Deputy Enda Kenny:** Every day we come here there is another unveiling of a litany of scandal in the financial world. Last year the Government-appointed commission on remuneration recommended that the chief executive of the Irish Nationwide Building Society would receive pay capped at €360,000 per annum. The chief executive was paid €1 million as a bonus in November 2008, after the Government guarantee was introduced. It is well known that the person in question had a personal pension fund of €27 million.

In recent days we have come to understand the level of corporate mismanagement and the lack of control in the Irish Nationwide Building Society. It had a loss of €2.5 billion for 2009 and the management structure and behaviour was described by the new chief executive as an outrage. We know that €1 million was paid to the chief executive as a bonus after the guarantee was introduced and we also know from reports this morning that in the four months before the chief executive resigned in April 2009, he was paid €221,000, or an annual equivalent of €663,000, which is well in excess of the level of remuneration recommended by the Government's own watchdog remuneration committee.

**Deputy Ruairí Quinn:** It certainly was not related to performance.

**Deputy Enda Kenny:** AIB has faced down the Government and appointed an insider, Bank of Ireland has done the same and Anglo Irish Bank has paid certain members of its staff an increased salary. The Irish Nationwide Building Society has ignored the guidelines set by the Government, paying after the Government guarantee a €1 million bonus to the chief executive, along with an annualised salary of €663,000. As Deputy Quinn has reminded me, it was not performance-related.

The banks have snubbed their noses at the high office occupied by the Taoiseach, treating him and his office with utter disrespect. The reason for this is the Taoiseach's complicity in overseeing light regulation or none in the four years he was in the Department as Minister for Finance.

Has the Taoiseach made an instruction on behalf of the Government and the Irish people that the public interest directors within the Irish Nationwide Building Society take whatever course is necessary, including legal action, to recover the €1 million bonus and the excess salary paid over and above the recommended guidelines set down by the Government's own watchdog?

**Deputy P. J. Sheehan:** Hear, hear.

**The Taoiseach:** We have made it clear that we fully support the board's ongoing efforts to recoup the bonus from Mr. Fingleton in accordance with the commitment made by the former chief executive.

**Deputy Pádraic McCormack:** How is it getting on?

**The Taoiseach:** That is our position.

**Deputy Seán Barrett:** Fat chance.

**The Taoiseach:** I wish to make it clear to the Deputy that in every respect in which that can be achieved, we will ask the board to act. That is what the present management and board is committed to doing.

The Deputy made a comment last week, 15 April, warning against over-regulation, as it was his latest worry. The headline stated, "Kenny cautions against property 'over-regulation'." There have been systemic failures in the independent regulatory system we have had and we are conducting a banking inquiry related to that. Those reports will be available to the House and there will be a debate on them. There will be a commission of investigation deriving from that and the terms of reference will come from that process. That is how we can properly assess all these issues and see what lessons must be learned for the future.

In the meantime there have been significant changes to the banking system, including at the top of all the Irish financial institutions. Five of the six CEOs in the Irish financial institutions have left, as have five of the six chairpersons. A process of board rotation is under way in the institutions and there is an entirely new senior management team in Anglo Irish Bank and in the Irish Nationwide Building Society. There have been outside appointments to key senior positions in other financial institutions, such as group finance director and chief group risk officer in AIB. There are public interest directors on the boards of all the banks. There also has been a change in remuneration, with bonuses abolished and salaries capped. These changes have meant the chief executive of Bank of Ireland and the managing director of AIB are on their current salaries, which are smaller than what they were on before. That is proper.

Everything that can be done with the matters raised by the Deputy will be pursued by the management and board of that institution, which is under new management.

**Deputy Pádraic McCormack:** What will the Taoiseach do?

**Deputy Tom Sheahan:** When?

**Deputy Enda Kenny:** I support effective regulation. I asked the Taoiseach if he had written, on behalf of the Government and Irish people, to the two public interest directors, Mr. Kearns and Mr. O'Farrell, on the board of Irish Nationwide Building Society, instructing them to take whatever course is necessary, and as the Taoiseach mentioned, in every respect. This includes a legal action, if necessary, to ensure the €1 million bonus is returned, along with the excess salary over and above the recommendation made by the Government's watchdog.

One cannot have a situation in which the Government wishes to portray an image of dealing with the banks separately from the situation that affects the public finances or the circumstances that face every worker today. I listened carefully to the words of the chairman of the Labour Relations Commission, Mr. Kieran Mulvey, who spoke this morning on Newstalk's "Breakfast Show", on which he expressed his grave concerns about what is happening in this regard. Mr. Mulvey is the person who effected the bridge between the Government and the trade unions in respect of the deal now to be decided on by thousands of workers. Does the Taoiseach not accept that if the Government appears to be powerless to deal with a small number of senior bankers for whom no pain is being taken and who have business as usual, that is, thumbing one's nose at the office of the Taoiseach and the Government—

**An Ceann Comhairle:** Does the Deputy have a question?

**Deputy Enda Kenny:** Is it not difficult for ordinary workers to understand that they are being asked to take pain in the national interest, in a deal brokered between the Government and the trade unions by the chairman of the Labour Relations Commission, when they see a bonus of €1 million being paid after the introduction of the Government guarantee, excess payments being made to the former chief executive and a litany of other matters in that institution and others? Is this not hard to understand when the Government appears powerless to stand in the face of the juggernaut of bankers at senior level and the manner in which they have got their way? Does the Taoiseach accept that the concerns expressed this morning by the chairman of the Labour Relations Commission are valid? Does he not accept that unless he acts swiftly and is seen to be acting—

**Deputy P. J. Sheehan:** Hear, hear.

**Deputy Enda Kenny:** —that average ordinary people, who must decide on this bridging mechanism, will find it very difficult to accept pain in the national interest when they see a small number of people deriving massive benefits to which they could never aspire?

**The Taoiseach:** The Government is acting positively and proactively to try to ensure it fixes the system in which it is clear there have been systematic institutional failures with regard to the banking crisis. This is precisely what the Government is doing. As for the Deputy's position, I sometimes wonder whether it is about maintaining an atmosphere of total negativity here regarding the economy and its prospects and whether that is his priority, rather than trying to see whether the issue can be dealt with.

**Deputy Bernard J. Durkan:** Taoiseach, that is rubbish. The Government should have been doing that for the last ten years.

**The Taoiseach:** Both can be done.

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

**The Taoiseach:** We can do both and we are doing both.

**Deputy Bernard J. Durkan:** What response has the Taoiseach received from the banks?

**Deputy Enda Kenny:** The Taoiseach should answer the question.

**An Ceann Comhairle:** Deputy Durkan should restrain himself.

**The Taoiseach:** As for the matters that were raised today and yesterday, the Government took legal advice from the Office of the Attorney General and section 50 does not deal with this issue at all. It does not empower the Minister to intervene to prevent the bank from making a payment to its own pension fund, which it is required to do to ensure the pension fund can meet its liabilities to all staff.

**Deputy Bernard J. Durkan:** The Government is powerless.

**The Taoiseach:** That is not the case. I hold no brief for any bank executive or bank in respect of these matters. This is what happened. I do not hold any brief for them and nor am I here to justify it.

**Deputy Enda Kenny:** I believe the public service——

**The Taoiseach:** We all recognise the sensitivity——

**A Deputy:** Why does the Government not withhold some of the money?

**Deputy John Perry:** Taxpayers will be paying the money.

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

**The Taoiseach:** ——about how ordinary people or people in the street will regard this in the context of their own particular challenges and difficulties. However, I am setting out the facts against some of the distortions being put out by Deputy Kenny regarding amounts, whether personal amounts were being paid to Mr. Boucher and all the rest of it.

**Deputy Enda Kenny:** It is not a distortion to ask if the Taoiseach has written to the public interest directors.

**The Taoiseach:** I am explaining the factual objective case.

**Deputy Enda Kenny:** Does the Taoiseach accept Mr. Mulvey's concerns? That is not a distortion.

**Deputy Pádraic McCormack:** The Taoiseach is doing a bad job.

**The Taoiseach:** I acknowledge and commend Mr. Mulvey for his work in facilitating the talks on the draft Croke Park agreement, which now must be reflected on by everyone. My point and that of Mr. Mulvey is that this agreement provides us with the means of going forward to build domestic confidence in our economy that is similar to the international confidence that has been engendered by the decisions that are being taken by the Government, many of which are opposed by the Opposition for its own reasons.

**Deputy Enda Kenny:** Not with deals like this for some bankers.

**The Taoiseach:** However, unless we are prepared to look at that bigger picture——

**Deputy Bernard J. Durkan:** Who did it? Who caused the problem?

**The Taoiseach:** ——and not allow individual issues to colour or detract from what we are trying to achieve for the country as a whole. This is the purpose of what the Government is trying to do and is the reason it has stated clearly that these issues are being dealt with in the context of the banking inquiry.

**Deputy Enda Kenny:** Is it fair for people to vote on it?

**The Taoiseach:** They will be dealt with in a comprehensive way through a commission of investigation, which is how it should be done. There are important questions to be answered in respect of the systemic and other failures that took place in the independent regulatory system.

**Deputy Pádraic McCormack:** Is the Taoiseach winning?

**The Taoiseach:** In the meantime, however, the Government has a country to run.

**Deputy Enda Kenny:** The Taoiseach's own backbenchers speak more clearly than he does.

**The Taoiseach:** It must get the country moving and we must give confidence to the people that we are going to go forward.

**Deputy Paul Kehoe:** And look after the Taoiseach's buddies.

**An Ceann Comhairle:** We will move on to a question from Deputy Gilmore.

**Deputy P. J. Sheehan:** The captain of a banana republic.

**An Ceann Comhairle:** Deputy Gilmore, without interruption, please.

**Deputy Paul Kehoe:** Look after the Taoiseach's buddies.

**Deputy Pádraic McCormack:** Propaganda.

**Deputy Eamon Gilmore:** Many people have an income of €55,000 a year or less. Many of those people already have lost their jobs or businesses and those who have not have had their pay reduced. All those people this morning picked up their newspapers and read that Mr. Fingleton paid himself €55,000 a month for the first four months of 2009, after he had got the bank guarantee. On top of this, he paid himself €1 million of a bonus that has not yet been paid back. The interesting point about this is that as Members now know, Mr. Fingleton was heading an organisation that will cost taxpayers €2,700 million to bail out. That is almost the total amount of money the Government will be seeking in the next budget. The reason this money is being sought is because of the scandalous way in which that building society conducted its business down the years. The building society was set up to give mortgages to house buyers but instead, it was giving out great buckets of money to approximately 30 people in a process of rolling enrichment or at least that was the expectation.

As I stated in the House yesterday, for some time there had been a degree of discussion in business circles that all was not well in the Irish Nationwide Building Society. Yesterday, I asked the Taoiseach about his period in office as Minister for Finance between 2004 and 2008. I asked him whether he had received reports from the Financial Regulator, the Registrar of

[Deputy Eamon Gilmore.]

Friendly Societies or any State agencies that things were not as they should be with Irish Nationwide. The Taoiseach replied that he had received no such report and he presented Members with a picture that while the banks were running the country, he and his colleagues were sitting around the Cabinet table hearing no evil and see no evil as far as matters being amiss was concerned. Of course he now states there was systemic failure in the regulatory system.

While Members will deal with the regulatory system in due course, I wish to focus on what the Government was doing and specifically what the then Minister for Finance was doing at that time. A letter appeared in this morning's edition of a newspaper from a member of Irish Nationwide, pointing out that he had raised concerns about the building society at its annual general meetings. Yesterday, I drew attention to some comments that I had made in the Chamber in the course of the Dáil debate regarding things I had heard about Irish Nationwide on the grapevine and around the town. When the Taoiseach was Minister for Finance, did he ever hear anything to the effect that things might not be as they should in Irish Nationwide? Yesterday, he told Members he did not get a report from the regulatory bodies or from his officials drawing his attention to any problems in the building society. However, did he ever ask for such a report or did he ever ask any questions? For example, when the Bill to demutualise Irish Nationwide came to his Department in the normal course of events and he was asked for his observations thereon, did he then ask anyone to provide him with a report on what was happening within the society and on how it was conducting its business? Was he lobbied by Irish Nationwide in the run-up to the publication of the legislation to demutualise the society and if so, can he tell Members what was the nature of such lobbying?

**The Taoiseach:** First, on the question pertaining to Irish Nationwide and my term as Minister for Finance, I make clear to the Deputy that as I stated yesterday, the issue of legislation came up in respect of the Building Societies (Amendment) Act 2006. That Act pertained to providing an opportunity for building societies to remain mutual or to demutualise. There were meetings between the Irish Nationwide Building Society and the Department of Finance, one of which I can recall from memory attending myself as Minister in the normal way. It pertained to the progress that was being made in respect of the legislation and the input of the aforementioned building society would have been the same as that of others. I also met members of the Educational Building Society in the same way.

As I said yesterday, the question of whether a building society demutualised or not was ultimately a matter for its shareholders and members. The Deputy will recall that there were many small shareholders in Irish Nationwide Building Society at that time who were indicating that they were supportive of a possible demutualisation of the society, but that would be a policy decision for the society, not for me. Therefore, that would be the context in which those issues arose.

Regarding the question of supervision of financial institutions, the decision of this House back in 2003 was to set up an independent regulatory system, as the Deputy knows. That system has not served us sufficiently well, as we now know from all that has happened, but I was not responsible for supervising financial institutions. That was an issue for the independent Financial Regulator. To my knowledge, at no time did the regulator intimate to me that there were issues for legislative change or whatever that should have been considered by me in respect of that society or other financial institutions.

**Deputy Eamon Gilmore:** I am finding this a little difficult to understand. The Taoiseach stated that he had certain exchanges with the building society in the run up to the legislation, but reports of the Ombudsman, for example, drew attention to some of the practices going on

in Irish Nationwide. At the time, they were described by the Ombudsman as being illegal. I believe that was the term used. They were certainly not good practice.

That building society had moved from being a normal building society lending mortgages to its members to buy houses into large-scale property speculation and lending for it.

**An Ceann Comhairle:** Could we have a question, please?

**Deputy Eamon Gilmore:** The Taoiseach paints a picture in which he was closeted in his office, he had no idea whatever about what was occurring, he was entirely at the mercy of what the regulator might or might not have told him and he was not told anything. I find it difficult to understand how, as Minister for Finance over a four-year period, the Taoiseach did not encounter the kind of talk that was going on about Irish Nationwide.

We have ended up in a situation with all of the banking and financial institutions. One could say that it came as a big surprise that one or another institution got caught up in this. However, Irish Nationwide was no big surprise, although the scale was. The black hole has turned out to be much larger than anyone had expected. Everyone is shocked at the scale, but no one who knew what was occurring in financial business around this town in recent years was greatly surprised by Irish Nationwide's involvement. The Taoiseach is trying to tell the House that he never heard anything about it even though the Government was preparing legislation for the demutualisation of Irish Nationwide. Incidentally, the Taoiseach stated that the legislation was for building societies as if every building society was involved in it, but the legislation was tailor-made for and designed to facilitate Irish Nationwide. The Taoiseach mentioned the society's members.

**An Ceann Comhairle:** Could we have a question, please? We are running over time on Leaders' Questions.

**Deputy Eamon Gilmore:** The legislation was tailor-made so as that those at the top of the building society would be the greatest beneficiaries of the demutualisation. The legislation was highly favourable to Mr. Fingleton and some of his close friends in the society.

**Deputy Michael D. Higgins:** It was only when due diligence was carried out that it ran aground.

**Deputy Eamon Gilmore:** It is all very well to say that we will have some kind of an investigation or inquiry and that we will examine the regulatory system and so on, but the Taoiseach needs to be much franker with the Dáil and the public about the state of his knowledge of Irish Nationwide's conduct over the period during which he was Minister for Finance. It is not credible to suggest that he heard and saw nothing.

**The Taoiseach:** I have been fully frank with this House at all times in respect of any questions that have been asked at any time. I have nothing to hide in terms of this matter despite another conspiracy theory that Deputy Gilmore might want to engender today.

**Deputy Paul Kehoe:** The Taoiseach might get caught out saying that.

**The Taoiseach:** The Building Societies (Amendment) Act 2006 was not simply about the possibility of a demutualisation of one building society. It was also about ensuring the continued mutualisation of another building society, the EBS.

**Deputy Joan Burton:** Come off it.

**The Taoiseach:** That is the second point. That is also correct. In fact, the Department of the Environment, Heritage and Local Government would be the line Department in the preparation of legislation in that respect. I was, as Minister for Finance, obviously ensuring——

**Deputy Michael D. Higgins:** That was when it was about housing.

**The Taoiseach:** I am making the point about where the legislation was brought forward and my role in it. Regarding the other point, the Deputy talks about——

**Deputy Emmet Stagg:** The Taoiseach signed off on it.

**The Taoiseach:** ——his views, rumours, etc. I deal with the facts as they are presented to me. The issue regarding the financial supervision of financial institutions was a matter exclusively for the independent regulator and IFSRA.

**Deputy Jan O’Sullivan:** The legislation was not.

**The Taoiseach:** Nothing had been brought to my attention that suggested the problem that has now emerged. As Deputy Gilmore has just said in his response, the scale of this is far greater than even he had anticipated, and he had a pretty dim view of it anyway regardless of who was or was not in charge of it. He had a certain view at any——

**Deputy Pádraic McCormack:** No one was in charge of it.

**Deputy Bernard J. Durkan:** No one had a dimmer view than the one that eventually emerged.

**The Taoiseach:** To ascribe that foreknowledge to me in the way Deputy Gilmore has done would not be acceptable, true or factual. I have explained fully and frankly everything that I have been doing in respect of that matter and I have nothing to hide in that regard. I will also say that, when the banking inquiry is allowed to proceed and deal with all of these matters, that will seen to be the case.

## Ceisteanna — Questions.

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### Northern Ireland Issues.

1. **Deputy Eamon Gilmore** asked the Taoiseach if he will make a statement on the outcome of the talks involving the British and Irish Governments and parties in Northern Ireland.

[7858/10]

2. **Deputy Enda Kenny** asked the Taoiseach if he will report on the outcome of the recent all party negotiations in Northern Ireland; and if he will make a statement on the matter.

[8792/10]

3. **Deputy Denis Naughten** asked the Taoiseach the plans he has for further discussions with the British Prime Minister. [8871/10]

4. **Deputy Enda Kenny** asked the Taoiseach if he will report on his recent meeting with the leader of the SDLP; and if he will make a statement on the matter. [8928/10]

5. **Deputy Caoimhghín Ó Caoláin** asked the Taoiseach if he will report on the discussions he has had with the First and Deputy First Ministers in view of the agreement reached at Hillsborough Castle; and if he will make a statement on the matter. [11123/10]

6. **Deputy Eamon Gilmore** asked the Taoiseach his views on the decision of the Northern Ireland Assembly on 9 March 2010 to approve the devolution of policing and justice powers; and if he will make a statement on the matter. [12488/10]

**The Taoiseach:** I propose to take Questions Nos. 1 to 6, inclusive, together.

Monday, 12 April was an important day for the people of Northern Ireland. With the devolution of policing and justice powers to the Northern Ireland Assembly and the election of David Ford as Minister for Justice, for the first time in 40 years policing and justice powers are being exercised with cross-community support on behalf of the people of Northern Ireland by their own elected representatives. Authority and responsibility for policing and justice issues are now where they ought to be, namely, at local level, accountable to and operating for the benefit of all the people of Northern Ireland.

I congratulate the political parties in taking this decision, which is a further vote of confidence in the political institutions and the peace process. I have also offered my congratulations to David Ford and the Alliance Party on their achievement. My Government looks forward to working with the Minister on the challenges that lie ahead. My colleague, the Minister for Justice, Equality and Law Reform, Deputy Dermot Ahern, met Mr. Ford last Friday.

The agreement announced in Hillsborough on 5 February provided the basis for moving forward on devolution and for the future stability and success of the democratic institutions that we have all worked so hard to create and maintain. The cross-community vote in the Northern Assembly on 9 March in support of the devolution of policing and justice was also an historic occasion. I strongly condemn the attempts of small dissident groups to disrupt the democratic process. Both Administrations, North and South, the Garda and the PSNI will continue to work closely to bring these criminals to justice.

I met Margaret Ritchie on 10 February last in Government Buildings where I congratulated her on her recent election as leader of the SDLP. We discussed the agreement reached at Hillsborough and the next steps involved in its implementation.

In the course of my visit to the United States for the traditional St. Patrick's Day celebrations, which I will be reporting on later, I thanked President Obama for his continuing support for the peace process and the Secretary of State, Hillary Clinton, for her unstinting support. I also met First Minister Peter Robinson, Deputy First Minister Martin McGuinness and Northern Ireland political leaders during my visit. I expect to meet the British Prime Minister at the next European Council meeting, which is scheduled to take place in June.

**Deputy Eamon Gilmore:** Which questions are being taken together?

**An Ceann Comhairle:** Questions Nos. 1 to 6.

**Deputy Eamon Gilmore:** Those questions deal with the situation in Northern Ireland. I wanted to clarify the position.

I join the Taoiseach in welcoming the devolution of justice and policing powers to the Northern Ireland Administration. I also welcome the appointment of Mr. David Ford, MLA, as Northern Ireland Minister for Justice. I wish Mr. Ford well in his new portfolio.

The explosions that took place at Hollywood and Newry are extremely worrying. In recent times explosives have been found and certain incidents were prevented from happening. I appreciate that the Taoiseach is constrained to some degree in the context of the information he can impart to the House in respect of the security situation. However, will he indicate how serious are the activities of dissident republican groups? How confident is he that the security

[Deputy Eamon Gilmore.]

and police forces in this jurisdiction and Northern Ireland will be able to deal with the situation and ensure that what is happening at present does not continue? How confident is he that they can ensure that the attempt that is clearly being made to undermine the institutions in Northern Ireland will not succeed and that people will not be seriously injured or worse as a result of the type of activities to which I refer?

**The Taoiseach:** I strongly condemn the bomb attack on 12 April last and other dissident attacks. These are futile acts which stand in stark contrast to the positive and historic progress that has taken place in the context of the democratic institutions, with the support of all communities, taking on key powers in respect of policing justice. Unfortunately, we have seen the capacity of dissident republican groups to launch attacks. The reality is that it does not take substantial numbers of people to carry out these activities. Their determination to carry out attacks is as high as it was at any stage during the Troubles.

It is important to recognise, however, that the groups to which I refer do not have an infrastructure of support in the community and that they are on a road to nowhere. As well as facing determined action on the part of the security forces, it is clear the activities of these groups have been overwhelmingly rejected by the people, North and South. The Government, the Garda and other interested agencies look forward to deepening co-operation with colleagues in the Northern Ireland Executive in respect of policing and justice and all other areas.

**Deputy Eamon Gilmore:** I thank the Taoiseach for his reply. He is correct that these dissident republican groupings do not enjoy any significant level of support. As he stated, only a small number of people are involved. However, we have been here before. At earlier stages of the Troubles in Northern Ireland, it was from just such a point that difficulties began to emerge. There have been indications that certain groups, particularly the Real IRA, have been recruiting aggressively and, according to reports, quite successfully in the North and the South. What is the level of the Taoiseach's knowledge in respect of this matter? What steps are being taken to tackle the problem?

**The Taoiseach:** Those matter might be better raised with the Minister for Justice, Equality and Law Reform, particularly in the context of the level of detail sought by the Deputy. My only comment in respect of the security briefings I receive is that a determined effort is being made to monitor closely any dissident activity that is taking place and to ensure that there is full co-operation among the various agencies, both in this jurisdiction and Northern Ireland. There have been many examples of success in thwarting past activities which could have led to the destruction of property or posed a threat to life and limb.

As the Deputy stated, the fact that only a small number of individuals are involved in these activities does not take away from their malign intentions. Nor does it take away from the need for our security forces be ever vigilant, as is the case in any event. Those in the security forces are highly knowledgeable and have various ways and means of dealing with matters of this nature. Significant legislation designed to assist the security forces in being effective in combating the type of activities to which I refer has been passed by the Houses of the Oireachtas in the past. We must ensure, to the greatest extent possible — no one can provide a blanket guarantee in respect of security at any point — that this matter is given the highest priority.

**Deputy Enda Kenny:** I congratulate the new Northern Ireland Minister for Justice, Mr. David Ford, MLA. I agree with the sentiments expressed by the Taoiseach and Deputy Gilmore in that regard. Mr. Ford is a practical and pragmatic politician and I wish him well in his endeavours.

There must be real concern with regard to the small number of dissidents who have the capability to cause serious damage as a result of their terrorist activities. I hope the level of support between the Garda and the PSNI is as high as it has always been. I also hope that, in the context of the security of the State, the Taoiseach is briefed on a regular basis and provided with accurate information. These people — with the obscene methods they employ in order to make so-called statements — cannot be given an opportunity to drive the country backwards.

In an interview in *The Irish Times* today the Taoiseach points out that the British-Irish Agreement and the St. Andrews Agreements enabled us to rebuild relationships and that in the context of North-South co-operation process is about rebuilding the relationship between the two parts of the Ireland on the basis of mutual benefit. I support that sentiment. The Taoiseach also made the point that at present it is more important to focus on rebuilding relationships than on bringing about a united Ireland.

I met Mr. Owen Paterson, MP, of the British Conservative Party when he visited Ireland in order to engage in a round of meetings with political personnel. Mr. Paterson expressed an interest in the position relating to VAT and corporation tax rates, North and South. No one knows what decision the British people will arrive at in the election that is due to be held in the coming weeks. In the context of mutual benefit, however, does the Taoiseach have a view on what might happen regarding a closer relationship between corporation and VAT tax rates, North and South, following the making of that decision?

A recent report by PricewaterhouseCoopers shows that Northern Ireland is the only area in the UK where business confidence is down. It also highlights the fact that 33,000 jobs have been lost in the North. However, the figure is probably much higher because those who were previously self-employed and who are no longer in business are not included in the figure. Does the Taoiseach have a view on the holding of discussions on closer co-operation in respect of tax rates? I accept that there is a differential between sterling and the euro. However, in the context of both the mutual benefit to which he referred and tax rates, has he engaged in any discussions on this matter?

**The Taoiseach:** No, I have not engaged in any discussions on the matters to which the Deputy refers. This issue has been raised on a number of occasions and in various contexts and relates to improving the prospects of the all-Ireland economy. It is clear, however, that major issues arise as far as the British Treasury is concerned with regard to the question of differentiated tax rates within the UK jurisdiction. The Treasury has made the point that while the UK's nominal corporation tax rate is higher than that which obtains here, there are various ways and means by which it has sought to assist the direction of investment to Northern Ireland, where a different tax rate to that which obtains here applies. That issue will not be easily resolved. However, it continues to be spoken of positively by business interests in the North.

**Deputy Enda Kenny:** What is the status of the proposal for interconnection between the Republic and Northern Ireland? I accept that there are difficulties in counties Meath and Monaghan in respect of this matter. Has the Taoiseach discussed the matter with parties in the North in the context of the mutual benefit to be had? As Minister for Tourism and Trade, I remember trying to bring about a concept of an all-island entity in terms of support for tourism which would be non-political and where everybody could see the mutual benefit on the island of Ireland, North and South.

There are serious problems to be confronted in the Twenty-six Counties in the medical area. There is the Government proposal from the HSE for a new regional entity somewhere in the Navan area some time in the future. There are difficulties in Letterkenny, there is the withdrawal of cancer services from Sligo General Hospital and so on. At the time of the Good

[Deputy Enda Kenny.]

Friday and St. Andrews Agreements, both Governments had an ideal opportunity to develop co-operative ventures in Altnagelvin in Derry, Letterkenny, Enniskillen, Sligo and across the Border from Drogheda for the mutual benefit of the health of our people, North and South.

**An Ceann Comhairle:** The Deputy is going into detail.

**Deputy Enda Kenny:** It is the detail that affects the relationships North and South about which the Taoiseach speaks, as the Ceann Comhairle knows. The question is about discussions with the parties in Northern Ireland and so on.

Does the Taoiseach envisage a situation where, despite the categorisation of different degrees in the medical area, there is an opportunity for both Governments to again prove peace works and that with co-operation on a small island such as this and in a small geographical area, one could have specialist centres of excellence, North and South, paying real attention to specific areas, whether cardiac, cancer, orthopaedics, etc? Does the Taoiseach envisage a situation where much closer co-operation, North and South, in the medical area could be brought about? Is it his intention to raise that matter when he next meets the parties and the new British Prime Minister, whoever that might be?

**The Taoiseach:** There is a fair degree of co-operation in regard to public health issues and there is an all-island approach in regard to health research. There is also a greater degree of collaboration between universities in that area and in other research areas. The Hillsborough agreement provides the means by which we can provide more stability in the institutions and a greater degree of openness to explore the potential for this sort of co-operation.

It is true I have indicated at North-South Ministerial Council plenaries my belief that the potential of the agreement can be explored to a greater extent than it is currently. The work agenda to which we are working in terms of the areas with which we are dealing still remains closely associated with that set out in 1998. There are many other areas which should be positively discussed. A review is taking place currently on the North-South issues.

With the confidence that has been built up and the fact that mutual benefit is the criterion on which we are focused, there is no reason, in particular given the difficult times we face and the need for collaboration, synergies cannot be established in a range of areas that would be good for taxpayers, North and South. I refer specifically to hospital services. Under the national cancer strategy, the north west is being catered for by way of co-operation with Altnagelvin and elsewhere. It is all about sensible, pragmatic co-operation which is, in many ways, the norm in Border counties at councillor and other levels. The CAIT initiative has meant that people with renal problems in Cooley could go to Newry for services rather than to Dublin. There is a range of practical, simple things that affect the quality of life of many people and where a co-operative, an innovative and a creative approach is adopted. More of that needs to take place.

That sort of sensible co-operation does more to show peace is the way forward than anything else. All the political rhetoric in the world will not replace that sense of sensible, practical co-operation in a range of areas which is not being exploited to the extent it could be. I hope the political will is developing within the Northern Ireland institutions to see that as a way forward for mutual benefit and not part of some surreptitious agenda.

**Deputy Caoimhghín Ó Caoláin:** At the outset, I once again unreservedly condemn and reject the activities of those groups which seek to lock their communities into perpetual conflict and whose actions are clearly designed to undermine and thwart the democratically agreed strategy of the vast majority of republican activists across this island in pursuit of our national and republican objectives.

I take this opportunity to commend all involved in the negotiations that concluded at Hillsborough Castle. I welcome the transfer of policing and justice powers from London to Belfast. It is a very important achievement and I am particularly proud of the role my party colleagues, the Sinn Féin negotiation team, played in bringing that about. The role of the DUP and others involved in this must also be acknowledged because what we have arrived at is an agreement made in Ireland. The powers, which will directly affect the daily life and condition of ordinary people, have been taken from London to Ireland where they are under democratically accountable oversight. That is a very positive step and must be seen and appreciated by all in that regard.

What increased efforts is the Taoiseach making, or planning to make, in regard to other elements of the Good Friday Agreement, as yet unrealised? I speak specifically of the Bill of Rights for the North, Acht na Gaeilge — the Irish language Act — and the all-Ireland inter-parliamentary forum, and I acknowledge the Ceann Comhairle's role directly in the latter. I am also familiar with the reports back on progress towards the establishment of the inter-parliamentary forum to our working group in the Houses of the Oireachtas.

In regard to the policing and justice transfer, is the Taoiseach in a position to let us know whether he, in discussions with the Minister for Justice, Equality and Law Reform, has considered what new areas of co-operation can now be developed? We now have a situation where the policy and management of policing in the North is vested in the island of Ireland, in Belfast. For example, I refer to the whole area of co-operation in combatting illegal drugs. Perhaps it might be no harm to also mention so-called legal drugs in this jurisdiction which, I understand, may already, or very shortly, be regarded as illegal under plans to so describe such substances in the North and in Britain that are currently available in head shops in this jurisdiction. Legislation is pending in the North and in Britain to put these on the list of banned substances. Can the Taoiseach indicate any increased address of the level of co-operation in combatting that very serious area of concern to all of us?

I refer to a response I received a short time ago from the Taoiseach's Department to a parliamentary question on Justice for the Forgotten and its role in representing the victims and survivors of the Dublin and Monaghan bombings of 17 May 1974. As a Deputy for more than 13 years, I have at all times received a response from the Department of the Taoiseach to questions on this matter. I was alarmed that the question was refused. This is the first time that has happened. The Taoiseach previously responded, as did his predecessor, in all my experience as a Deputy.

I was further alarmed by a response I secured from the Minister for Justice, Equality and Law Reform in regard to the same matter. It stated that it is advised that the funding for Justice for the Forgotten, which is the only representative body of victims of the conflict in the North of Ireland in this jurisdiction, is no longer available to it and that a decision has been taken to cease the funding stream to this very important organisation which is doing hugely important work. I make an appeal to the Taoiseach in recognition of the fact that the work of Justice for the Forgotten has not yet ceased. The group has not yet achieved its goals and objectives in terms of bringing the whole sad story behind the Dublin-Monaghan bombings and other such incidents within the Twenty-six Counties area of our country to finality and closure for the victims, their families and the survivors of these atrocities. Will the Taoiseach please ensure that a funding stream is re-opened to Justice for the Forgotten as its position is untenable? The scenario it now faces is that it will not be able to maintain its office and continue its work after a short period of weeks leading into the summer of this year. I ask the Taoiseach to take this opportunity to confirm that the matter will be reconsidered favourably.

**The Taoiseach:** The last issue raised by the Deputy is a funding matter for the Department of Justice, Equality and Law Reform. As he will be aware, funds have been made available in the past. The Minister indicated that this could not continue on an ongoing basis without any reference to the budgetary realities with which he must deal. The issue has been dealt with by the Department as best it can in the circumstances in which it finds itself.

On some of the other issues raised by the Deputy, the Hillsborough agreement sets out the various issues that are referred to. The First Minister and Deputy First Deputy oversee the exercise of examining the St. Andrews Agreement and identifying all matters contained within it which have not been faithfully implemented or actioned. There are a number of such issues. In the Hillsborough agreement, arrangements are put in place whereby those working for the First Minister and Deputy First Minister, their junior Ministers, chair a working group which will make an initial report on the outstanding matters, with recommendations on how progress can be made. The matters which have not been actioned include some of the issues referred to by the Deputy. That is a matter within the remit of the Hillsborough agreement that is being proceeded with by the Executive.

The problem, as we know, is that there are areas on which little or no progress has been made. What the Hillsborough agreement has provided in these cases is a process by which an agreement between the First and Deputy First Ministers has been reached to enable these issues to be progressed. Regarding the question of devolution of policing and powers, I agree with the Deputy that this is a very significant development.

I warmly welcome the completion of the process of devolving policing and justice powers to Northern Ireland and the appointment of Mr. David Ford as Minister for Justice. Building on the Good Friday Agreement and consistent with the spirit and recommendations of the Patten Report, authority and responsibility for policing and justice is now with the people of Northern Ireland for the first time in 40 years. We will continue to work closely with our colleagues in the Executive to address all the challenges we face at this difficult time.

**Deputy Caoimhghín Ó Caoláin:** On the outstanding matters such as the Bill of Rights and Acht Teanga don Ghaeilge, while I note the Taoiseach's response in regard to same, without question these are elements arising directly out of the Good Friday Agreement and St. Andrews Agreement. Will the Taoiseach endeavour to aid the objective of the earliest introduction of these very important elements? It is not within the gift of either the Dublin or London Governments to stand back from continuing to have a direct role and involvement in encouraging and assisting the bringing about of important components of the overall process, leading from the Good Friday Agreement and St. Andrews Agreement up to the Hillsborough agreement. We need to see all of these components realised.

I am aware of the energy and effort being employed in relation to the all-Ireland inter-parliamentary forum and I hope we will see the fruits of this in the current year. Will the Taoiseach please note my request for every assistance in pushing for the Bill of Rights and the Acht Teanga don Ghaeilge at the earliest opportunity?

On Justice for the Forgotten, I do not want to open up a chasm on this issue because we have had a good series of exchanges, not only in the Taoiseach's term in office but, in particular, during his predecessor's term as Taoiseach. The role of Justice for the Forgotten must continue because closure has not been arrived at. This is about the issues of truth, justice and support. The survivors and families of the victims continue to engage daily and weekly with the key players in Justice for the Forgotten. This facility and office is just a telephone call away and provides an opportunity to walk in and seek support and advice from the organisation's staff. This needs to continue.

I ask the Taoiseach not to dismiss this matter by stating that it is now under the aegis of the Department of Justice, Equality and Law Reform. The Minister's reply offers no prospect of a funding stream continuing in this or subsequent years. I make an appeal to the Taoiseach that the spirit that applied during the term in office of his predecessor, Deputy Bertie Ahern, be continued. The former Taoiseach was focused and engaged on this issue and met with representatives of Justice for the Forgotten. I ask the Taoiseach to restore a direct interest on the part of the Department of the Taoiseach in this matter and the group in question. In addition to restoring a funding stream to allow Justice for the Forgotten to continue its valued work, will the Taoiseach meet representatives of the group in the context of all of this and at the earliest opportunity?

**The Taoiseach:** As I stated, the Minister for Justice, Equality and Law Reform has outlined the position in relation to the funding mechanism. There is nothing I can add to that. My Department continues to have an interest in this matter. Significant progress has been made since the initial initiative was taken by my predecessor in respect of Mr. McEntee and others who have examined this matter in great detail.

The Deputy raised the question of trying to assist and bring matters forward in this difficult situation. Justice for the Forgotten and the individuals and families affected existed long before funding was ever considered for any group. The organisation will continue regardless of whether funding is available. That is not the issue; the issue is the extent to which we have been able to make progress we have made. In previous parliamentary replies, I indicated that significant efforts had been made by this Administration and previous Administrations under the leadership of former Taoiseach, Deputy Bertie Ahern, to try to bring forward more facts in relation to this matter.

On the question of putting forward outstanding issues that have not yet been fully implemented, the Irish Government has always stood ready to assist. In the context of the Hillsborough discussions, the initiative of both Governments to hold the talks and insist that we stick at it and try to find a solution with the agreement of the parties which attended has brought us to a position where we avoided instability in the institutions and provided a way forward. While we have an interest in all strands of the Agreement, we will continue to assist on strands two and three and we will co-operate and seek an improved and more harmonious political relationship in the Executive through the changes envisaged in the Executive regarding its workings and operations. We will also seek to see real progress being made given the common challenges we face.

**Deputy Caoimhghín Ó Caoláin:** There is no possibility that Justice for the Forgotten could survive without the funding stream and support it has received continuing. While great thanks are due for the funding that has been provided heretofore, the notion that the group could survive without the funding stream and do its work on the basis of the change in its members' pockets is not realistic. Support groups for survivors of the conflict North of the Border continue to receive funding for the valued work they do within their respective communities. Justice for the Forgotten is the only such group in this jurisdiction and it is vital that funding to it continues. I re-appeal to the Taoiseach to note those facts and act appropriately.

**The Taoiseach:** I note what the Deputy has to say about these issues. I am simply reiterating the position outlined by the Minister for Justice, Equality and Law Reform, and I will look at it in that context.

**Deputy Denis Naughten:** The Taoiseach said earlier that there is a need for sensible and practical co-operation on a North-South basis. Are there any plans to develop a common

[Deputy Denis Naughten.]

approach North and South on the issue of immigration? We have to deal with the implications of the UK e-border system. The British Government is looking to amend the common travel area in a Bill that it hopes to bring forward after the general election there.

Have any discussions taken place between the Taoiseach's office and the British Prime Minister's office on the e-border system? The Government here has shelved its plans to develop a shadow system in this jurisdiction, which has implications in dealing with the problem of cross-Border social welfare fraud and illegal immigration. In light of the fact that our Border with Northern Ireland is about as effective as a sieve and that there are 15.6 million people moving across the common travel area every year, what discussions are taking place between the Taoiseach's office and that of the British Prime Minister to have a co-ordinated approach? Has any consideration been given to the practical savings that could be made on fraud and illegal immigration by proceeding with our system?

**The Taoiseach:** There are no discussions at prime ministerial level on this issue. Discussions take place on these matters between the Department of Foreign Affairs, the Foreign Office, the Home Office and the Department of Justice, Equality and Law Reform. Perhaps a question directed to those Ministers would allow for an accurate reply.

### Official Engagements.

7. **Deputy Eamon Gilmore** asked the Taoiseach if he will make a statement on his visit to the United States over the St. Patrick's Day period. [12486/10]

8. **Deputy Eamon Gilmore** asked the Taoiseach if he will make a statement on his contacts with political leaders during his visit to the United States over the St. Patrick's day period. [12487/10]

9. **Deputy Enda Kenny** asked the Taoiseach if he will report on his visit last month to the United States; and if he will make a statement on the matter. [12952/10]

10. **Deputy Enda Kenny** asked the Taoiseach if he will report on his meeting last month with the US President; and if he will make a statement on the matter. [12953/10]

11. **Deputy Caoimhghín Ó Caoláin** asked the Taoiseach if he will report on his visit last month to the United States. [13707/10]

**The Taoiseach:** I propose to take Questions Nos. 7 to 11, inclusive, together.

I travelled to the United States on Friday, 12 March for engagements in Chicago, San Jose and Washington. There was a very strong economic dimension to my visit, including a trade mission to Silicon Valley and Washington DC involving more than 75 Irish companies and meetings with leading US companies. The over-riding priority for the Government over the St. Patrick's Day period was to send a strong positive message about Ireland's plan for economic recovery and the actions we have taken to confront our economic problems and to build a sustainable economic future for our people.

While in Chicago, as well as attending community events, I met with Governor Pat Quinn of Illinois, Mayor Richard M. Daley of Chicago and members of the Global Irish Network based there.

I travelled to Silicon Valley on Sunday, 14 March. While there, I met with the Mayor of San Jose, the President of Stanford University, Mr. John Hennessy, and I was briefed by the Irish Technology Leadership Group. I also launched a new Irish network in America and I opened

a new Irish innovation centre. I met with senior representatives of leading US multinational companies with successful investments in Ireland, and a number of Irish companies that are successfully doing business in the United States. I also addressed a major business lunch in Silicon Valley. In the course of my address, I focused on the Government's economic recovery plan, with a particular emphasis on the smart economy and the implementation of the report of the innovation taskforce, which is central to our economic renewal.

My programme in Washington began on Tuesday 16 March with a meeting with the economic advisory board and members of the Global Irish Network. We had a very useful exchange on the current economic situation both global and domestic. I also met with Congressman Richie Neal and the friends of Ireland group and discussed recent developments in Northern Ireland and the undocumented Irish.

Later that day I announced the appointment of Mr. Gabriel Byrne as cultural ambassador for Ireland. The appointment recognised the worldwide importance of Ireland's culture and its profound connection to our economy, which was one of the major conclusions of the global Irish economic forum at Farmleigh. The cultural ambassador will work closely with the Government, Culture Ireland and artistic bodies to develop an artistic vision that is inclusive of the Irish diaspora throughout the world. Later that evening I addressed the American Ireland Fund's gala dinner, where the honouree was Secretary of State Hillary Clinton. In the course of my address, I thanked the Secretary of State for her contribution to the peace process, including her continued interest and assistance in the process in recent months and weeks. While in Washington I also met with Northern Ireland First Minister, Peter Robinson MLA and Deputy First Minister, Martin McGuinness MLA.

On St. Patrick's Day, I attended a breakfast meeting with Vice-President Biden at his residence. After breakfast, I travelled to the White House for a bilateral meeting with President Obama. Our meeting focused on the push for global economic recovery, recent developments in Northern Ireland, European and international issues and Ireland-US relations including immigration reform. Later, I attended lunch on Capitol Hill hosted by Speaker Nancy Pelosi. I also met with Senators Chris Dodd and Pat Leahy and we discussed Northern Ireland and economic developments.

My programme in Washington concluded with a reception in the White House, where I made the traditional presentation of shamrock to President Obama, as a symbol of the continuing close ties between our two countries. We both paid tribute to the memory of Senator Ted Kennedy, whose absence was keenly felt on Capitol Hill this St. Patrick's Day.

**Deputy Eamon Gilmore:** I thank the Taoiseach for his reply and for setting out the details of what was clearly a full and successful programme during his visit to the US. I welcome the appointment of Mr. Gabriel Byrne as Ireland's cultural ambassador, but can the Taoiseach tell the House a bit more about what this appointment means? What exactly will he do and what supports are being provided to him? Are staff, offices and infrastructure provided? What does it actually mean?

I understand that the Taoiseach spoke with President Obama about the strengthening of economic ties between Ireland and the US, which again is very welcome. Was there any discussion of the President Obama's initial plans to make changes in the US tax regime that might have impacted on the American companies that invest in Ireland? When the President was elected, there was some concern that changes in the US tax regime would have a negative impact on US companies investing abroad, including Ireland.

**The Taoiseach:** There are no offices and so on attached to the position of cultural ambassador. The new ambassador will work closely with the Government, with Culture Ireland and

[The Taoiseach.]

with artistic bodies to develop a vision that is inclusive of the Irish diaspora throughout the world. It is about how we can promote culture on its own intrinsic merit to expand the footprint of the country worldwide, so that people can know who and what we are. There are also economic ties to culture, such as cultural events and the impact they make. There are many prominent Irish people involved in the cultural life of many societies around the world. The US contains a huge part of the business of culture, otherwise known as the entertainment industry.

Mr. Gabriel Byrne is somebody who can assist Ireland in that respect. He will work with Culture Ireland and with artistic bodies. He will be involved in trying to make sure that we assist in funding for the new arts theatre in New York. There is a range of issues involved, but it is open for Mr. Byrne to use those issues. These bodies will work with him on how to use his personage as a means of promoting our country and our culture in the US and elsewhere. He may not be our only cultural ambassador in the future, as others might be of assistance as well. It provides an outlet for the diaspora to contribute in a meaningful way to modern Ireland.

The second question was on fiscal issues. On my first meeting with President Obama last year, he made it clear when I raised this issue — and perhaps it was more current, not long after his inauguration — that he does not regard Ireland as being among the countries that he would have in mind. He was talking about those where people name-plate their operations and use such jurisdictions for fiscal purposes. That is an issue which is not only a matter of policy development or an ultimate decision for the President, but also for Congress. Therefore there would be a considerable legislative process to be considered as to how all that would work out. We will be in close touch with senators and members of Congress, including the Friends of Ireland group who will be of assistance to us in that respect as well, to ensure that there is a clear understanding of Ireland's position. We are totally compliant regarding all international tax treaties. It is not well known by some who do not know how the relationship has developed, particularly the economic relationship, so we will also use the opportunity to emphasise the level of cross-investment between Irish-owned companies in the United States which, in terms of employment, practically mirrors the level of employment of US companies here. That fact is not even well known, understood or appreciated at home, let alone abroad.

There are 227 Irish companies with operations in the United States, employing more than 81,000 people across 2,630 US locations. That gives an indication of just how changed the relationship is in terms of an industrial, manufacturing and services presence in the United States by Irish companies. We are currently the 13th largest investor in the United States with cumulative investments valued at approximately \$34 billion. The US is Ireland's largest services trading partner, and our second largest merchandise trading partner. Taken together, that trade was valued at \$50.5 billion in 2008. Therefore the economic relationship between the United States and Ireland is one of significant two-way trade and investment that generates jobs on both sides of the Atlantic. We see ourselves as representing the perfect gateway for US industry to the European market. Getting those messages across in the context of how people view Ireland is an important part of the discussion and interaction we will have, not only with President Obama and his administration's officials but also with Congress.

Despite last year's difficult trading conditions, 47 Irish companies opened up operations in the United States. There is a huge opportunity for us there, even in the current difficult circumstances. As we move out of recession and as world trading conditions improve, the diverse nature of Irish trade in America is an important factor in our recovery.

**Deputy Enda Kenny:** As the Taoiseach is aware, on many occasions, Deputy Ring has raised the question on behalf of the Fine Gael Party of the undocumented Irish in America. In the Taoiseach's discussions with President Obama, did the latter indicate whether his Admini-

stration will attempt to introduce comprehensive immigration legislation or a bilateral arrangement? The Taoiseach is aware of the continuing difficulties that some undocumented Irish are having, which will probably be exacerbated because of the numbers travelling to America because of the economic crisis here. There will therefore be many more undocumented Irish people there in future. Did the Taoiseach make any comment to President Obama in respect of his Government's approach to that matter?

**Deputy Caoimhghín Ó Caoláin:** On the same issue, did the Taoiseach avail of an opportunity to raise the situation of undocumented Irish immigrants in the United States? Arising from whatever exchange took place, if any, can the Taoiseach advise if progress is expected to alleviate their plight?

**The Taoiseach:** Yes, I did raise the issue directly with the President and with others. The feeling in the United States is that the best prospect for a solution for the undocumented is through comprehensive immigration reform. President Obama signalled that comprehensive immigration reform remains high on his agenda. I would emphasise that while it is a difficult political issue domestically, the President is committed to finding a solution in a comprehensive immigration proposal. That requires congressional consensus as well, but there is a strong and genuine interest on the President's part to try to deal with this issue within the constraints he must operate under.

Deputy Gilmore referred to the issue of the cultural ambassador. Culture Ireland will organise a season of Irish arts in the United States in 2011, showcasing world-class Irish artists and companies and reinvesting in our unique cultural relationship with America. It will include clusters of events in a range of key cities, including New York, Washington, Boston, Chicago, Los Angeles, San Francisco, Philadelphia and Pittsburgh, among others. Gabriel Byrne has played a key role in developing the concept for that season. As cultural ambassador, he will be advising Culture Ireland, as well as Irish embassies and consulates in the United States, on creating a dynamic programme of arts, ideas, debate and reflection, which will help to foster a renewed, forward-looking cultural relationship between Ireland and America.

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

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

**Deputy Finian McGrath:** I seek the adjournment of the Dáil under Standing Order 32 to discuss an issue of national importance and concern, namely the urgent need to support the residents of Marino and Fairview in Dublin 3 in their efforts to get back the full service of the 123 bus; and to call on the Minister for Transport, Dublin City Council, Dublin Bus and the Garda Síochána to ensure that this is a priority issue.

**Deputy James Bannon:** I seek the adjournment of the Dáil under Standing Order 32 to raise a matter of vital importance to rural Ireland, namely the proposal by the Minister for the Environment, Heritage and Local Government to ban hunting under the Wildlife (Amendment) Bill 2010, which is in essence a ban on the rural way of life, heritage, tradition, tourism and the rural economy by an urban-directed legislative provision against the countryside and country pursuits. It was interesting to hear the Taoiseach speak earlier about promoting a cultural ambassador in the USA, while the green tail is wagging the brown republican dog all over this country.

**Deputy Finian McGrath:** What about the poor stag?

**An Ceann Comhairle:** Having considered the matters raised, they are not in order under Standing Order 32. I now call on the Taoiseach to announce the Order of Business.

### **Order of Business.**

**The Taoiseach:** It is proposed to take No. 3, Central Bank Reform Bill 2010 — Second Stage (resumed); and No. 1, Energy (Biofuel Obligation and Miscellaneous Provisions) Bill 2010 [*Seanad*] — Second Stage. Private Members' business shall be No. 72, motion re energy security (resumed), to conclude at 8.30 p.m. tonight, if not previously concluded.

**An Ceann Comhairle:** There are no proposals to be put to the House today. I call Deputy Kenny on the Order of Business.

**Deputy Enda Kenny:** What is the situation concerning a Government decision on the children's referendum? Does the Taoiseach expect to make that during this session, so that we can have clarity on when the Government intends to hold it? I know the Taoiseach has some work to do before that.

I support the efforts being made by the Minister in respect of head shops. Many Deputies from both sides of the House have already raised this matter. The issue is whether one brings in really strict regulations or attempts to ban these premises completely. People in Dublin are now receiving leaflets through their doors advertising a home-delivery service of the products on sale in head shops, with a mobile phone number to make contact. According to the leaflets, the service is available from Thursday to Sunday from 7 p.m. to 4 a.m., and there is a delivery charge of €10 on top of this. I quite understand that if one makes a serious attempt to ban something completely one can drive it underground with consequences such as these.

I am just bringing to the attention of the Taoiseach that this is what is happening on the streets of estates in Dublin currently. I will send this leaflet to the Minister with responsibility for the issue, although he may already have received one. I am sure the Government Whip is aware of the issue. This issue is brought home in stark reality to people when a father sits in front of them and says his 16 year old has spent three weeks in hospital because of a €5 substance he bought with others in a head shop, but the doctors cannot determine what is wrong with him and he has almost died on two or three occasions. That is quite frightening. I support efforts from the Government to deal with this serious situation.

**The Taoiseach:** I referred to this issue yesterday on the Order of Business and gave a detailed response. The DPP is also considering the issue and whether it is possible to prosecute under existing legislation while we await the new legislation.

**Deputy Eamon Gilmore:** The first question Deputy Kenny asked related to the referendum on children. Deputy Mary O'Rourke chaired the all-party committee which recommended that a referendum be held and did an excellent job as Chairman. She has the admiration and support of the entire House for the work she did. Yesterday, she said the Government should now deliver on that referendum. The committee has delivered its part of the equation. Will the Taoiseach be more specific as to when that referendum will be held and will he give an assurance that it will be held this year?

Yesterday, my colleague, Deputy Róisín Shortall, pursued the issue of the carbon levy with the Minister for Social and Family Affairs, Deputy Éamon Ó Cuív. This levy will come into effect on 1 May and will drive up the price of heating oil and fuel. The Government promised previously that measures would be introduced to protect low income families and households

against the carbon levy and its impact. However, the Minister did not seem to know much about this yesterday when Deputy Shortall pursued the matter.

**An Ceann Comhairle:** That is a question for the line Minister.

**Deputy Eamon Gilmore:** Given that the levy is imminent, with 1 May almost upon us, will the matter be addressed? Will we see something introduced next week or will legislation have to be introduced to bring in the fuel poverty protection measures? What can the Taoiseach tell us about this?

**The Taoiseach:** I am not aware there is legislation is promised in this area. The levy is being dealt with in the context of the budget, but any issues arising will be dealt with by the Ministers concerned.

On the question on the referendum, an excellent report has been prepared by the committee and I echo what has been said with regard to the work done by all on the committee, including the Chair. Everybody worked very hard on the issue and the matter is now being considered by the Minister with responsibility for children, the Attorney General and others and we will consider it in due course. We understand and recognise the work that has been done.

**Deputy Caoimhghín Ó Caoláin:** As a member of the all-party committee, I join colleagues in urging the Government to expedite the proposal to bring forward the required legislation and accommodate the referendum in the current year. The committee produced a fine body of work over a long and protracted period of some 60 meetings and in the interest of children and children's rights, it merits being brought forward and, hopefully, being enshrined in the Constitution this year. This is something which all parties in the House are committed to achieving.

On the issue of legal substances currently available in this jurisdiction, I referred in earlier questions to the Taoiseach to impending legislation north of the Border and in Britain to ban a number of substances and their derivatives. It is important that whatever lessons can be learned from that approach are applied in this jurisdiction. The tendency heretofore has been to ban a specific substance, without address of the various derivatives or of minor chemical adjustment to a substance, which is a means of bypassing or getting around the ban of the substance on the list.

**An Ceann Comhairle:** Those will be valid points for the Second Stage debate.

**Deputy Caoimhghín Ó Caoláin:** I ask the Taoiseach to take heed of the legislation being introduced north of the Border and on the neighbouring island. Hopefully, we will be able to mirror the expediency being applied there in that regard.

I welcome the Taoiseach's response yesterday with regard to the nurses and midwives Bill being imminent. This was the only Bill on the list of Bills under the Department of Health and Children listing on which he could give this response. However, I am concerned about the threatened prescription charges Bill. I note it is to be fast-tracked and published this session. This Bill should be withdrawn. The lesson should be learned that the imposition of up to €10 per month on medical card holders to access prescriptions is an unacceptable proposition. I encourage the Taoiseach to take heed instead of the repeated appeals of Deputies to bring forward the eligibility for health and personal social services Bill, which has been promised for many years but is down as "not possible to indicate a time for publication". It is unacceptable that there is movement forward to penalise the least well-off in society with regard to access

[Deputy Caoimhghín Ó Caoláin.]

to medicines and at the same time the Government is failing miserably year after year to address eligibility to health and personal social services. It is high time, as I said yesterday, the Taoiseach intervened directly with the Department of Health and Children in this regard.

**An Ceann Comhairle:** Is legislation promised in this area?

**The Taoiseach:** The first two Bills mentioned by the Deputy are due this session. There is no date for the one he mentioned last, but we are working on it.

**Deputy Bernard J. Durkan:** I support the sentiments expressed by my colleague on that last issue. There is general consensus among the public —

**An Ceann Comhairle:** The Deputy should know that the Order of Business is for making direct inquiries about promised legislation. The Deputy should not anticipate legislation.

**Deputy Bernard J. Durkan:** I am referring to promised legislation, namely, the Bill referred to by Deputy Ó Caoláin on eligibility for health and social services. I am not anticipating any debate, but am trying to generate enthusiasm on the part of the Government for legislation it has promised for a long time. It is very recalcitrant in bringing it forward.

**Deputy Micheál Martin:** It is very difficult to generate enthusiasm on the Order of Business.

**Deputy Bernard J. Durkan:** Minister Martin was not that quick at bringing forward legislation when he was in the Department either. In view of the fact that so many people are inquiring about their entitlement to health and social services generally and the vast raft of legislation proposed by the Government for so long, what does the Taoiseach intend to do to encourage the Minister for Health and Children to move forward with that legislation, which hopefully will benefit the general public?

**An Ceann Comhairle:** Is legislation promised?

**Deputy Bernard J. Durkan:** I know the Taoiseach answered the question on the legislation, but he has not answered my question. Does he intend to take any initiative to instruct the Minister for Health and Children on the issue?

**The Taoiseach:** Many important pieces of legislation have been brought to the House, some of an emergency nature because of the difficult situation with which the Government has had to contend due to the economic and financial crisis. This has affected work on what would otherwise have been proceeded with. The Minister for Health and Children has set out her priorities for this legislative session. With regard to the position regarding the legislation in question, my response is the same as I gave to the preceding Deputy, that we do not have a date for it, but work is continuing on it.

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

**Deputy Bernard J. Durkan:** On another related issue —

**An Ceann Comhairle:** Deputy —

**Deputy Bernard J. Durkan:** Very quickly.

**An Ceann Comhairle:** Specifically on promised legislation please.

**Deputy Bernard J. Durkan:** I never ask anything except on promised legislation. There are very few debates in which one on the backbenches of the House can participate, but this is one of them. There is a piece of promised legislation into which the Minister for Transport can get his teeth and it has been promised for a very long time. He has shown habitual reluctance to answer parliamentary questions. One of the Bills is to consolidate and update merchant shipping provisions since 1894. Surely that has been on the promised list for a very long time, but if it has not, it should have been. Is there any intention to bring forward this Bill because the status of the Bill is that it is not possible to indicate at this stage when publication is expected? That is the same as all promised legislation. I would like to encourage a little rapidity there.

**The Taoiseach:** As the Deputy stated, it is a consolidation Bill and it is not a matter of very high priority given the other priorities of Government. It will come forward in due course but I do not think the merchant shipping industry is waiting with bated breath for it.

**Deputy Bernard J. Durkan:** Obviously the Minister is not waiting with bated breath for it.

**Deputy James Bannon:** On long promised and long awaited legislation, the heritage fund (amendment) Bill appears to be part of the Government's conspiracy to ignore our unique heritage. Will the Taoiseach state whether this Bill or the monuments Bill will win the Government's slow race for publication?

**An Ceann Comhairle:** We had an inquiry about this yesterday.

**Deputy James Bannon:** This is a different Bill. It is the heritage fund (amendment) Bill. The Ceann Comhairle should be familiar with the legislation on the Clár.

**The Taoiseach:** There is no date for that legislation.

**Deputy Emmet Stagg:** When is it expected that the legislation to regulate management companies will come before this House? It seems to have been in the other House for a very long time.

**An Ceann Comhairle:** We should not interfere with the other House.

**Deputy Emmet Stagg:** I am not trying to interfere with it.

**Deputy Micheál Martin:** When it is finished in the other House.

**Deputy Emmet Stagg:** I just want to find out when we will deal with it. There is nothing in the rules that I know of that stops us from asking when we will deal with a Bill.

**An Ceann Comhairle:** It is in the other House now.

**Deputy Emmet Stagg:** It is important that the matter is raised regularly until it is dealt with because it is urgent legislation. I know the Taoiseach appreciates that and has supported it.

Is the Taoiseach aware of the widespread opposition to the regressive stealth tax by taxing domestic water supply as proposed? Will he agree to withdraw the threatened legislation?

**The Taoiseach:** There is no date on that legislation at present.

**Deputy Emmet Stagg:** It has been very clearly promised or threatened by the Minister, Deputy John Gormley.

**An Ceann Comhairle:** The Taoiseach has indicated——

**Deputy Emmet Stagg:** I am asking the Taoiseach whether it will be taken this term. Seemingly footpaths will be dug up outside people's houses to install charging meters.

**The Taoiseach:** It is not on the A list. There is an issue that has to be dealt with in due course. The programme for Government relates to the matter.

**Deputy Emmet Stagg:** Perhaps the Government is withdrawing it.

**The Taoiseach:** No.

**Deputy Ruairí Quinn:** Yesterday, the Taoiseach indicated to me that the legislation to put on a statutory basis the role as patron of VEC schools at primary level would be published in this session. Will the Taoiseach clarify whether "this session" means prior to the House rising on 8 July? Otherwise we will enter a fourth year in which these schools will be acting illegally and three new schools will open under the same patronage format.

**The Taoiseach:** As the Deputy knows, when a Bill is placed on the A list, it is about what can be published this session. Technically, it is about being published prior to the beginning of the following session. My cursory knowledge of the matter leads me to understand that it is expected to be published this session.

**Deputy Ruairí Quinn:** Let me briefly explain my concerns about this. If it is published while the House is still sitting, prior to 8 July, at least we will get some standing with regard to the nature of the legislation. However, the Attorney General has received a detailed letter citing legal problems and objections relating to the faith formation structure in State schools which are clearly in breach of the Constitution. It is essential for us to see in the legislation what way this matter will be addressed at primary school level. If it is not published until September, it will continue for a further year. Will the Taoiseach clarify this point? It is serious and we need to see the legislation while the House is still sitting.

**The Taoiseach:** Yesterday, the Minister of Education and Science indicated she expects it to be published this session. That is as much information as I can give the Deputy.

**Deputy Ruairí Quinn:** That means September then.

**Deputy Thomas P. Broughan:** As the Taoiseach might know, tomorrow the Committee of Public Accounts will start its investigation into the failure of banking regulation in the country. Although the Taoiseach certainly does not have to do so, given his role as the former Minister for Finance is he prepared to come before the committee and answer questions on the period in question?

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

**Deputy Thomas P. Broughan:** I am just asking the Taoiseach. It would be helpful.

**Deputy Micheál Martin:** Deputy Broughan is just casually asking the question.

**Deputy Thomas P. Broughan:** It would help us to join the dots.

**An Ceann Comhairle:** It is absolutely not appropriate for the Order of Business and the Deputy knows that.

**Deputy Thomas P. Broughan:** Yesterday, the Minister for Transport stated that there is very strict European regulation of the treatment of air passengers. It appears a number of companies are not prepared to carry out their obligations in this regard. Will the Taoiseach take a personal interest to ensure they follow their remit—

**An Ceann Comhairle:** This is not promised business. Tonight or tomorrow night—

**Deputy Thomas P. Broughan:** It is with regard to the implementation of legislation in which many citizens have an interest.

**An Ceann Comhairle:** There are other ways of raising the matter with the Minister.

**Deputy Thomas P. Broughan:** The Taoiseach is interested.

**An Ceann Comhairle:** We had a Private Notice Question on this matter yesterday. It is not in order; it is an Adjournment matter.

**Deputy Thomas P. Broughan:** Will the Taoiseach come before the Committee of Public Accounts?

**The Taoiseach:** The task force will give attention to the transport matter. In February 2009, the Minister for Finance gave a very full indication on the other issue.

**Deputy Thomas P. Broughan:** The committee will examine the period during which the Taoiseach was Minister for Finance.

**The Taoiseach:** I know. We will be looking at it every day of the week for the next two years, according to how Deputy Broughan is going on.

**Deputy Enda Kenny:** Is the Taoiseach sure?

**Deputy Joe Costello:** A number of Deputies have asked questions on legislation relating to head shops.

**An Ceann Comhairle:** We had this already.

**Deputy Joe Costello:** This is a different angle. Last night I raised the issue on the Adjournment and the Minister for Justice, Equality and Law Reform graced the House with his presence. However, he did not throw any light on the proposals, which last Friday he declared were imminent, regarding introducing legislation to empower the Garda to deal with the matter. This has been raised almost every week for the past six months and we still do not have any sign of any legislative proposals. Will the Taoiseach take on board the Planning and Development (Amendment) Bill which the Labour Party published and presented to the Dáil, which would, if passed, immediately prevent the proliferation of new head shops and would require retention applications for existing head shops? This would deal with the matter immediately and it could be passed very rapidly as it is a simple straightforward Bill. It could take one day in this House and another day in the Seanad.

**An Ceann Comhairle:** We need to move on. Is there promised legislation?

**The Taoiseach:** I do not want to get into a debate on the matter on the Order of Business. I do not think that Bill provides a full and comprehensive solution to the problem. For example, leafleting on home delivery would not be covered by it. This issue is being dealt with and the Minister for State, Deputy Pat Carey, is very anxious to proceed on it.

**Deputy Joe Costello:** There is no Government progress on it.

**The Taoiseach:** As I stated yesterday, there has been a requirement of notification to the European Commission because it involves a restriction on trade. Most, if not all, of us are agreed that this issue needs to be dealt with. The Director of Public Prosecutions is examining his independent powers to see what can be achieved through prosecutions under existing law. I can assure the Deputy that this matter will be dealt with as soon as possible, in line with the notifications that must be given to the EU.

**Deputy Joe Costello:** My question was——

**An Ceann Comhairle:** Deputy, we had——

**Deputy Joe Costello:** Will the Taoiseach accept the Bill that is before the House? He did not reply to that question.

**An Ceann Comhairle:** The Taoiseach indicated that the matter was being addressed.

**Deputy Joe Costello:** The matter has been addressed for the past 12 months and there is no sign of any progress taking place. There is something already there. Will the Taoiseach take that on board and deal with it?

**Deputy Simon Coveney:** For approximately two years, my party has been calling for the Government to consider the introduction of a carbon windfall profits tax on energy generators. This could provide approximately €200 million a year for the Exchequer. I understand the Government has given a commitment to introduce legislation to recoup from energy generators unearned profits on the back of the percentage of electricity bills that applies to carbon. However, I do not see the legislation on the A, B, or C list.

**Deputy Micheál Martin:** What Bill is that?

**Deputy Simon Coveney:** It is legislation that will be required.

**Deputy Micheál Martin:** What is the name of it?

**Deputy Simon Coveney:** We do not have a name yet. That is the problem.

**Deputy Micheál Martin:** We do not have a Bill so.

**Deputy Simon Coveney:** I understand the Government intends to introduce legislation prior to the end of the summer.

**Deputy Micheál Martin:** The Deputy needs to ask about specific legislation if he is speaking on the Order of Business.

**Deputy Richard Bruton:** Do we have a new Ceann Comhairle?

**Deputy Simon Coveney:** Do we have a new Taoiseach?

**Deputy Micheál Martin:** I just think it is ridiculous. People come in here——

**An Ceann Comhairle:** The Order of Business is about promised business and promised legislation.

**Deputy Richard Bruton:** What about disciplining the Minister who is interrupting?

**An Ceann Comhairle:** We are here to find out if there is promised legislation.

**Deputy Micheál Martin:** It is a very fair observation.

**Deputy Joan Burton:** The Deputy should ask how many reports he has commissioned.

**Deputy Simon Coveney:** Let me simplify my question as the Minister for Foreign Affairs seems to be a bit jumpy today.

**Deputy Joan Burton:** Does the Minister keep a running count on all the reports he did?

**The Taoiseach:** Deputy Burton has returned.

**An Ceann Comhairle:** I remind Deputy Burton that Deputy Coveney is in possession.

*(Interruptions).*

**An Ceann Comhairle:** Sorry, could we have Deputy Coveney without interruption? Could the Ministers assist?

**Deputy Simon Coveney:** My understanding is that I am entitled to ask about promised legislation——

**An Ceann Comhairle:** We are allowing the Deputy to do so.

**Deputy Simon Coveney:** ——or legislation that applies to commitments given by Government.

**An Ceann Comhairle:** Promised legislation.

**Deputy Simon Coveney:** The Government has given a commitment to introduce some form of levy or tax on windfall profits being made by energy generators. That will require legislation. My understanding is that legislation is likely to be seen before the summer. Is that correct? Will we see it and what will it be called?

**The Taoiseach:** If it is not on the A list, it will not be before the summer, if it is to come at all.

### **Central Bank Reform Bill 2010: Second Stage (Resumed).**

The following motion was moved by the Minister for Finance, Deputy Brian Lenihan, on Tuesday, 20 April 2010:

That the Bill be now read a Second Time.

Debate resumed on amendment No. 1:

To delete all words after “That” and substitute the following:

“Dáil Éireann declines to give the Central Bank Reform Bill 2010 a second reading because:

I. It has not been rooted in any proper investigation of what has gone wrong, nor any serious attempt to make key players accountable for the errors committed, both of which are necessary to determine whether this Bill is an appropriate response.

II. It infers that the most urgent reform is to change the architecture of the existing regulatory bodies, when there is no verifiable evidence that such architecture was in any significant way responsible for the shortcomings of the regulatory system.

III. It preserves the system of appointment of Directors to the new Central Bank Commission exclusively to Government with no proper scrutiny by the Oireachtas or any other external body.

IV. It does not give the new Commission the necessary ‘bank resolution’ powers needed to put failed banks safely into a managed administration when that is the most appropriate policy outcome.”.

—(Deputy Richard Bruton.)

**Deputy Richard Bruton:** As I was outlining last night effectively the Government is turning to the Dáil once again and asking us to accept on faith that its solution to bank regulation will be the best possible. I simply believe its record does not stand up to scrutiny. The Government states that the important thing at this time is to reorganise the architecture of the Irish regulatory system when there is absolutely no evidence to suggest that architecture was in any way responsible for what went wrong. Equally it is proposing to push ahead with creating this new system without completing any investigation into what went wrong or any accountability for those who were intimately involved in what went wrong. Both of those are necessary before we can see that we have an adequate system for dealing with a regulatory regime for the future.

It is now clear to me and to many people in the general public that many still in the banking system believe that once the taxpayer has ponied up with the guarantee, the cost of NAMA and the recapitalisation they can simply return to business as usual. However, the taxpayer is in no mood to accept that. The taxpayer rightly demands to see in Ireland the same sort of accountability as we have seen in other regimes, where individuals in the public service who carried responsibility or private bankers who carried responsibility are openly and clearly held to account and there are consequences for their accountability. We have not seen that and we cannot design a system for the future without having seen that level of accountability and without having seen whether there are flaws in our existing legal regime that are preventing these people from being properly held to account.

The truth is that the mysteries of banking have been stripped back to reveal a system that was easily corrupted by buccaneering methods, paid obscene bonuses for short-term profits and was built on the notion of commissions without any regard for the long-term profitability and without any risk assessment involved. We have seen large banks into which the State is going to pour billions of euro run without proper risk assessment and yet none of the people is being held accountable. Boards did not do their duty to their shareholders and shareholders have been left penniless. There was a cosy relationship with Government, the regulators and the Central Bank of Ireland, and there have been no clear consequences for that. Even today the Minister has proposed that the very same way of appointing the old banking commission will apply to the appointment of the new banking commission. It will still be Government selection with no role for the Oireachtas to vet the suitability of those being appointed.

If we are to adopt a “never again” approach as we need to, the Minister should start to think afresh the ideas that are received wisdom, which he is getting from those within the system. There must be a new dispensation in respect to banking which must be much more radical than what is offered by the Minister in the Bill or in any of his pronouncements to date. The issue of “never again” is not tackled in this legislation. I accept that the Central Bank of Ireland will no longer have the role of promoting financial services, but no other change in its approach has been proposed by Government. We are proposing to design how the board will be appointed, who will be its members and how it will be structured without yet being sure what

we want them to do. I would submit that is like designing a building without first knowing its function; it is not appropriate.

There are real issues that the House needs to debate seriously. What restructuring of our domestic banks is needed to deal with the risk of this ever happening again? We have had no debate on that matter, which bears on the type of architecture. Why do we not have a bank resolution scheme that would allow failed banks to be closed down safely? That has been put in place in other regimes, including in the UK. We do not yet have such a bank resolution scheme in place.

What are the new clear bank offences that are to be created? It is now 15 months since the Office of the Director of Corporate Enforcement indicated that there was a case to be answered in Anglo Irish Bank and we have yet to see a single charge laid against anyone. Are there obstacles to successfully pursuing offences in the corporate governance area? Are the offences not sufficiently specific? We need to know those in order to know what sort of regime we need in place for enforcement. Is the link between the regulatory system and the Office of the Director of Corporate Enforcement adequate? By passing this legislation we are assuming that everything is fine in that relationship. As I understand it that relationship has meant that to date no fines have been issued from the Financial Regulator against any of the banks for the wrongdoing that occurred. Everyone is standing back until the Garda fraud squad and the ODCE are finished. Is that adequate? Do we have adequate systems in place to enforce this? That is a vital and relevant question before we put to bed the regulatory and central bank structure for the future.

Should we simply be making reckless lending enforceable in the courts? Is that something we should consider? Much of what was done here was simply reckless and should never have happened. If we are going to shift the onus away from the bonus culture to one of long-term responsibility do we need to copper-fasten it in some way? Do we need to have living wills where those banks that are systemically important know at the outset that certain bondholders will need to take responsibility in the event of things going radically wrong?

Earlier today the Taoiseach was taking questions on whether we should be taking powers to prevent this argument that the pension scheme for the chief executive is some way not the public concern when the public will need to walk in and take over when things go radically wrong and bear all the burden of the horrendous mistakes. The Taoiseach has to come in and say that is not part of our regime and that we have no say in it. We must question whether we should have a say in that. I believe it is absolutely unacceptable and offensive to the public to see banks behaving as if nothing has changed while they have seen their jobs wiped out, their houses being repossessed and the economy in tatters with the taxpayer stumping up. We need to have such a serious debate on the regulatory regime.

The Minister is introducing legislation as if it was in some way the first and vital task in fixing our problem. At best this is fixing a minor flaw in the regime. We should not be cementing in a structure that is curing a minor flaw when the results of the major investigation into what went radically wrong are still not at our disposal. I believe the Minister is making a mistake in what he is trying to do. It shows that a culture is still alive and well that believes all that is necessary are a few running repairs and let us press on back to business as usual.

**Minister for Finance (Deputy Brian Lenihan):** The Deputy's attitude is that we should have no job specification in this area.

**Deputy Richard Bruton:** This view must be roundly rejected. We need transformative change in our banking system to give a sound platform for rebuilding our economy and we do not yet have that. We need power to hold people properly to account including by the Oireachtas. The

[Deputy Richard Bruton.]

Minister is still proposing to appoint the board of the Central Bank of Ireland in the same way as it was always appointed. We know that it became far too cosy. The relationships between the Department of Finance and the board of the Central Bank of Ireland and the regulatory system was too cosy, too comfortable and too close to the banking system. We do not see any proposal that would show we are now taking a completely different approach to this.

There still seems to be within the Department a belief, shared by the Minister that, as far as banking policy is concerned, they do not have to come forward with any evidence-based material as to why we need to implement the changes we are proposing. The Minister has done this in respect of many of the other elements of his banking solution. He has not tested the evidence and has not offered evidence to the House. As we debated last week, the onus is on the Minister and his officials to show that keeping the likes of Anglo Irish Bank and Irish Nationwide Building Society as going concerns is in the taxpayers' interest, even when the cost of doing so has escalated from €5 billion to probably €30 billion at this stage. The onus is on the Minister and his Department and advisers to lay that out for the House. Let us test it. Like doubting Thomas, let us put our fingers into the hole to see if we are satisfied.

The Minister comes to this debate with no evidence to suggest the architecture of the regulatory structure we had in place or the fact of twin boards was responsible. There is no evidence offered by the Department or in the Minister's speech as to why that was the case.

The one issue that was central on the last occasion was the debate as to whether consumer protection should be married with prudential oversight, and many on this side of the House argued that those two aspects should not be married. Professor Ray Kinsella, whom the Minister knows well, very cogently pointed out that they are completely different functions, work to different timescales, require different skills and have different purposes in mind. One is about protecting the consumer and the other is about protecting the prudential robustness of the bank. Yet, the Minister comes back with this legislation which keeps them married together. He is still locating consumer protection in the new Central Bank Commission and the only elements he is migrating are the education elements. He is still keeping married together the areas that were hotly debated in regard to the previous regime.

One would have to say that the evidence supports Professor Kinsella's forecast that when they are married together, both are poorly served, and it supports Professor Kinsella's view that prudential oversight was weakened by the consumer responsibility, which the Minister insists will still stay with the banking commission whereas, as we now see, consumer protection is being completely dumped. There is virtually no talk in this whole banking debate about how we will protect consumers who were sold bum mortgages and who are over-extended. That debate is for another day. Some 18 months into the debate, the Minister has some commission working on it and we have not yet seen the timeframe for its work.

This legislation is poorly constructed because we do not have the results of an inquiry or investigation in order that we would have a firm grip of what it is we want to deliver in the new regime and new culture that will occupy banking, and the new oversight that this will involve. The Minister needs to think further on this issue.

I looked back at the Second Stage debate in 2002. I tabled a reasoned amendment, which stated that:

“Dáil Éireann declines to give the Central Bank and Financial Services Authority of Ireland Bill, 2002, a Second Reading for at least three months until

(a) a full assessment of best practice in regulatory supervision has been undertaken, which takes into account the lessons of recent regulatory failures (including the lessons of Enron and Allfirst) [which were current at that time]; and

(b) a full assessment of best practice in providing consumer protection in relation to financial services has been undertaken;

and the proposed merger of consumer protection and prudential regulation into a single Regulatory Agency can be viewed against best practice requirements identified by those assessments.”.

Those reasoned amendments for the last Bill were proved right and I tabled virtually the same amendments to this Bill. We have not carried out the assessment of best practice and we are still insisting, without any evidence from the Department of Finance, that consumer protection should remain married to prudential regulation, and that one can serve both those purposes adequately in the way the Minister sets out.

I regret to say this legislation is half-baked and ought to be withdrawn. Nonetheless, there are some elements of it which I would consider worth supporting, such as the new power for the regulator in regard to the fitness and probity of individuals occupying positions in the bank. Such a power would be useful to introduce immediately. However, I do not believe we should lumber the bedding down of the architecture for the Central Bank system because we want to make one piece of new power available to the regulator.

Equally, I welcome the Minister's proposals for the credit unions. That aspect has been pinching many credit unions who can help people in the present crisis and I welcome the Minister's suggestion that this would be relaxed. However, we have to divorce the emergency powers, if they are such, that the Minister wants to introduce to deal with the immediate and pressing task of regulation and managing credit unions from the bedding down in a permanent way of architecture that has not been stress-tested in the heat of a genuine investigation of what went wrong and an attempt to make people accountable. If this system fails to make people accountable, we will have to revisit this whole debate again. If we cannot enforce sanctions under the present legislation, we should not be bedding down something that assumes we have got that right.

**Deputy Joan Burton:** I still do not understand the Government's national strategic approach in regard to this package of three-part legislation. Ordinary people have lost their jobs, many who invested in bank shares have lost their pensions, firms are starved of credit and Fianna Fáil has rescued the banks. It is only a €75 billion to €80 billion bill, but we are all right now and it is onwards and upwards or, as the Taoiseach would say, “going forward into the future”.

It is difficult to understand where the governing party is at this point. We have had a series of rolling scandals for the past week or two in regard to the bankers and the fact they remain determined to have their way. Both the Minister, Deputy Brian Lenihan, and the Taoiseach, Deputy Brian Cowen, have agreed that the bankers can have their wish, which is to return to business as usual as fast as possible. As Mr. FitzPatrick famously said, he would not say “Sorry” but he would say a big “Thank you” to the Irish taxpayers. We have not moved on from that position because the people sitting on the other side of the House are determined to protect their cronies in the banking and development system.

**Deputy Brian Lenihan:** This is terrible nonsense.

**Deputy Joan Burton:** I want to highlight two issues which are in the media at present, one being the €1.5 million top-up bonus to Mr. Boucher. For the people in Fianna Fáil, used to the Galway tent, this is small change because they told most of their visitors in the tent that it was a tiny amount of money. However, to the average public servant who is thinking about how they will vote in regard to the Croke Park deal, it is a large, significant amount of money —

[Deputy Joan Burton.]

the Minister can believe it or not. The behavioural, ethical and political issues that it gives rise to, never mind the economic issues, are significant in the minds of most ordinary people.

I do not understand why, if the Government is anxious to secure the Croke Park deal, it has not listened to the clear message put out by Mr. Kieran Mulvey in a series of interviews. He said that ordinary people cannot understand the increases granted to selected staff in Anglo Irish Bank or the pension top-up for Mr. Boucher. Why can they not understand it? If they are public servants, it is because they understand that they took a 5% to 7% pension levy, not to top up their pensions but to increase their contributions to pay for their pensions.

There is an old saying that a cat can look at a king. The ordinary public servant looks at Mr. Boucher and wonders what particular inner track he has with the governing party.

**Deputy Brian Lenihan:** None.

**Deputy Joan Burton:** In a situation where he is part of the management team that dabbled in crazy property deals that brought the bank to the brink of ruin, instead of having to repay money to the taxpayer, he gets a €1.5 million top-up. Could the Minister explain that to us?

Fianna Fáil's irresponsibility in this matter is grotesque. Both in the legislation relating to the covered institutions, and the legislation relating to NAMA, the Minister has more powers than have ever been granted by Dáil Éireann to any Minister for Finance because of what is recognised as a national financial emergency. The deductions from public servants' pay were made through a Bill the title of which mentioned the fact that there is an economic national emergency. When it comes, however, to Fianna Fáil's friends in the senior echelons of the banks — not the tellers, the clerks or the porters — the party steps in and tells them to keep shovelling the loot to themselves because it is all right by Fianna Fáil and it will support them as they return to doing business as usual. This Bill is silent on such destructive behaviour.

What is the distinction between dismantling IFSRA and putting it back in with the Central Bank? It happened as soon as the level of the crisis emerged. What happened then? The Governor of the Central Bank and the regulator started to co-operate and, as the Minister has told us on many occasions, acted as his principal advisers. Mr. Neary and Mr. Hurley, the regulator and the Governor, were never far from the Minister's hip, advising him on what to do in this crisis. The Minister spoke with extreme emotion about his gratitude to them at various points during the crisis, both in this House and elsewhere. What is this financial architecture about? If the same thing happened again, would this new architecture protect us from the worst? Based on what is in the Bill, we have no idea.

This morning the Taoiseach suggested that for the four years he was Minister for Finance, he did not know anything about Irish Nationwide. That begs the question: did he ever do a day's work in the Department of Finance or did he spend his time gadding around the country securing votes for Fianna Fáil and for himself as the future leader of Fianna Fáil? He did not know. The Bill was rushed through at 9 p.m. on 5 July 2006 and so much has happened since then, so many tents have been attended at the Galway Races, that the Minister for Finance can barely recall it.

A building society has taken the country for an incredible amount of money. Today's edition of *The Irish Times* contains a list of the building society's investments and only a minute fraction is devoted to funding houses and mortgages for ordinary people, with the rest devoted to property development for a favoured group of property developers, most of them apparently based in the London and British markets. Shame on the Minister for Finance and his predecessor, the Taoiseach, that they can barely remember if they had any contact or dealing with,

or even knowledge of, this building society, even though the Ombudsman on several occasions had condemned its practices.

The then Labour Party spokesman on housing, Deputy Gilmore, spoke in the short debate that was ordered, where each party was only allowed one speaker in a debate that lasted less than two hours just before the Dáil went into recess for the summer. He pointed to what the Ombudsman had said about the practices of this society, which were possibly unlawful. The Taoiseach, however, claimed this morning that he barely knew a thing about it. I wonder did he ever even know the names of the principals who ran the firm.

Sections of the Bill deal with the qualifications necessary for appointment as a banker. Today we hope that aeroplanes will return to the skies. It might come as news to the Minister but if the pilot of a jet is flying, he or she must be trained continuously, with up to date qualifications to show he or she is suitable to fly a jet. If a teacher is to stand in front of any class at any level, he or she must show appropriate qualifications. A doctor must have the appropriate registration and qualifications. What qualifications does Michael Fingleton Jnr., the boss's son in Irish Nationwide, need? He would not be covered by this Bill because relatives of people in the banks do not even merit a mention. The boss's son could be employed technically as a junior clerk and there would not be any provision in the Bill for the regulator to deal with that issue.

The Minister should get his officials in the Department of Finance to check this but Irish Nationwide was described in the London markets as being the “crack cocaine building society” of Ireland. The Minister might profess surprise but his officials would have been aware.

**Deputy Brian Lenihan:** I have not professed anything.

**Deputy Joan Burton:** That is how the dealers described it because it was making crazy deals, outbidding those who had oil wells in some property deals. It encouraged its customers to outbid sheiks to buy and develop sites in London. The former regulator, Mr. Neary, of whom the Minister was once so fond, complained that it was some sort of anti-Irish sentiment from the British.

**Deputy Brian Lenihan:** I did not express any feeling about Mr. Neary.

**Deputy Joan Burton:** He was close enough to the Minister at midnight on the night he bet the entire nation's patrimony on bailing out the banks. Who was at the heart of the bail out and who was among the Minister's principal advisers? The then Governor of the Central Bank and the then regulator. No one from the Opposition was there until the Minister had made his decisions. Those were the people who came in with long faces, telling us they had been advising the Minister. They were good enough to give advice then, and what did the Minister do? He put Anglo Irish and Irish Nationwide, two rotten institutions, at the heart of the bank guarantee and put that burden on the backs of ordinary workers and businesses.

**Deputy Brian Lenihan:** While Deputy Burton would have let the banking system collapse.

**Deputy Joan Burton:** Going back to the Bill, if the regulator spotted that the boss's son was not appropriately qualified for banking, what could he do about it? The boss's son would not have to show any qualifications — he would not even need his leaving certificate. He would just be lifted into his job in London by virtue of being the boss's son. The regulator would have to go to court. Instead of a system where bankers must show their qualifications, the reversal is the case. There is a list of associations someone must have with accountancy, economics, law and social policy before they can qualify as a banker. I know many people who might like to pilot a jumbo jet who could claim to have an interest in flying and to have flown

[Deputy Joan Burton.]

in an aeroplane many times. They could say they have a very good idea what the deck of a jumbo jet looks like, which, in any case, flies by computer, and so they think they would make a good job of it. A teacher might talk of having a great love of children and a tremendous interest in literature, might claim to be very well read and to read all the newspapers every day, and then suggest that he or she would make a very good teacher. In our system, however, we say this is not so, that the person must have some formal qualifications and training. That is nowhere in this legislation and it is an extraordinary piece of folly. The regulator is not being served well by the Minister's legislation in that he must go to court to prove that a person is, ultimately, unsatisfactory. That legislation is the wrong way round because it leaves the incentive and the initiative with the banks rather than the regulator, who can lay down regulations as to the minimum required qualifications for bankers.

Regarding the rest of this legislation, we will see another Bill towards the end of autumn and yet another some time next year. What do we need now? If there were to be another meltdown in the banking system, we would need a resolution structure that would enable us to close down a bad bank, one that was crooked, one in which the directors had abused the depositors and investors. We have no resolution trust mechanism. I mentioned that at the time I spoke about the guarantee. One and a half years later there is no word about a resolution trust mechanism to wind down a delinquent bank, as in the case of Anglo Irish Bank and the Irish Nationwide Building Society. It is disgraceful that the Minister does not even entertain that in this legislation. I do not know why he does not include it in the Bill. Is it that he is letting Irish Nationwide off, even though, effectively, it is a nationalised institution, as is Anglo Irish? Is he hoping that if he gives the bankers enough time they will work things out and get back to business as usual for themselves? That is shameful.

I turn to the issue of consumers in Ireland, who were sold bad products and bad services at high prices by the banks. We may ask what these products were. In the case of ordinary consumers, the especially bad products were mortgages of 100%, 110% and 120%. Were there people in the banking industry who said that this was not a wise thing? The answer is "Yes". Was there any attempt by the Central Bank or the regulator to rein in these practices? No, there was not. The then Governor of the Central Bank and the *Central Bank Quarterly* made a few references to this practice being unwise. However, the system that Fianna Fáil encouraged allowed banks to pursue a crazy business model that forced the trajectory of bank profit growth into an unreal position. There were banks that were routinely increasing profits by more than 10% a year. In the long run, that is not sustainable. If a bank seems to be making too much money, the reason is that it is not on a sustainable growth path. If a bank is in that position, it must find some other way of making money because one cannot make money in the way that Anglo Irish or Irish Nationwide, and, latterly, Allied Irish Banks, claimed they were making. It was unsustainable. Products and services that were badly and poorly described were being sold to consumers, both businesses and, in particular, mortgage-holders. The result is that we now have a generation of young family householders in their 30s and 40s tied to mortgages of €400,000 and upwards which they do not have the income to sustain and which will last, in many cases, for up to 40 years.

There is no sign or mention of a resolution trust solution in this Bill for those people. It does not even feature. What is the purpose of the Bill? There is much mention of prudential regulation, concerning which the ECB stated that it is not satisfied this Bill provides for sufficient and clear independence in regard to the institution. The ECB's comments were broadly favourable because the Bill does not amount to much and what is involved is a matter of shifting the chairs on the ship. However, the regulator is still there and so is the Governor of the Central Bank. The only difference is that there is now a more direct, formal legal relationship tied to

one institution whereas before there were two institutions intimately linked to each other but not as formally tied as they are now. That is the only change in the architecture.

What about the consumer? We must remember that consumers of bank products are not only individuals with bank accounts. They are, in particular, small and medium-sized Irish businesses that do not deal with international banks, but bank and deposit funds in Ireland. The Minister for Finance has shafted consumers in this legislation. He has done this because there is no requirement in the legislation for a description of bank products. There is nothing specific in the legislation, for example, in respect of the bad, poorly described and over-sold products that were the core part of the failure of the business model of banks in Ireland.

We must bear in mind that in any economy for a bank lending into the mortgage business to survive in the long term there must be some parity between the level of wages in that economy and the cost of mortgage payments. People cannot buy a mortgage on a wage or salary figure, or a business earnings figure, any more than they can pay rent if the actual figures and cost of the mortgage or lease are considerably out of kilter with their earnings. In the current downturn, it is not sustainable for the businesses in Grafton Street to have to pay, for example, €300,000 to €400,000 per year for leases before the first customer comes through the door. Landlords can describe rent yields for NAMA purposes any way they like but in terms of long-term viability of businesses in Grafton Street, this is not on. The same is true of a person who goes to acquire a mortgage through a bank when the mortgage bears no relationship to his or her income. Old-fashioned, plain vanilla banking insisted that there be a relationship and a ratio of approximately one and a half to two and a half times a person's income in respect of the kind of mortgage he or she could support. That is why so many economists, including Dr. Morgan Kelly in UCD and David McWilliams, say that Irish house prices still have a considerable way to fall because, as yet, they are not back in kilter with the earnings capacity of people who want to buy their own homes.

I do not know why the Minister has done this. There has been no independent assessment of the effectiveness of the regulator's mandate to protect consumers. The Irish Financial Services Regulatory Authority, IFSRA, was very good at producing information and websites to compare the prices of different packages. What it did not say clearly enough to people was to warn them that such and such a mortgage was not sustainable if either member of a couple, for example, were to lose their job, fall ill or have a change in family circumstances and their income were to fall by only a small degree. It did not ask them to consider whether a 30 or 40 year mortgage was sustainable at such a price. If people are in their mid 30s, they can expect to work for only another 35 years, even if they work to 70. A mortgage period could extend to 40 years.

There is nothing in this Bill which addresses the issue and the Minister seems to want to hive it off to the National Consumer Agency and the Competition Authority — two quangos that are to be united. Essentially, that will be about giving price comparisons and there will be no tough regulation of the products. There will be no description of products and consideration as to whether the products make sense.

Professor Elizabeth Warren, whom I mentioned to the Minister on a number of occasions, is the Harvard law professor who is head of the oversight commission in the US which reports on these matters. She is correct in stating that regulating for safe products, protecting consumers from themselves and dangerous financial products, is the cornerstone of consumer regulation. Unfortunately, this Bill from Fianna Fáil is completely silent in this regard because it could not give a monkeys about consumer regulation or that it has left young people around the country stuck with unbearable mortgages. No resolution is offered in this Bill to such matters.

[Deputy Joan Burton.]

Has the Minister learned anything? In true Fianna Fáil fashion he is to personally appoint all the members of the board, bar the statutory members. It will once again be the friends of Fianna Fáil. I do not know what the system of appointment will be and there may be even a public advertisement. The people who will hold important positions on the board will experience no public vetting or examination, as happens in almost every other country in the world.

Why should there be a public vetting or examination of such people? Our system has crashed at an unbelievable cost to our citizens and yet the Minister wants to cleave to the old system behind closed doors of Fianna Fáil mostly appointing its friends. There will be one or two independent appointments and the Green Party will have an appointee to keep it happy.

If somebody is to be on the board of the bank commission, what will be required of them? They will need to eyeball powerful and wealthy people, indicating that despite such people being multi-billionaires as a consequence of owning a bank, what they are doing may not be in the interest of ordinary consumers. Have people been prepared to do so up to now? They have not. If the appointments are made behind closed doors, how are we to know the calibre of these people? There will be one and a half lines in the newspaper indicating the people chosen, with one being an accountant and another a lawyer. There will be one person from every profession.

These will be the Minister's choices, and they will be mostly men, with one or two women at most. As has happened with their predecessors, they will be required to feel grateful that people like millionaire bankers would give them the time of day, a glass of sherry and a nice lunch in a bank building with a few nice paintings at which to look.

**Deputy Brian Lenihan:** Does the Deputy think Mr. Bacon has been doing that for the past five years?

**Deputy Joan Burton:** The Minister's party appointed the current board.

**Deputy Brian Lenihan:** He is on the board.

**Deputy Joan Burton:** It required no accountability from the current board. There are good people in Fianna Fáil and connected with it. What is wrong with them coming before an Oireachtas committee to be examined on their qualifications for this very important position? Are we to learn nothing from the disaster so that the Minister can tell his cronies — the developers and the big bankers — that it is business as usual?

The Minister had an opportunity in this Bill to mark out new territory and to indicate to everybody in this House that times have changed and we have learned something. There is currently an attempt by the Minister and the Taoiseach to paint a picture that the only thing to go wrong in Ireland was the failure of the regulator. The contention is there was nothing wrong anywhere else. We have heard several times from the Taoiseach about comprehensive regulatory failure; this was not just a failure of regulation, however, it was crony capitalism, as the Minister termed it in an interview with the *Financial Times*.

What does the Minister want from the legislation? There is reference to extra information and powers to request information at Dáil committee meetings but they are very small beer and it will happen a long time after current events. There is a peer group review which will happen only every four years. What use is a peer group review in that respect? I used to work in this area. A peer group review four years after the event, which will take six months and be reported on six months later, would amount to financial archaeology. It would be of very little benefit.

There will be no inquiry by the Dáil or a committee of the Houses into what happened. Fianna Fáil is in a protective cover-up mode. This legislation is not good enough for Irish taxpayers.

**Deputy Noel O'Flynn:** I propose to share time with Deputy Edward O'Keeffe by agreement of the House.

I am delighted to be able to say a few words on the Bill today. There has been much debate and analysis of what went wrong in the country's banking system in the past few years. The catastrophic failure of regulation is one issue upon which nearly everyone agrees. One simply could not make up the kind of cowboy lending practices that went on in some of our institutions.

This week it was revealed that some people were getting 120% loans in Irish Nationwide Building Society. This is truly shocking, as is the scale of the losses they incurred. We also learned that Irish Nationwide losses exceed the combined profits made in its history, and it now seems that Irish Nationwide Building Society was run as Mr. Michael Fingleton's personal fiefdom. I am not alone in being outraged by his failure to return his €1 million bonus last year, and the new chief executive there has described what went on as "an outrage".

The same can be said of Anglo Irish Bank and Mr. Sean FitzPatrick. The more they lent, the bigger the risks they took. Not only did they breach the rules but they made up their own rules, which were morally wrong and in some instances illegal. It begs the questions of where was the former regulator, Mr. Patrick Neary, when all this was going on? It seems the regulator was asleep at the wheel, happy to cruise along and ask no awkward or difficult questions.

This era of light touch regulation has been disastrous for the Irish economy and the Irish taxpayer. This Bill will bring an end to that disastrous era in Irish life. It will overhaul regulation in this country and ensure the regulator has real teeth. The appointment of Matthew Elderfield and Patrick Honohan has impressed Members from all sides of the House. They are doing a good job and I commend the Minister, Deputy Lenihan, on appointing them.

Under the new structures outlined in the Bill, the failed entity that is the Irish Financial Services Regulatory Authority will be abolished. Under the new structure the Central Bank commission will be established, chaired by the well respected Professor Patrick Honohan. This new board will be not only responsible for financial stability in general but also for the interests of consumers in particular.

It is these people, the ordinary consumer, who will be obliged to live with and pay for the excesses of an elite few. I welcome the statements made by Matthew Elderfield before the Joint Committee on Finance and the Public Service last week that those who hold new key positions in banks will be quizzed on their fitness to practice and their suitability. This Bill puts these commitments on a statutory footing and gives them the necessary powers. I hope this provision will be an important step towards changing the banking culture in this country. The actions of an elite few have nearly brought this country to its knees. Since the financial crisis began almost two years ago, there has been widespread change of key personnel in the banks, which is vital if the culture is to be changed. We have new chief executive officers and chairmen in AIB, Bank of Ireland, Anglo Irish Bank and Irish Nationwide. Likewise there are new faces at board level.

I welcome robust legislation on banking regulation and the bank inquiry is a vital part of the exercise of fixing the banking system. Members need to know the systemic failures that have brought us here and, as legislators, it is their responsibility and duty to know what went wrong. Similarly, the public and the taxpayers who will shoulder this burden and this debt for years to

[Deputy Noel O'Flynn.]

come have a right to answers. I agree with the comments of the Governor of the Central Bank, Professor Patrick Honohan, when he stated:

A witch-hunt is no good to anybody. What we want to do is go behind the glib statements that are made about why things happened in the way they did and really try to dig and put the finger on any processes, any structures, in our whole system that really contributed to this [that is, the banking crisis].

No one wants a long-drawn out and expensive inquiry and the last thing that is needed is to replicate the tribunal process. The Oireachtas clearly has a role to play in this regard. To date, the Joint Committee on Finance and the Public Service has already met both the Governor and the independent expert at the outset of their work to be briefed on the members' priorities for investigation. Once the two preliminary reports have been completed and the terms of reference have been established, the commission's reports will be laid before the Oireachtas.

It is open to the committee to hold public hearings on the report. While the court judgment following the Abbeylara inquiry appears to make a DIRT-type inquiry impossible, I note that constitutional law expert Gerald Hogan SC has stated an inquiry into the banking system could comfortably operate provided it was not making findings that "somebody engaged in "nefarious criminal conduct". While there are limits to the findings a Dáil committee can make, he believes it still could censure someone for failing in his or her duty.

My preference is for as big an Oireachtas involvement as possible. On 22 January 2009, I wrote to the Chairman of the Joint Committee on Finance and the Public Service, Deputy Michael Ahern, asking him whether the aforementioned joint committee

would investigate the circumstances and failures of the banking and financial systems regarding Anglo Irish Bank, the role of Central Bank, that role of the Financial Regulator. . . the role of the Director of Corporate Enforcement, the role of the Department of Finance and any other State bodies and the bank auditors associated with the bank.

In the letter, I stated:

confidence in the banking system has been seriously undermined by the revelations which have emerged from Anglo Irish Bank in recent months. Confidence must be restored in our banking system and in us as legislators who make the laws to regulate banks and financial services in Ireland. I would urge your Committee to use the powers to compel witnesses and discovery of documents under the compatibility legislation which was used in the DIRT enquiry.

I was referring to the Committees of the Houses of the Oireachtas (Compellability, Privileges and Immunities of Witnesses) Act. This letter, which I also sent to all my colleagues at the time, is dated 22 January 2009. Other people may be giving credit for such a suggestion on setting up a committee to someone else. I also tabled a motion before the Fianna Fáil Parliamentary Party asking the party to consider this matter and to consider an inquiry. The Minister made it clear that he had plans to do so, which I of course accepted that evening, and he has brought forward his own proposals.

The Minister for Finance, Deputy Brian Lenihan, has acted decisively and responsibly in dealing with the financial crisis. Indeed the decisions taken by the Government have been widely praised by the European Central Bank, the European Commission, *The Wall Street Journal*, the *Financial Times* and by the Minister's contemporaries in Europe, which is vital. Ministers in governments throughout Europe have commended him on the action he and the

Government have taken. The only people who have not acknowledged the Government's commitment to resolving the financial crisis have been Members of the Opposition, who appear determined to oppose every decision the Government has made to return Ireland to growth. On September 17 last, Deputy Kenny stated the Government was supposed to ask the right questions to ensure the banking system was properly regulated, to prevent the build up of risk in the banking system and it failed in that duty. However, at his party's conference last week he warned about the dangers of over-regulation and stated: "I do have a concern here that I think the move from having effectively no regulation at all to over-regulation." It strikes me as strange that such a statement would be made a couple of months after making the other statement.

Reports of the €1.5 million being paid towards the pension of Richie Boucher in the Bank of Ireland have incensed people. This news is hard to take as families and young people around the country struggle to stay afloat. It is also particularly galling for those who have seen their overdrafts withdrawn by the bank or the terms of their loans changed. I accept as a legislator that one has no option but to support the banks as without a banking sector one has no economy. However, it is up to the heads of such financial institutions to show the people they are grateful for their support. Mr. Boucher should act accordingly as a gesture of goodwill and should do the right thing. If there is to be a change in the culture in the banks, it must start now. I must conclude by asking who sanctioned this payment.

**Deputy Joan Burton:** The Minister.

**Deputy Noel O'Flynn:** Did the board of the bank sanction it? It is outrageous and we will never have the confidence of the people while such behaviour is allowed to continue.

**Deputy Edward O'Keeffe:** At the outset of the banking crisis, I made a statement in this Chamber about auditors. However, nothing has happened subsequently regarding the entire subject of auditing. Auditors have a major role to play in all company performances with regard to annual reporting and auditing figures. The number of major auditing firms in Ireland has fallen to four, which are based in the city of Dublin. While I do not wish to name them, they are well known and are the only firms available to public and major companies. I believe there must be a change in this regard. While auditors are supposed to be the watchdog of the shareholders, they are the watchdog of no one but their own business and legislative change in this regard is necessary. Further changes are necessary to prevent them from being on the scale and size they have reached at present because they are too big. Many auditing firms are auditing two or three companies of the same nature or business with a different named auditor and this must change. This must be changed as while such practices go on, there will be no proper regulation. The same point applies to legal firms and the major solicitors.

I wish to make the point to the Minister, who is listening, that we are employing auditing firms, legal firms and valuers who were involved in the mischief that went on in the banking sector. This must change as one cannot be a poacher turned gamekeeper or *vice versa*. This must be changed to the effect that one must have been independent and had no knowledge in respect of valuing, banking and auditing.

One can go back to 2007 regarding the banking crisis and the collapse of Northern Rock. What was the Financial Services Authority in the United Kingdom doing at that time? Members know famous people who were involved in that office. I understand that the new regulator who has been appointed in Ireland was employed in that office. Although amber lights were flashing in the previous year in respect of Northern Rock and other small banking operations in the United Kingdom, no recognition was given to them until it collapsed. That was the first indication of a serious crisis in the banking sector, after which the whole thing

[Deputy Edward O’Keeffe.]

started falling. I refer to Bear Stearns, Lehman Brothers and so on. Moreover, in recent days, further mischief has been revealed within the banking system, whereby Goldman Sachs proposed an investment to fool someone. I do not have all the details.

I do not agree with my colleague Deputy O’Flynn, as this country is over-regulated. I come from a farming background and no people are more regulated than the Irish farming community on foot of European regulation. I do not want to see that situation imposed further in other sectors of society.

In the name of God almighty, what will this man do with 700 people in his office in the Central Bank? What are they for? There are not even that many branches. We are making €12 billion available for small business through both banks. If I were a bank manager in any small town, I would not give out a bob because I would be under strict regulation. I would be so frightened of losing my job that the best I could do would be to keep the money and let the bank reinvest it. There is nothing worse than overregulation. It brings further mischief, contempt and blackguardism because people will find their way around it. We have seen that occurring.

I entered the House 28 years ago. I have seen changes. Every year, we lose more authority. Although we are Deputies representing the ordinary, plain people of our constituencies, we have less and less say. It is always being handed over. We probably blame Europe, but there is also the HSE and the NRA.

We are discussing 700 staff. In my county council’s area, the bad roads are the fault of the weather. I say “Well done” to the Minister for making €40 million available to Cork County Council, but it cannot employ extra people to spend the money thanks to the embargo. However, this man is getting 700 staff.

I want to be fair to everyone in the House, the various sides of which have said much, but Pat Neary was a decent and honest man. I served on the finance committee for two terms. When he appeared before it, he had no staff or legislation. The 2003 Act was where everything went wrong. We know of the disputes between Ministers and Attorneys General regarding that legislation, which ended up being soft legislation, but the previous Central Bank legislation was worthwhile and did an excellent job since the founding of the State. It was updated occasionally and Dr. Whitaker and others did an excellent job in controlling the system. The deposit to borrowing ratios were kept in order. Everything went astray after 2003 and moved on. Banks can be blamed, but they are composed of business people. It was on an asset’s value that they lent money. If I had a house worth €400,000 that was worth €600,000 two years later, I got two thirds of the amount, by and large, but the repayment capacity was based on the capital. This is what occurred. There is no point in our coming into the House to cry and scream about this issue every day of the week. Regulation will solve nothing. Overregulation will just add tier after tier, but it is the policy of the day.

I am a shareholder in many financial institutions. I will declare it in the House because I was questioned last week by journalists. I have shares in Lloyds TSB in the UK and Standard Chartered Bank. I would not be very wealthy, but I have a few quid. My portfolio also includes the Royal Bank of Scotland, AIB, Bank of Ireland and Irish Permanent. This is the truth of the matter. I will not defend one bank over another. However, coming from rural Ireland and an agricultural community, no bank has served Ireland better than AIB, whether it was in the development of the co-operative movement or of small business in rural Ireland or in placing branches in small towns. I am annoyed by what is occurring. I do not want AIB to be nationalised. I want our high street banks owned by the people, not the State.

If there is a problem with Colm McCarthy, I would like to know what it is. Did he give bad advice about privatisation to the Government of the day a few years ago? He was successful and a first class guy in his business and in serving his institution and this country. I would like my question answered.

I do not have a script, but I want to make another point on unregulated investments through auctioneers, accountants and others. All investment should be regulated and licensed. I know several people who have invested and been badly caught. I know people who, having asset values of a few hundred thousand euro or even €1 million, were advised to make back-to-back borrowings to invest in Zurich, Budapest and so on. Joe Meade, who was the Financial Services Ombudsman, referred to this point several times. Accountants are taking in money, but there is no accountability when that money is lost and people are in tears. Newspapers carried a story of a similar case in recent days. I can name several organisations that have done this and failed time and time again, but which were not accountable.

Legislation covers stockbrokers and accountants, but it is not worth the paper on which it is written. An accountant will be knocked off the roll if he or she is found to have made an irregular investment, but there are many accountants and it is time for this area of investment to be regulated. Those who have been caught by their investments are innocent, poor people. As a child many years ago, I remember the same situation could be found where Shannon-Stansted was concerned. People invested £10 or £15, but where did it all go? This country has a long history of failed investments and regulations.

Until 2003, we had an excellent and well regulated banking system, but competition took over. What will happen to foreign banks in Ireland? How will the regulator and the Governor of the Central Bank manage them? I am referring to the likes of Rabobank, the Royal Bank of Scotland, which owns Ulster Bank, and many others. They are causing havoc for people who have borrowings, mortgages and so on. This issue must be treated with an even hand. They cannot have a monopoly over the others because our two banks are those we trounce and about which we give out the most.

How effective have our directors on the banks' boards been? The only director from whom we ever hear is Alan Dukes, who is often criticised. The others are never heard from but are on fat salaries. They should only be awarded their expenses, but many of them are on good ministerial pensions and more. Let us put our house in order and be fair and even-handed. I want to see a report on those directors. The Bank of Ireland has two State directors, but Richie Boucher is still getting hundreds of thousands of euro and a pension fund. This cannot be fair.

**Acting Chairman (Deputy Michael Kennedy):** The Deputy has one minute left.

**Deputy Edward O'Keeffe:** Much work needs to be done without regulation. This is the House to do all of that. We are the bosses. It is what we are elected to do. People put their confidence in us and send us to the Dáil. It should not be down to regulation and people doing the work for us.

The Bank of Ireland situation is a scandal. I understand that we can do nothing about it, but it sets a bad example and is having an effect on the community. Its effect on ordinary people is even worse than the Anglo Irish Bank situation. We know the scandals. This all goes on, but I would like to see a more practical, commonsense approach.

I wish the Minister well. I know I have given him a difficult time, but I will make no apologies for it, as that is my job.

**Acting Chairman (Deputy Michael Kennedy):** The Deputy's time has expired.

**Deputy Brian Lenihan:** He has a somewhat different perspective from other Members.

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

**Deputy Edward O'Keeffe:** I want legislation to address those fangled investment ideas that are unregulated.

**Deputy Kieran O'Donnell:** This is the Central Bank Reform Bill 2010, to which we in Fine Gael tabled a reasonable amendment in the name of Deputy Bruton. The problem is that, since September 2008, we have been through a most horrific time in terms of the financial landscape, particularly banking. A proper investigation is required. Preliminary investigations are under way, but they will turn into a statutory inquiry at the end of May. However, the period covered by that inquiry should be extended to well beyond the end of September so as to provide us with a proper overall review through which we could see exactly what occurred. This Bill is purely about changing the chairs in the room. It is no fundamental reform. We need to know exactly how the situation was caused and how to ensure it never recurs. This is the last chance saloon and we must get it right.

I wish to revert to one of Deputy Edward O'Keeffe's points. The Minister can move on the €1.5 million payment into the pension plan of Bank of Ireland's CEO, Richie Boucher. In a question dated 3 December in which I asked the Minister about the remuneration plans for the covered institutions, he told me that "the Government considers the CIROC recommendations regarding remuneration of chief executives including bonuses, pensions, long term incentive plans, which includes stock options, are appropriate" and that any "deviation from this should be in exceptional circumstances" and with his agreement. This position has not changed.

Under section 48 of the Credit Institutions (Financial Support) Scheme 2008, the covered institutions were required to submit a plan to the covered institutions remuneration oversight committee, CIROC, within six weeks of 29 September 2008. CIROC was then required to report to the Minister for Finance within three months. The section states: "Where the Minister considers, on the advice of CIROC, that the covered institution has not complied with the requirements of this paragraph, he or she may direct the covered institution to amend the remuneration plan so that compliance is achieved." In its report, CIROC stated: "we feel that the Remuneration Plans need to be reviewed before we are in a position to assess meaningfully the extent to which they comply with the requirements of Paragraph 47 of the Scheme."

During the period in question, the banks would have supplied their initial remuneration plans sometime in November 2008. CIROC's report was presented to the Minister on 27 February 2009. On 11 February 2009 he announced that he was going to recapitalise AIB and Bank of Ireland and stated that the banks were seeking reductions in people's levels of remuneration and that the CIROC report was expected shortly. The report to which I refer states, in emphatic terms:

As we explained, the Plans need to be reviewed in the light of discussions with the Financial Regulator. We consider that revised Plans should also have regard to our comments in the following paragraphs . . . There is a strong case also for reviewing the pension arrangements that have been a feature of the remuneration packages of some senior executives in recent years . . . We consider that pension arrangements for top management should be reviewed. We have become aware of a practice in which cash allowances were paid to compensate for the effects of the "pensions cap" [the €123,000 paid to Mr. Boucher] . . . Pension schemes should reflect public policy and tax law and it is unacceptable that arrangements should be put in place which would be inconsistent with the intent of the relevant legislation.

The latter is exactly what happened with Mr. Boucher. The report to which I refer also states: “In general, top management make little or no employee contribution for their pensions.”

Did the Minister for Finance receive a revised remuneration plan from Bank of Ireland? Did he approve the €1.5 million top-up payment that was made to the pension plan of Richie Boucher, CEO of Bank of Ireland? Did he also approve the €123,000 payment provided to Mr. Boucher by way of a cash pension allowance? The latter payment is clearly not in compliance with the thrust of the legislation. In addition, it is clearly not in compliance with the recommendations of CIROC. If the Minister agrees with what Bank of Ireland has done, then he is going against the recommendations contained in CIROC’s report. He made reference to that report in reply to a parliamentary question I tabled to him on 3 December 2009 when he stated that what was put forward in the review in the context of pension entitlements was appropriate and that “Any deviation from this should be in exceptional circumstances”.

Did the Minister receive a plan and, if so, did he approve it? If he did not receive such a plan, then he should, under sections 48 and 50 of the Credit Institutions (Financial Support) Scheme 2008, write to Bank of Ireland in the immediate future and request that Mr. Boucher and the board reverse their decision, which is not in compliance with the legislation or with CIROC’s recommendations. As already stated, CIROC indicated that “the Remuneration Plans need to be reviewed before we are in a position to assess meaningfully the extent to which they comply with the requirements of Paragraph 47 of the Scheme”. It also recommended that this matter should be considered in the context of pensions. A pension allowance of €123,000 is clearly not in compliance with CIROC’s recommendations, which the Minister stated were appropriate. Furthermore, Bank of Ireland and Richie Boucher should never have been allowed to enter into an agreement in respect of the pension top-up of €1.5 million.

There is a deficit in the pension fund of the ordinary employees of Bank of Ireland. Negotiations in respect of this deficit are ongoing and it has been stated that these individuals may be obliged to wait until they are 68 before they retire. Mr. Boucher can retire at 55 on a pension of €325,000 per year. That amount is nearly double the salary of the Minister for Finance. Something is fundamentally wrong here.

The Minister has responsibility for with enacting legislation. The Title to the Credit Institutions (Financial Support) Act 2008 states that it is “AN ACT TO PROVIDE, IN THE PUBLIC INTEREST, FOR MAINTAINING THE STABILITY OF THE FINANCIAL SYSTEM IN THE STATE”. Richie Boucher has been given a pension top-up of €1.5 million and a cash pension allowance of €123,000, which will bring his salary up to €623,000, a figure that is above the maximum of €500,000 recommended by the Minister. Such behaviour is not in the public interest and it is not in compliance with the Credit Institutions (Financial Support) Act 2008, the Credit Institutions (Financial Support) Scheme 2008 or the recommendations of CIROC. The Minister indicated in his reply to my parliamentary question of 3 December 2009 that those recommendations were appropriate.

I request that the Minister ensure that the decision in respect of this matter is reversed. In addition, he should outline when he first became aware of it and indicate whether he received a remuneration plan. If the Minister did receive such a plan, did he approve it? Does he accept that what has happened in the case of Mr. Boucher is not in compliance with the legislation?

We are considering how we can reform the way in which the regulatory system operates. In that context, I wish to comment on the back-to-back credit facility afforded to Anglo Irish Bank by a financial institution in Germany. Effectively, this facility amounted to manipulation of the markets. I am also interested in the back-to-back credit facility afforded to Anglo Irish Bank by Irish Life & Permanent, which allowed the former to present a deposit from the latter as a customer deposit in order to boost its balance sheet.

[Deputy Kieran O'Donnell.]

Over 40 bankers in the US have been imprisoned as a result of their actions. Not a single banker in this country has been incarcerated. When I use the term “bankers”, I am referring to the top corporate executives and not to ordinary bank employees. The latter were, invariably, prudent in their dealings and were informed that if they were not involved in sales, then their careers would suffer.

The Minister for Finance stated that NAMA is winning the respect of the public. That is not the case. People realise exactly what NAMA will involve, namely, and at a minimum, €43 billion of their money. NAMA will have consequences for several generations of people in this country in the context of the level of public expenditure that will be required to finance its operations.

**Deputy Brian Lenihan:** Go away.

**Deputy Kieran O'Donnell:** The facts bear out what I am saying.

**Deputy Brian Lenihan:** The Deputy should read the IMF's reports and other reports from outside the country and stop spouting nonsense all the time. He must stop spouting such nonsense at some point.

**Deputy Kieran O'Donnell:** The IMF was quite conditional in the views it expressed in its various reports. Some two thirds of all loans that have been transferred to NAMA are no longer performing. If, when he introduced his fairy tale plan, the Minister had informed us that this was the case——

**Deputy Brian Lenihan:** The Deputy knows that what he is saying is nonsense.

**Deputy Kieran O'Donnell:** The Minister originally indicated that 40% of the loans to which I refer were performing.

Debate adjourned.

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

## **Ceisteanna — Questions (Resumed).**

### **Priority Questions.**

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#### **Overseas Missions.**

49. **Deputy Jimmy Deenihan** asked the Minister for Defence when he informed the United Nations officially of the decision to withdraw Defence Forces from participation in Chad; if he formally informed the United Nations of the decision prior to, or following, his announcement of, or revealing of, the decision publicly on 30 March 2010; if the United Nations either formally or informally urged that the information not be announced at the time; and if he will make a statement on the matter. [15847/10]

50. **Deputy Brian O'Shea** asked the Minister for Defence the position regarding the Irish contingent to the United Nations MINURCAT mission to the Central African Republic and to Chad. [15849/10]

**Minister for Defence (Deputy Tony Killeen):** I propose to take Questions Nos. 49 and 50 together.

MINURCAT was established under the authority of the United Nations Security Council Resolution 1861 of 14 January 2009 to replace the EU-led EUFOR TCHAD-RCA mission in Chad and the Central African Republic with which in excess of 400 Irish Defence Forces personnel had been serving since May 2008. Ireland has participated in MINURCAT since the transfer of authority from the EU to the UN on 15 March 2009.

In January 2010, President Déby announced that he wished to see the UN military element of the mission withdraw from Chad. Since then, staff in Ireland's mission to the UN have met UN officials on numerous occasions to ascertain the future of the MINURCAT mission. Our officials made clear Ireland's concerns regarding the future of the mission and our need for a substantive renewal of the mission after 15 March 2010 when the then extant mandate was due to expire. Our representatives pointed out that, in the event that the mandate was not renewed, it would not be possible to extract Defence Forces personnel and equipment. Moreover, under both national and international law, Ireland cannot remain in Chad without the cover of a substantive UN mandate.

In the event, the Security Council, on 12 March, agreed a technical roll-over of the mandate to 15 May 2010 to allow for ongoing discussions on the mission's future with the Chadian Government.

There was further engagement with the UN by our representatives highlighting to it the very real concerns on the part of Ireland in regard to the mandate and the impact of the onset of the rainy season. In this regard, we acted in close co-ordination with our Finnish colleagues and there was more or less daily contact between our officials in Dublin, Helsinki and New York.

Not alone was there uncertainty regarding the extension of the mandate but even if it was extended, there was no certainty in regard to the overall duration of the mission, the number of troops that might be retained in the mission, the sectors to which they may be deployed, the nature of the mandate and the role and authority of troops within the mission. Given of the uncertainty of the situation, the imminent onset of the rainy season and on the basis of the military and policy advice available to me, I brought the matter before the Government which accepted my recommendation that it was necessary to withdraw the Irish contingent from MINURCAT.

I assure the House that this was not a decision the Government took lightly. Ireland's clear preference was to remain in this mission. In the days leading up to the Government's decision, I spoke twice and at length with Under Secretary General Le Roy in the UN department of peacekeeping operations to emphasise the seriousness of the situation and impress on him the importance of some reassurance from the UN on the mission mandate. Regrettably, the under secretary could give no reasonable assurance and I, therefore, advised him that I had no option but to recommend to Government that we initiate the process of withdrawal.

At no stage did the under secretary suggest that the timing was sensitive in terms of ongoing discussions or ask me to withhold publicly announcing the decision. If anything, he indicated he understood Ireland's predicament and the difficult position we faced. During my discussions with the under secretary, I asked him to revert to me urgently if there was any significant change regarding the future of the mission in the days following the Government decision. I told him I would leave the door open for as long as possible and that I would consider reversing the decision should we get some assurance regarding the continuation of the mission in the immediate future.

[Deputy Tony Killeen.]

On 30 March 2010, Ireland's ambassador to the UN met Under Secretary General Le Roy and formally advised him of the Government decision to withdraw its contingent from MINURCAT. The under secretary indicated that he understood the reasons behind Ireland's decision. He said there would likely be no final decision by the UN until May in the knowledge that was too late for Ireland to withdraw its contingent. The ambassador highlighted Ireland's continuing commitment to the UN and reassured the under secretary of Ireland's future participation in UN missions.

**Deputy Jimmy Deenihan:** I welcome the Minister, congratulate him on his new portfolio and look forward to a very good working relationship with him. I also extend my best wishes to the Chief of Staff, Lieutenant General Dermot Earley, and his family following the announcement of his premature retirement on medical grounds. Lieutenant General Earley showed great leadership not only in the Defence Forces, but also on the playing fields of Ireland and in his community.

There were a number of reports in the national media, including RTE, from UN officials that they felt the Minister's announcement of the withdrawal of the Defence Forces from Chad undermined delicate negotiations which were ongoing at that time in N'Djamena between UN officials and the Chadian Government and that it probably supported the case of those who did not want the UN in Chad. Will the Minister confirm that?

Alain Le Roy, the under secretary for peacekeeping, expressed concern about the withdrawal of the mission before and after the announcement. John Holmes, the UN humanitarian chief, also expressed concern when the Minister made the announcement. Will the Minister confirm that when he made the announcement, the United Nations was very clear Ireland would withdraw its troops?

In view of the fact hundreds of thousands of refugees in these camps will be unprotected, what arrangements will be put in place to replace the Irish mission? Will the Minister confirm whether he will withdraw all the equipment from Chad or will he leave some there?

**Deputy Tony Killeen:** I thank Deputy Deenihan for his best wishes. I had the opportunity to visit Lieutenant General Dermot Earley on two occasions and I agree with what the Deputy said.

On the press reports that the Irish decision might have undermined delicate negotiations, I have been unable to find any reliable source at UN level to indicate that. Long before my appointment, my predecessor and the officials explained very clearly to the United Nations the difficulties that would arise in regard to the mandate expiring in the middle of May and the fact the rainy season was imminent and that there was a considerable amount of Irish equipment there which needed to be taken out. The best estimates were that, at an absolute minimum, eight weeks would be required to withdraw the troops and equipment. People may not understand that when the rainy season starts, there are *de facto* no roads in Chad. Whatever limited travel is possible is by helicopter or aeroplane. That is a very grave difficulty. We obviously had concerns in regard to the UN mandate because we could not be there without it. We had concerns about the safety of troops and about the equipment, which Deputy Deenihan mentioned, that could not be taken out if that were to arise.

The day after my appointment, I spoke to the under secretary on the telephone and explained to him all these difficulties. To be fair, this matter had already been explained in some detail by my predecessor and by defence officials. He understood that was the position and he did

not indicate the decision would create any of the difficulties mentioned in the press reports. Unfortunately, not only was he unable to give a guarantee that there would be a renewed mandate, which would have been an unreasonable request of him, but he was unable to give me a strong indication that there was confidence that there would be a renewed mandate. I telephoned him again a number of days later before the Government meeting. The situation had not changed and it was not expected to change.

Current indications are that if there is a renewed mandate, there is a question about the numbers mandated and the kind of mandate that may arise or whether there will be a mandate. That was always the situation as can be seen from that which arose last January and, more particularly, from the limited nature of the renewal that arose in March.

**Deputy Brian O'Shea:** I congratulate the Minister on his elevation to senior ministry. It is well deserved and I have little doubt he will do a fine job in his new position. I extend my best wishes to him. I also express my personal sadness that the Chief of Staff, Lieutenant General Dermot Earley, has been forced to retire due to a debilitating illness. His early retirement is a sad development and I convey the regrets of the Labour Party on the loss of a fine officer. I trust Lieutenant General Earley has a good quality of life. I extend my party's sympathies to his family on this unfortunate development.

On the withdrawal of troops from Chad, I made a short visit there in January 2009. I also watched a slideshow of the conditions that pertain in the country during the rainy season. It is regrettable that the Irish contingent in Chad had to be withdrawn. Nevertheless, the safety of our troops must come first in all circumstances. Unfortunately, there appears to have been little choice but to withdraw the contingent.

By the end of the year, only approximately 70 Irish troops will be serving abroad. Is it possible that troops may return to Chad this year? If not, is any other theatre of operations being actively considered by the Department or are discussions taking place about Irish troops serving in other trouble spots?

To return to the issue of Chad, it is reported that the Chadian authorities have been able to strengthen the country's army and have purchased fighter jets, for which they have employed mercenary pilots. What is the military position in Chad, as reported to the Minister? Will the strengthening of the Chadian armed forces make any significant difference in regard to the capacity of the Chadian authorities to deal with the horrendous humanitarian problems the country is experiencing?

**Deputy Tony Killeen:** I thank Deputy O'Shea for his good wishes. He has the advantage of having had the benefit of a visit to Chad. The Deputy is correct that the strength of the Chadian military has been increased. The Government's preference was to have been able to continue in the MINURCAT mission. It is true, however, that considerable improvements have taken place and the impact of Irish and other United Nations troops has been positive. Nevertheless, the Government wanted to continue to participate in the mission. It is generally understood, however, that owing to the conditions that prevail in Chad, the decision to withdraw our troops was necessary. It was not possible to keep the decision secret although in any event, no one suggested it was either necessary or desirable to do so.

While there have been some improvements in the position in Chad, the Government's clear preference was for a renewal of the UN mandate at the current level, rather than at the level at which it may, according to speculation, be renewed — if it is renewed. We would like to have been part of any such renewed mandate.

[Deputy Tony Killeen.]

On the future role of Irish troops, we have an ongoing commitment to the United Nations to provide 850 troops. Anyone who deals with defence matters will be aware of the triple lock requirement which applies when more than 12 troops are involved. The triple lock, which involves a Government decision, United Nations mandate and approval by the House, remains in place.

Looking back over previous missions, few would have predicted that Irish troops would serve in Chad when Liberia, Eritrea and other trouble spots were having the benefit of the input of Irish troops. Unfortunately, the state of the world is such that there is generally no great shortage of places where troops are required for deployment. The Government is well disposed to fulfilling our mandate in that regard.

We intend to avail of this opportunity to do a substantial amount of what may be termed “housekeeping” to bring equipment up to date and provide training. Those who have been serving overseas also need rest and a break. A considerable amount of work needs to be done and there is no danger that Army personnel will have a slack period, as it were. In any event, we have a commitment to the United Nations which we intend to fulfil when the UN requests us to do so. As Deputies will be aware, EUFOR has submitted a request to retain a small number of Irish troops — approximately 50 — in Bosnia-Herzegovina. We will accede to this request which was received in recent days.

**Deputy Jimmy Deenihan:** To repeat my earlier question, who will protect the refugee camps the Irish mission was protecting? What arrangements are in place to do the work the Irish contingent was doing very successfully? The Irish personnel on the successful Chad mission earned considerable international respect arising from the manner in which they operated.

Is it the Minister’s intention to leave some equipment behind in Chad given that some of it has been used extensively and it would be expensive to transport it to Ireland? Will the Minister confirm that Ireland’s hard won reputation in the United Nations, which it has built up since the Congo mission, has not been undermined in the UN or among our peacekeeping partners as a result of this decision? It is important that the Minister provides this reassurance.

**Deputy Tony Killeen:** I assure the House that our standing with the United Nations remains high. There are strong indications that we will receive further requests for assistance from the UN. As I indicated, Irish troops in Bosnia-Herzegovina will remain in the country for a much longer period than anticipated. They were due to return to Ireland in July but will now remain until the end of the year, assuming the mission’s mandate is renewed. While I understand the mandate will expire in mid-October or thereabouts, difficulties are not envisaged in that regard and Ireland does not have any difficulty in this respect with the United Nations.

Deputies O’Shea and Deenihan asked a question about the United Nations mandate and the protection of people in the camps and so forth. I understand there are currently approximately 3,400 UN troops on the MINURCAT mission. This figure is likely to be scaled back by almost one half to around 2,000 troops. Questions arise about how these troops will be deployed. I do not have information on that issue at this point. As Deputy O’Shea noted, however, the capacity of the Chadian authorities to address some of the issues they face has improved.

One welcome development which must not be overlooked is that many emerging African nations are in a position to provide troop support to the United Nations. This is, in some instances, highly desirable and I have no doubt the United Nations has been giving the matter consideration, particularly as some host authorities in particular regions have welcomed the

development. That is not to say that our troops will not have a role in future. The Government is more than happy to examine any proposal from the United Nations and there are strong indications that such proposals will be forthcoming.

Two issues arise with regard to equipment. I understand it would not make sense to move certain equipment and it would be beneficial to people on the ground in Chad if it were left in place. Nonetheless, the mission's military equipment will be returned to Ireland. The arrangements are made through a private contractor. I understand that the cost is probably in the region of about €8 million, but virtually all the cost is borne by the UN.

**Deputy Brian O'Shea:** I still have concerns that we can have up to 850 troops serving abroad, yet the indications are that we will only have 70 towards the end of the year. Every effort should be made to make sure that our troops, who are up there with the best when it comes to peacekeeping, should be available for all these trouble spots and areas of human suffering that are unfortunately too prevalent around the world.

I raised with the Minister's predecessor an Amnesty International report on the prevalence of rape in the camps. When I visited Chad, we were not allowed enter the camps. We were on a hill overlooking them, which can be quite large and many of which came together in a random way. Every effort should be made in future missions run by the UN to ensure that there is a good deal of power for the military to become more involved on the ground so that such violence against the person is reduced to a minimum and eliminated where possible.

**Deputy Tony Killeen:** I share the Deputy's concerns and his views on what should be done. Much would depend on the type of mandate operated by the UN. The current mission is under a Chapter VII mandate, which brings some freedoms and some restrictions. There are suggestions that any future mandate is likely to be under Chapter VI, which removes the role considerably further away from the direction Deputy O'Shea and many others would like to see it going. There are logistical, cultural and other problems which have to be addressed when the mandate is of the nature outlined by Deputy O'Shea. In situations where this is required, and where organisations of the calibre of Amnesty International are doing a wonderful job in the human rights area, it is incumbent on the UN to pursue those issues.

Apart from our responsibility or willingness to participate on a military level, it is fair to say that Ireland's participation in the UN, via the ambassador, the Minister and the Department, is very highly regarded. We have historically been pursuing issues of this nature and have a particular standing with the UN in diplomatic terms and in terms of the respect that has been built up by the Defence Forces on UN missions over several decades.

### **Defence Forces Deployment.**

51. **Deputy Jimmy Deenihan** asked the Minister for Defence if he will reverse the decision to reduce by 200 the number of days that the Naval Service patrol in view of the drugs and other smuggling threat and its impact on the public and on the Exchequer; and if he will make a statement on the matter. [15848/10]

**Deputy Tony Killeen:** As part of the Estimates process for 2010, the Department sought to implement measures which would bring about the savings, or the equivalent thereof, as identified in the report of the special group on public service numbers and expenditure programmes. As part of this process and to achieve a reduction in current expenditure, the Minister for Defence proposed a cut to the Naval Service patrol days in 2010. The planned number of patrol days for 2010 is 1,480.

[Deputy Tony Killeen.]

The Naval Service has a concurrent multifunctional role as the State's primary sea going agency. On any given patrol day, the Naval Service can carry out a number of tasks on behalf of other State agencies, such as the Sea Fisheries Protection Agency, the Garda Síochána and the Customs Service of the Revenue Commissioners. Naval Service patrols at sea undoubtedly act as a deterrent in the fight against drug trafficking. However, this role is increasingly governed by intelligence-led operations and greater co-operation between both national and international agencies.

Government measures to improve law enforcement on drugs, including the establishment in 1993 of a joint task force involving the Garda Síochána, the Customs Service and the Naval Service, have helped to maximise the effective use of Naval Service resources in combating drug trafficking. There is close co-operation between the civil authorities and the Naval Service in discharging this important mission.

Internationally, the establishment in 2007 of the Maritime Analysis and Operations Centre — Narcotics has led to a greater focus on intelligence exchange among countries to tackle large drug shipments by sea. The MAOC-N was set up by seven European countries, namely, Ireland, the United Kingdom, the Netherlands, France, Spain, Portugal and Italy. Europol, the European Commission and the US joint interagency drugs task force are observers at the centre. The centre is designed as an international co-ordination force with access to national tasking agencies and requires participation and resources from all active members. The Garda Síochána and the Customs Service have full-time officers based at the centre in Lisbon. Irish Naval Service personnel travel to the centre when requested by the joint task force.

I am therefore satisfied that with these initiatives in place, the Naval Service can continue to battle successfully against the threat of drug smuggling within its revised patrol pattern for 2010.

**Deputy Jimmy Deenihan:** The country is overcome with drugs at the moment and all communities, be they urban or rural, are affected in some way by drugs. In view of the fact that most of these drugs are coming in by sea, surely the Minister would agree that cutting back the number of naval patrol days was a retrograde step. The savings that will be made by cutting back by 200 days will be lost when we examine the health implications, the money spent on prison places and the cost of crime that often leads to drug-related murders. If we consider all the negative factors, we must conclude that this was a very foolish decision.

The Naval Service has proven that given the resources, it can be very effective. I would like to draw the Minister's attention to Operation Seabight, which intercepted €200 million worth of high quality Colombian cocaine, according to the naval authorities, although some media estimates put the figure at €600 million. We can only imagine the damage that would have done to this country. Due to the work of our Naval Service, in co-operation with other local and international agencies, the shipment did not come into this country. That is proof of the effectiveness of our Naval Service.

Various commitments were given in this House by the Minister's predecessor that the three Naval Service vessels aged over 30 years would be replaced, namely, the *LE Emer*, the *LE Aoife* and the *LE Aisling*. On 24 February, the former Minister for Defence gave a commitment that two off-shore patrol vessels and an extended patrol vessel would be introduced. Has a Government decision been made on the provision of those three vessels? Finally, is it possible to reverse the decision on naval patrol days?

**Deputy Tony Killeen:** We all share Deputy Deenihan's concern about the impact of drugs in our society. A substantial proportion is imported by sea and unfortunately, the people involved in this business have found all sorts of ways to get the narcotics into the country.

Patrolling *per se* is not a hugely important part of the system for detecting the arrival or the possible importation of drugs. As electronic surveillance and automatic identification systems of one kind or another have become more sophisticated, especially at the centre in Lisbon, the Naval Service is generally called on to intercept a vessel that is already underway.

3 o'clock Naval Service vessels happen by chance to come across ships importing illegal drugs on a far less frequent basis. There are, therefore, three important parallel developments: internal co-operation between agencies here; international co-operation, which I announced in the answer; and highly sophisticated surveillance systems, which are now available. All of these play an important role. At that point, in most instances, the role of the Naval Service comes into play and it is called on to deal with the issue. It has proved itself to be extraordinarily adept and highly professional in dealing with that matter. The Naval Service is to be commended for the manner in which it does so.

Deputy Deenihan also asked about vessel replacement and we will shortly reach a parliamentary question on that specific issue. I will provide a formal answer then, so perhaps we can deal with it at that stage.

**Deputy Jimmy Deenihan:** I do not think we will reach it.

**Deputy Tony Killeen:** If we do not, I will find a way to include a bit of it in the preceding reply.

**An Ceann Comhairle:** I call on Deputy Deenihan to put a brief supplementary question.

**Deputy Jimmy Deenihan:** I disagree with the Minister to some extent. If there is a presence at sea it certainly operates as a deterrent. The lack of naval vessels along our shoreline means that drugs are coming into the country aboard cruisers and smaller vessels. The coastline of Kerry alone is 300 miles long, so it is impossible to intercept everything unless there is a continuous naval presence. If he has the information to hand, can the Minister quantify the number of interceptions that were made last year by the Naval Service? If the Minister can provide them, I would like to know the most recent statistics available concerning drug seizures and their total value.

**Deputy Tony Killeen:** I think we will reach the question, as there are only four more before it. As regards the Naval Service's joint operations annually, in 2006 there were three operations where the Naval Service was called in. In 2007, the figure was five, in 2008 it was also five and in 2009 it was two. I do not have an approximate value for the drugs found on those occasions, but I will try to get it for the Deputy.

**Deputy Jimmy Deenihan:** Can the Minister confirm that the Naval Service cannot intercept a ship that may be carrying drugs unless it is told to do so? Does the Naval Service have to get directions to board a ship suspected of carrying illegal drugs?

**Deputy Tony Killeen:** To revert to the Deputy's original point, I agree with him that there is a deterrent value in having ships on the ocean waves and that it recognised. In practice, however, because of the nature of electronic surveillance, as well as Garda and customs service information, it is more common that it is the genesis of a report. Naval patrols are, of course, conscious of suspicious movements of vessels of all sizes and they do have a role in that regard.

[Deputy Tony Killeen.]

The primary law enforcement role, however, lies with the Garda Síochána and Customs and Excise officials. That is where the joint operations, which have been under way for some time, are of such value.

### **Defence Forces Recruitment.**

52. **Deputy Brian O'Shea** asked the Minister for Defence when he will be making an announcement regarding recruitment into the Defence Forces. [15850/10]

53. **Deputy Jimmy Deenihan** asked the Minister for Defence when recruitment will commence for the Permanent Defence Force in view of the decline in numbers over the past year; and if he will make a statement on the matter. [15929/10]

**Deputy Tony Killeen:** I propose to take Questions Nos. 52 and 53 together.

Within the available resources, the Government is committed to maintaining the strength of the Defence Forces at a level of 10,000 all ranks, for which Government approval has been secured in the context of budget 2010. This reflects the reductions in personnel recommended in the report of the special group on public service numbers and expenditure programmes.

I am advised by the military authorities that the strength of the Permanent Defence Force as at 31 March 2010 was 9,877, comprising 8,051 Army, 800 Air Corps and 1,026 Naval Service personnel. As numbers in the Permanent Defence Force have dropped below 10,000, recruitment will be carried out in 2010. Detailed planning on the number of general service personnel to be recruited, and the timing of such recruitment in 2010, is currently ongoing within the Department and the Defence Forces in the context of the available resources and operational priorities.

With the support of the Chief of Staff and within the resources available, I intend to retain the capacity of the organisation to operate effectively across all roles while contributing to the necessary public service economies. I am advised that at this time the Defence Forces retain the capacity to undertake the tasks laid down by Government, both at home and overseas.

**Deputy Brian O'Shea:** The Minister's answer is not much different from the last reply that was provided in this regard, which was on 11 March. It contains nothing specific. My concern is that the Defence Forces are now down to 9,877 which is 123 below the 10,000 level. Some 400 troops are returning from Chad and by the end of the year we may have only 70 troops serving abroad. Is there a danger, therefore, that there may be a temptation not to go ahead with recruitment? It is most important that young people are recruited into the Defence Forces as soon as possible. Quite apart from careers in the armed forces, there is also the issue of taking people off social welfare in some instances and, in other instances, releasing jobs that others can take up. Is there not a case for having a recruitment competition whereby panels could emerge from which people could be called throughout the year as positions become available? As things are progressing, it seems that at best it may be quite late in the year before recruitment takes place, but that is not good enough in this day and age.

The Minister referred to the Defence Forces being a credible organisation. I am concerned, however, that with more of our troops at home, there may be a temptation in the current economic climate not to recruit. In that case, the strength of the armed forces would not come back up to 10,000.

**Deputy Tony Killeen:** Deputy O'Shea is right in that we all have to contend with the difficulties thrown up by the current economic situation. However, as I explained in the original answer, the Department and the military authorities are discussing exactly where the most serious need arises. There is a requirement within the Army itself and there are also specialist roles in the Naval Service and Air Corps. We have just been talking about the Naval Service's role in many important areas. All of that is being examined and I understand from the officials on both sides that progress is being made.

In the couple of weeks I have been in this job, I have only had an opportunity to visit three barracks. It was educational to talk to staff in the barracks and hear their concerns directly about the make up of numbers and their requirements. At this point, although not having quite read myself fully into the job, it is clear to me that we need to undertake recruitment. In the initial stages, it will be important to recruit for those areas which have specific requirements. I am well disposed to Deputy O'Shea's suggestion that panels be set up because people retire for a variety of reasons and further vacancies will be likely to arise. I am concerned to ensure that the strength in all cases in the various sectors will be sufficient to enable the Army to carry on its functions in a credible manner. I think we would all agree that is desirable.

**Deputy Jimmy Deenihan:** When does the Minister expect to announce that recruitment will take place for the Defence Forces? In the 2007 programme for Government a commitment was given that not alone would the numbers reach 10,500, but also that there would be 300 personnel in training at any one time. However, that commitment was subsequently reneged on by the Government. The McCarthy report suggested numbers should be reduced to 10,000 but numbers have fallen below that. It is important the numbers are restored to 10,000 as soon as possible. When will recruitment commence? A large number of officers and ordinary members of the Defence Forces appear to be leaving prematurely and taking early retirement. Has the Minister analysed the reason people are leaving early and could he put any incentives in place to encourage them to remain longer? Early retirement seems to be a problem currently.

**Deputy Tony Killeen:** I accept the point made by Deputy Deenihan with regard to the 2007 programme for Government. It is true that things have changed very dramatically in economic terms since then. The McCarthy report recommended a reduction in numbers from 10,500 to 10,000 and that has been agreed. In response to Deputy O'Shea, when we start recruiting, we should in the initial phase try to ensure people are recruited to areas where there is more urgent need. There is considerable urgency in some areas, but I have not completed consideration of reports from the Department and military officials with regard to those areas. This is an important starting point, but I cannot tell the Deputy exactly how long it will take to start. There will be no delay on my side and judging by indications from both the Department and the military authorities, they are very keen to proceed to ensure we have the necessary numbers in all areas.

The issue of early retirement is an interesting question. In the current economic climate, what is happening is the opposite to what I would have expected. One could understand that in an era when alternative employment opportunities were readily available, army people with their skill sets would be attractive to employers and would be attracted to that option, but there are far fewer such opportunities available now. We are examining the situation to see why people are continuing to leave. I also have considerable concern with regard to the age profile, which is something that had to be addressed some decades ago. This issue is a concern that is separate from the numbers issue and recruitment will be necessary to address it.

**Deputy Brian O'Shea:** It is encouraging that the Minister has indicated he sees merit in the idea of recruitment panels. Before the ban on recruitment was introduced, an individual in my constituency was about to be called, but then the ban was introduced and as a result he was not recruited. He went off then to either New Zealand or Australia. If panels were put in place as early as possible, people with particular skills suited to the Defence Forces might not emigrate. People should be let know they are on a panel and their position on it. If they knew it was likely they would be called, they would be less likely to emigrate. Speed is of the essence in that regard. If we wait to draw up the total requirement in detail, too much time will pass. Whereas not having people in positions at an early date may save the State money, there is a wider agenda to be served. We must get the process going as quickly as possible. It is important that young people are given hope in the current situation.

**Deputy Tony Killeen:** There would not be an appreciable saving in the event of a delay of a month or so and that should not be a consideration. Recruitment should be targeted at areas where the most immediate need arises. While I am well disposed to the idea of panels, I realise one of their major downsides is the uncertainty of recruitment. In one year 50 people might be recruited from a panel, in another year 80 people might be recruited and then, perhaps in a downturn, only ten might be recruited. It is very difficult to judge a reasonable annual expectation of the number of people to be recruited from a panel. However, panels also have some merit and I will raise the issue with Department officials and the military authorities. In the recruitment campaign we should target the areas of most immediate need and try to address them. We have a shortfall of 123 or 127 personnel currently, which is a small number. I would be happier to target recruitment at areas with specific needs.

**Deputy Jimmy Deenihan:** How many vacancies will be advertised or has the Minister decided yet how many places will be offered? Obviously, more people will leave from various ranks before the end of the year. Concern about the gratuity also has an influence on people's decisions. They fear the gratuity may be taxed in the budget. It would be no harm if the Minister cleared up that issue. It is important to remember that people will leave this year and more will leave next year. Therefore, any recruitment that will take place should compensate for those people.

The Minister's predecessor had a campaign to attract more women into the Defence Forces. The number of female personnel in our Defence Forces is among the lowest in Europe. Would the Minister consider making a special effort to target more female applications and to make the Army a more attractive career for women? I have been campaigning for some time for a *crèche* in the Curragh. Will the Minister make this a priority as the need has existed for some time?

**Deputy Tony Killeen:** I agree with Deputy Deenihan that a number of people will leave and that this must be taken into account in the context of the recruitment campaign. This would give additional flexibility in areas where there are particular needs. I am not in a position to give any advice with regard to the issue of the gratuity. It is one of the great imponderables with regard to the public sector generally that many people who might not consider retirement otherwise see the gratuity issue as a factor. It is impossible to predict how great a factor this is in the military area as much as in any other area.

I would like to be able to establish a means to recruit more women to the Defence Forces and, having recruited them, to retain them for a longer period. Both Department and military personnel have raised this issue with me. It is something we must try to address, particularly

in view of the fact that it seems to be addressed more successfully in other countries than has been the case here.

### Other Questions.

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#### Defence Forces Medical Services.

54. **Deputy John Deasy** asked the Minister for Defence the number of recommendations of the Defence Forces Medical Services Review that remain unimplemented; the number of recommendations in the process of implementation but not yet fully implemented; the number of recommendations yet to begin the process of implementation; the number of recommendations that have been fully implemented; the specific timeframe in which the recommendations will be implemented; and if he will make a statement on the matter. [15669/10]

88. **Deputy Ciarán Lynch** asked the Minister for Defence the position regarding the establishment of the new centralised medical corps for the Defence Forces. [15615/10]

**Deputy Tony Killeen:** I propose to take Questions Nos. 54 and 88 together.

The PA report assessed the current arrangements for the provision of medical services and proposed a model for future delivery of those services. The consultants recommended a programme of major change. The high level recommendations include a centralised command structure for the Medical Corps and the creation of a medical services management and administrative function. This structure will provide strategic planning, resource allocation and overall responsibility for the management and delivery of the medical service and for the development of medical officer-led care teams, together with a refocusing of medical staff on appropriate clinical tasks. The structure and systems recommended have been designed to meet the demands and needs of the modern Defence Forces at home and overseas and provide medical officers with a fulfilling and rewarding career. The implementation schedule follows the recommendations made by PA. Many of the recommendations made in the PA report are of a high level strategic nature.

The governance structure proposed in the report for the delivery of change in this area has been put in place. A dedicated programme group with civilian and military representatives is co-ordinating a range of projects. Progress has been made on implementation of the PA recommendations including, alignment of Defence Forces and medical corps strategies, redesign of the medical care model in the Defence Forces, a centralised command structure, informed service provision through strategic and operational demand and capacity planning and the making available of accurate and timely health and business information available. Also included are a performance-based approach to managing demand and ensuring efficient use of resources and support to sustaining and developing the medical service within the PDF.

As recommended, working groups have been set up to progress the various projects identified. These continue to meet regularly and all have submitted reports. The steering group has considered all of these reports. While none of the seven recommendations from the PA report has been completely implemented, the programme of implementation is progressing. In particular, the steering group has approved the high level organisation for the unit, which now includes a line officer at the rank of colonel commanding the medical corps. It has also authorised the immediate introduction of an annual medical for all Defence Forces personnel and directed, following the findings and recommendations of the future medical information system working group, that all medical corps personnel will use the personnel management system medical module. Formal links have been established with the Medical Council, the Health

[Deputy Tony Killeen.]

Services Executive, the Royal College of Surgeons in Ireland and other relevant bodies to explore external training for doctors in the Defence Forces medical services.

Final reports from a number of the working groups including those on the future medical information system, organisation and establishment, training and education, and financial arrangements and outsourcing are due to be delivered by 30 April 2010. The clinical review working group is not due to submit its final report until 30 September this year with monthly reports to be submitted in the interim. It is only following completion of this phase that full implementation of the recommendations can be achieved.

It is expected there will be substantial progress before the end of the year in implementing recommendations. Some issues will be resolved quickly while others will require significant consideration and will, for example, require negotiation with the representative associations.

**Deputy Jimmy Deenihan:** The first question I asked the Minister's predecessor back in October 2007 was about establishing a review of the medical corps in the Defence Forces, to which the then Minister responded. The consultancy group was taken on in 2008 and reported last year. It is very important that the report is implemented and I have concerns about the speed of implementation. The PWC report of the late 1990s suggested there was an establishment requirement of 46 medical doctors for the Defence Forces. I understand that at present the number is 23, some of whom are non-nationals. Will the Minister confirm the number?

Due to the nature of their work, the health and fitness of our Defence Forces is paramount. More than any other occupation, they are exposed to physical challenges and stresses that people in other occupations would not fully comprehend. This is why a proper well resourced medical corps is paramount. We are failing badly in many respects with regard to providing that support to the Defence Forces. The report stated quite clearly that current demand for medical assessments is not met. It also stated that the medical corps delivered 7,222 medical assessments in 2007 against a requirement estimated at more than 18,716. This is grossly inadequate.

A key recommendation of the report was for the immediate creation of one centralised medical command structure. It is now six months later and one would think it should have been possible for that to have been put in place immediately. Will the Minister respond on the inadequacy of what is available at present? Will he give us more direction and a timeframe for the implementation of the recommendations made by the PA consultant group? Will he be more specific with regard to the centralised medical command structure because it strikes me that it will be the structure which will drive reform?

**Deputy Tony Killeen:** I will take the final point first. I agree with Deputy Deenihan that the single medical command structure with a line officer at colonel level will have a positive bearing on the quality of service provided. As I stated in my reply, it is already being done with regard to the appointment of the line officer. Deputy Deenihan also made the point that some of the recommendations could be implemented more speedily. It is important to bear in mind that there are a number of review groups, some of which reported recently and others which will not report until the end of the month. Without knowing the detail of the work it is doing, it seems the report of the clinical review working group, which is due in September, will have a considerable bearing on the direction, notwithstanding the fact that it is making interim monthly reports.

Last week, I visited the Galway office of the Department and the barracks. I got a very good close-up view of the work undertaken there in support of the medical services for military personnel. I was very impressed with the manner in which it is organised. With regard to some

of these changes, it is also important that there will be elements on which the representative organisations will have views. I have had the opportunity to meet two of them and I will meet them while I am in the job. It is important that we take on board any concerns or recommendations they may have.

I will have to come back to the Deputy with information on the numbers of personnel in specialisation. I know some are non-nationals but that is the case across all of our health services and I do think anything negative could be taken from it.

**Deputy Brian O'Shea:** In answer to a question tabled on 24 February, the then Minister of State at the Department of Defence, Deputy Pat Carey, told us it was planned that the new centralised medical corps would be established prior to the end of the year. In his response today, the Minister was not as definitive as that with regard to when the corps will be established. It seems the date is moving back. In essence, many processes are under consideration at present and some have been put in place to some degree. Is there any improvement, even at this stage, in the provision of medical services within the Defence Forces? Realistically, when does the Minister consider that we will see major and worthwhile improvements to a situation described in the not too distant past as being a shambles?

**Deputy Tony Killeen:** The agreement reached at steering group level is an important development. It is very hard to ascribe a timeframe in a situation such as this where a steering group and various sub-groups are reporting. However, the fact that it has approved a high-level organisation unit to include a line officer at the level of colonel is very important because it is central to delivering on many other concerns. The introduction of an annual medical for all Defence Forces personnel must be welcomed because one would have thought this was the case already. With regard to a peer review group and access to best practice, the links being established with the HSE, the Royal College of Surgeons in Ireland and other bodies must be a positive move. However, I understand the frustration, if that is the right term, of Deputy O'Shea about the fact that many recommendations which appear to be required in common sense seem to take a bit longer to implement than one would hope. I will try to encourage as much progress as quickly as possible in this regard.

### **Defence Forces Strength.**

55. **Deputy Paul Connaughton** asked the Minister for Defence the outcome of the review with the military authorities into structures and posts required to meet the operational requirements of the Defence Forces in view of the decision to maintain a complement of 10,000 personnel, which was due to be completed in March 2010; if the Department of Finance has sanctioned the outcome as produced by the review; the timescale for the implementation of the review; the nature of cost implications from the review and its implementations; and if he will make a statement on the matter. [15658/10]

**Deputy Tony Killeen:** Within the available resources, the Government is committed to maintaining the strength of the Permanent Defence Force at a level of 10,000 all ranks, for which Government approval has been secured in the context of budget 2010. This reflects the reductions in personnel recommended in the report of the special group on public service numbers and expenditure programmes.

I am advised by the military authorities that the strength of the Permanent Defence Force as at 31 March 2010, the latest date for which figures are available, was 9,877 and I have already provided the details of those figures.

The now approved strength of the Permanent Defence Force at 10,000 represents a reduction of 500 over the previous approved strength. Officials from the Department are continuing to

[Deputy Tony Killeen.]

engage with the military authorities on a review of structures and posts required to meet the operational requirements of the Defence Forces in light of the Government decision to maintain a complement of 10,000 personnel. This review is expected to be completed before the end of next month. Following on from this review, discussions will commence with the Department of Finance to agree an overall structure for the Defence Forces, which is sustainable within a figure of 10,000 serving personnel in the Permanent Defence Force.

Since the review is not yet completed it is not possible to comment on the nature of cost implications resulting from it and its implementation. I am glad to say that while these are challenging times, the Defence Forces have risen to the challenge and are organised, equipped and staffed in a manner which will ensure that they can continue to deliver the services required of them by Government. I am advised that at this time the Defence Forces retain the capacity to undertake the tasks laid down by Government both at home and overseas.

**Deputy Jimmy Deenihan:** How many ranks remain unfilled at the moment? How many officers are acting up? Would he agree with me that if ranks remain unfilled it affects the entire operational capacity of the Defence Forces and could affect their day-to-day running? Some feedback I am getting indicates that if the promotions fail to take place in the near future it will add to frustration and lead to a drain from the forces. With the numbers reduced to 10,000 it is reasonable to expect that all posts within that structure should be filled as soon as possible when it is agreed. How will the moratorium affect promotions in the Defence Forces and the filling of vacancies? Will that not be considered when the new structures are agreed? Will the moratorium affect promotions where vacancies already exist and where people have been more or less informed that they will be placed in certain positions? How will the moratorium affect that? When will these vacancies be filled? Will the moratorium affect the filling of these vacancies or promotions?

We have a new Minister for Defence. When can we expect him to announce a new Chief of Staff?

**Deputy Tony Killeen:** I do not have information on the final question at this point. However, I will inform the Deputies as soon as that information becomes available.

To the best of my recollection there are approximately 100 people in acting-up posts and perhaps approximately 50 promotions to address parity, operational and command requirements. If that is incorrect I will come back to the Deputy in that regard. As I explained in the original reply, there are ongoing discussions with the Department of Finance on the implications of the issues the Deputy raised on people acting up at various levels and the filling of command positions at various levels, which need to be addressed in the context of the operational capacity of the Defence Forces in any event. That is progressing and I would hope the matter would be addressed in the very near future.

**Deputy Brian O'Shea:** This is a fundamental question. Obviously with a review of structures against a background of a reduction of 500 in personnel complement it means that some posts will be suppressed or not filled, which will have an impact on promotions. Will the completion of the review have a bearing on the date for the announcement of recruitment into the armed forces generally? While we are considering the structures at a higher level, obviously there are adjustments at a lower level. Until all that is clear, is there a possibility that this will unduly delay the recruitment process?

**Deputy Tony Killeen:** I expect the review will be completed by the end of May, which is not a very long time away. An overall structure then needs to be agreed with the Department of

Finance. The Deputy is correct that that could have implications for the kind of recruitment that would be undertaken. If that were to be a long drawn out process I would be unhappy if the impact were to delay ordinary recruitment, particularly if as we go along, as I am finding already, there are areas where recruitment is becoming quite urgent and needs to be addressed. In an ideal world I would like to do the two in parallel or close together, but that may not be possible. The recruitment imperative might drive that as the priority.

### **Irish Red Cross Society.**

56. **Deputy Michael Noonan** asked the Minister for Defence his plans to nominate a new chairperson for the Irish Red Cross; and if he will make a statement on the matter. [15704/10]

67. **Deputy John O'Mahony** asked the Minister for Defence his views on whether there should be an independent investigation into the governance and management of the Irish Red Cross in view of the recent negative publicity surrounding the organisation; and if he will make a statement on the matter. [15709/10]

70. **Deputy Tom Sheahan** asked the Minister for Defence his views on the recent internal governance review of the Irish Red Cross; his further views on whether this review goes far enough in terms of addressing concerns relating to the governance and management of that organisation; the outcome of recent discussions between officers of his Department and the Irish Red Cross; and if he will make a statement on the matter. [15716/10]

87. **Deputy Thomas P. Broughan** asked the Minister for Defence the discussions that have taken place between his officials and the Irish Red Cross regarding the recent internal governance review of the Irish Red Cross; and the action he proposes to take arising from these discussions. [15607/10]

96. **Deputy Thomas P. Broughan** asked the Minister for Defence his plans to nominate a new chairperson for the Irish Red Cross. [15606/10]

**Deputy Tony Killeen:** I propose to take Questions Nos. 56, 67, 70, 87, and 96 together.

The Irish Red Cross Society is an autonomous body, established by the Irish Red Cross Society Order 1939 pursuant to the Red Cross Act 1938. The society is an independent charitable organisation with full powers to manage and administer its affairs through its governing body, the central council. Membership of the central council is by way of appointment by the Government or by election in accordance with the rules of the society.

In accordance with Article 9 of the Irish Red Cross Society Order 1939, the chairman of the Irish Red Cross Society shall be a member of the central council and shall be nominated by the president of the society. The Red Cross Act 1944 provides that the President of Ireland shall by virtue of her office be president of the society. I am following up on the good work of my predecessor in ascertaining a suitable candidate to be proposed by Government to the President, for appointment to the post of chairman of the society. In the interim, the vice chair of the society acts in lieu of the chair.

The society has been subject to some adverse publicity in recent times but this fact does not fully reflect the true standing of the society and its international governing body in the eyes of the public. It is important for the morale of its volunteers that the society's unique position be properly recognised and that change, as appropriate, be effected.

As independence from Government is one of the fundamental principles under which the Red Cross conducts its business, it would be inappropriate for me to comment on the question of an independent investigation into the governance and management of the Irish Red Cross

[Deputy Tony Killeen.]

Society. National societies, while auxiliaries in the humanitarian services of their Government and subject to the laws of their respective countries, must always maintain their autonomy so that they may be able at all times to act in accordance with the principles of the International Red Cross movement. I am anxious to ensure that all my dealings with the society continue to be conducted in accordance with the society's basic principle of independence from Government.

The working group, which was established by the society to propose changes in governance, forwarded its findings and recommendations to the Minister for Defence in January 2010. Officials in the Department have commenced dialogue on the contents of the report with officials in the Departments of the Taoiseach and Foreign Affairs, and the Irish Red Cross Society. When the consultative process is concluded, I will bring before Government any statutory changes deemed necessary.

**Deputy Jimmy Deenihan:** Obviously there have been ongoing problems with the Irish Red Cross Society for a number of years and it is important that the Minister addresses the matter. Whereas he wants to keep at arms length from the organisation, the laws passed by this House give him the authority to get involved. This issue has been festering. I met the acting secretary general and the chairman of the Irish Red Cross Society some time ago. Like Deputy O'Shea I have been receiving letters from members of the Irish Red Cross Society. A recent blog on Saturday, 17 April again reflected that rumours of serious industrial relations unrest at the society intensify. Matters seem to be getting worse and not better in the Irish Red Cross Society. While I am not taking any sides, those issues need to be addressed because the Red Cross is a very important and closely knit organisation. The wrong message is going out to people throughout the world as regards what is happening in Ireland. When we see people with the reputation of Mr. David Andrews and the highly regarded civil servant Mr. John Roycroft resign before their time, this obviously raises questions.

That blog laid out a challenge to the Minister, in regard to whose role it states:

If, however, the Minister does not indicate in the near future his intentions, it can only be assumed that he plans to follow the example of his predecessor and put his head firmly and deeply in the sand. The former Minister for Defence, Willie O'Dea, not only refused to do anything to address the problems in an organisation his Department contributes nearly €1 million to annually, he actually exacerbated them by reappointing members to the Red Cross board who were there for years beforehand.

This is to lay down a challenge to the Minister. Given that he is contributing €1 million from his budget and by statute he is entitled to become involved in the governance of the Irish Red Cross, he should act.

Enough money has been spent on consultancy fees in examining the Irish Red Cross. We know there is a problem. What is needed as soon as possible is new legislation and the setting up of a new structure for the governance of the Irish Red Cross, as well as the definition of the composition of the Government body and the central executive, which is too big and unwieldy at present.

Will the Minister give a commitment that it is his intention to bring legislation before the House? We will give him every possible help with it in order to reform the Irish Red Cross and ensure that the current problems are addressed. When does the Minister intend to appoint a new chairman, which is important? I know the Minister will act prudently in the appointment of that person and will appoint somebody with an international reputation with vast experience

not only in this country in the context of providing Irish Red Cross services, but also internationally. Such people are available.

**Deputy Tony Killeen:** In his early sentences, Deputy Deenihan outlined the difficulty, namely, how to address a problem while at the same time staying at arm's length and remaining within the provisions of the law, which is a somewhat tricky assignment. I would be very concerned if the view were the one that has been expressed to him, namely, that matters are getting worse, which would be most unwelcome.

My understanding is that there is no provision in the establishment order for me, as Minister, to intervene directly in the day-to-day running of the organisation. There is perhaps a grey area in that regard and Deputy Deenihan has suggested there may be a requirement for legislative change. This is an issue I have not considered but, in view of what the Deputy has said, I will consider it.

**Deputy Jimmy Deenihan:** The Department gave €1 million.

**Deputy Tony Killeen:** That is a substantial consideration in the current economic climate. I presume the quote read out the Deputy is a personal view of a person whom I do not know—

**Deputy Jimmy Deenihan:** Absolutely. It is from a blog.

**Deputy Tony Killeen:** —and with whom I would strongly disagree. I have had an opportunity to examine the record of the previous Minister, Deputy Willie O'Dea, in this regard. Frankly, I do not believe I could have done any better, considering the issues he was trying to address and the constraints he was forced to operate within.

**Deputy Jimmy Deenihan:** The Minister will have to do better.

**Deputy Tony Killeen:** With regard to the question of the chair, it was not a matter that had been abandoned. Considerable work had been done by Deputy O'Dea in many areas regarding this issue, and I will not go back to the start but will benefit from that work.

On all sides of the House, we agree that the International Red Cross and, by extension, the Irish Red Cross has a particularly positive standing and has enormous potential which it has realised almost all of the time, notwithstanding the difficulties it has faced. In so far as we can facilitate or help to ensure that this continues to be the case, it is incumbent on all of us, particularly on myself, as Minister, to try to get to that point.

**Deputy Brian O'Shea:** There is a basic issue in this regard. The fact the State has any major role in terms of the Irish Red Cross relates to the fact the relevant statutory instruments come from the period just before the Second World War, when there was the threat of invasion, bombing and mass casualties. My view is that the role of the State should be reduced. However, in the context of what the Minister has to deal with, where he can make a positive input into the future of the organisation is in regard to governance as per the legislation which he may or may not feel is appropriate.

I realise this is all new to the Minister and that he has inherited this issue. I absolutely share his view that the Irish Red Cross is a very important organisation and there needs to be an end to all of the current adverse publicity. I ask that the Minister would consider the idea of the organisation being much more independent of Government, that he would consider a modern governance structure and, most of all, that the issue be dealt with rapidly so this very important national organisation, which has done a great deal of good, can get on with its primary work,

[Deputy Brian O'Shea.]

serve the community and be involved in important projects abroad. This would ensure a period of negativity is brought to an end.

**Deputy Tony Killeen:** I welcome the comments by Deputies O'Shea and Deenihan and agree with both in many respects. Ultimately, the logic of what Deputy O'Shea said in regard to State involvement cannot be argued against. That is a direction that may or may not be possible within the legal parameters that are currently in place under that Act, which, as the Deputy says, dates from a particular era and reflects that fact. Notwithstanding this, the need for a modern governance structure is probably a matter of considerable urgency and how that can be achieved is an issue on which we will have future engagement. I welcome the support of the Deputies and also the goodwill in society, which is reflected in both Houses, towards the International Red Cross and the Irish Red Cross.

*Written Answers follow Adjournment Debate.*

### **Adjournment Debate Matters.**

**An Ceann Comhairle:** I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 21 and the name of the member in each case: (1) Deputy Terence Flanagan — the need for the Minister for Finance to protect homeowners because of the property slump in Ireland; (2) Deputy David Stanton — the need to make provision for 1,863 additional second level students in the Midleton area of County Cork by 2020; (3) Deputy Joe Costello — the plans for protecting the national monument at Moore Street, Dublin 1; and (4) Deputy Kieran O'Donnell — the implementation of the first phase of the Limerick regeneration plan.

The matters raised by Deputies Terence Flanagan, Joe Costello, Kieran O'Donnell and David Stanton have been selected for discussion.

### **Central Bank Reform Bill 2010: Second Stage (Resumed).**

The following motion was moved by the Minister for Finance, Deputy Brian Lenihan, on Tuesday, 20 April 2010:

That the Bill be now read a Second Time.

Debate resumed on amendment No. 1:

To delete all words after "That" and substitute the following:

"Dáil Éireann declines to give the Central Bank Reform Bill 2010 a Second Reading because:

I. It has not been rooted in any proper investigation of what has gone wrong, nor any serious attempt to make key players accountable for the errors committed, both of which are necessary to determine whether this Bill is an appropriate response.

II. It infers that the most urgent reform is to change the architecture of the existing regulatory bodies, when there is no verifiable evidence that such architecture was in any significant way responsible for the shortcomings of the regulatory system.

III. It preserves the system of appointment of directors to the new Central Bank Commission exclusively to Government with no proper scrutiny by the Oireachtas or any other external body.

IV. It does not give the new commission the necessary ‘bank resolution’ powers needed to put failed banks safely into a managed administration when that is the most appropriate policy outcome.”.

—(Deputy Richard Bruton.)

**Deputy Kieran O’Donnell:** To take up from where I left off, I want to deal specifically with the issue of the €1.5 million which has been transferred into a pension fund for Mr. Richie Boucher of Bank of Ireland. I have no doubt the Minister of State, Deputy Martin Mansergh, is as disgusted as every other citizen at what has happened.

There are two public interest directors on the board of Bank of Ireland, Mr. Joe Walsh and Mr. Tom Considine. What needs to be put on the record by the Minister for Finance, Deputy Brian Lenihan, is what discussions he has had with the public interest directors in respect of this employment contract being agreed between the board of Bank of Ireland and Mr. Boucher. It does not comply with the requirements under the Credit Institutions (Financial Support) Act 2008 and the scheme that stemmed from that, the recapitalising of AIB Bank and Bank of Ireland or the review by the Covered Institutions Remuneration Oversight Committee.

The Minister has the power under sections 47, 48 and 49 of the Credit Institutions (Financial Support) Act 2008 to write to the board of Bank of Ireland to direct it to reverse this decision. It is unfair and contrary to legal requirements.

When did the Minister for Finance first become aware of this and did he approve it? The review carried out by the remuneration oversight committee states it did not have a remuneration plan in respect of Bank of Ireland. Discussions were ongoing with the financial regulator and it made specific reference in its findings to pensions and the need for controls in the area. It did not regard the pension allowance of €123,000 that Mr. Boucher got as acceptable. It felt the pension schemes should be in line with those of normal employees. There is a shortfall in the pension fund for general employees in the Bank of Ireland, meaning that many of them will have to wait until they are 68 to retire, unlike Mr. Boucher, who is able to retire at 55.

Mr. Boucher was appointed as the new CEO of Bank of Ireland on 25 February 2009 and the report of the oversight committee was published two days later. I did not think he should have been appointed because new CEOs were needed. Mr. Elderfield and Mr. Honan have come in from the outside and have proved to be of great benefit to the financial institutions of the State.

When this happened I asked how much Mr. Boucher would be paid and we were told his remuneration covered pension entitlements. I was told, however, that no package had been negotiated with Mr. Boucher. I considered it unusual that a CEO would be appointed before the details of his employment contract were in place. Clearly this was rushed, for one reason or another.

I was told then Bank of Ireland would negotiate the contract on the basis of the Covered Institution Remuneration Oversight Committee’s findings. Its review clearly states that the pension cash allowance was a major problem and that there was a strong case for reviewing the pension arrangements that had been a feature of the remuneration of some senior executives in recent years. The committee said arrangements should be in line with normal pensions for ordinary bank staff. What happened? A package was put in place for Mr. Boucher that is completely at variance with all legislation and the Covered Institutions Remuneration Oversight Committee’s report to the Minister on 27 February 2009.

The Minister has the power to act. The Taoiseach claims the Government can do nothing about this but nothing could be further from the truth. Under section 48 of the Credit Institutions (Financial Support) Act 2008, the practical result of the financial guarantee, when the

[Deputy Kieran O'Donnell.]

Minister considers on the advice of the Covered Institutions Remuneration Oversight Committee that the covered institution has not complied with the requirements of the section, he may direct the covered institution to amend the remuneration plan so compliance is achieved. It was done for the non-executive director of AIB Bank so why is the same not being done with the Bank of Ireland? People are entitled to know. It is a fudge to say it is about a pension scheme. An employment contract was negotiated by Mr. Boucher and Bank of Ireland that completely ignored the legislation underpinning the guarantee scheme and the Covered Institutions Remuneration Oversight Committee.

The fitness and probity aspect of the Bill is welcome. It has been clearly acknowledged by the Government that it failed when the Central Bank was responsible for the promotion of the financial services industry and the IFSC. That was contrary to proper regulation. There is provision for "living wills" for banks, so bond holders instead of taxpayers will have to pick up the tab, with consumer protection being the responsibility of one body. Fine Gael opposed the plans for regulation and consumer protection in 2002 when the original legislation was introduced.

The CEO of the Irish stock exchange appeared before an Oireachtas committee recently and she stated contracts for difference should have the same disclosure requirements as any other share dealings. If that measure had been in place in recent years, no one person would have been able to build up a 25% stake in Anglo Irish Bank under the cover of contracts for difference.

We must have proper regulation. We have tabled an amendment that simply calls for proper investigation, consistent with what we said when the Central Bank Bill was introduced in 2002, so we can see what is needed. This Bill attempts to change the financial architecture but that might be unnecessary. There should be a proper oversight process within the Oireachtas for appointments to the Central Bank commission, its board and every other office. The new commission should have banking resolution powers to deal with that issue.

The credit union movement has been great, it has not had the same problems as the banking system. On Committee Stage we must ensure it can continue to function in a prudent way. It is not in the same situation as the banks. The reckless lending of the banks has led to taxpayers picking up the tab, many of them holders of credit union accounts. Many small businesses would have gone out of business without the support of the credit union movement when the banks have let them down.

**Deputy Seán Fleming:** I welcome the opportunity to speak on the Central Bank Reform Bill 2010.

I want to deal with the specifics of the legislation and then outline the further measures that will be needed to regulate Irish banks beyond the contents of the legislation. After that I will deal with Bank of Ireland and Anglo Irish Bank. We are here today because of institutions like them. This legislation is the first of a three-stage legislative process to create a fully integrated structure for financial regulation. It will provide the statutory basis for the new structure which will replace the Central Bank and the Irish Financial Services Regulatory Authority. The second Bill, to be introduced later in the year, will enhance the powers and functions of the restructured Central Bank in regard to prudential supervision of individual financial institutions, the conduct of business, including consumer interest, and the overall stability of the financial system. In due course, there will be consolidating legislation to bring everything together into one piece of legislation.

Certain specific aspects of this Bill are very complex and difficult to follow because substantial amendment to existing legislation is involved. However, the principles are straightforward.

The purpose is to change and give effect to structured changes in the Central Bank and financial regulatory authority in Ireland. This will involve the creation of a Central Bank commission, the dissolution of the Irish Financial Services Regulatory Authority, the establishment of a new management structure within the bank and the introduction of new accountability measures, in particular, enhanced accountability to the Oireachtas. In addition, the Comptroller and Auditor General will carry out the annual audit.

Regarding some of those provisions, sections 7 to 12 set out the continuity provisions to enable the Central Bank carry out various activities it will inherit from the previous regulatory structure. I wish to speak on that issue. Some of these will include superannuation and pension payments that may exist under the current arrangements. I believe every Member accepts — I know few people who can disagree — that the former Financial Regulator, Patrick Neary, and John Hurley, former Governor of the Central Bank, did not do the job they were paid to do by the State. Many people strenuously object to what has been going on not only in the past week but for months. These two men walked out of top-paying public service jobs with considerably enhanced pensions and lump sum payments as a reward for not doing their jobs.

I have a straightforward view on Mr. Neary's term in office. I do not know much about his history but he was probably a distinguished civil servant over many years and, as such, would have contributed to his pension and would therefore be entitled to it. In respect of the period during which he was Financial Regulator, however, he did not do his job. I maintain he was in fundamental breach of his contract and there should be no pension entitlements payable to Mr. Neary, today, tomorrow or at any time in the future, in respect of a contract he did not fulfil. I do not say the man should be stripped of his pension for all his years of public service but he should get no pension in respect of the years during which he did not carry out the function for which he was employed as Financial Regulator. The same should apply to Mr. Hurley. The most charitable statement that can be made about both men is that they were asleep at the wheel during the course of their tenure in their respective offices.

I get worried when I hear about continuity provisions because I have a genuine fear that in 20 years' time Members of the Oireachtas will be discussing these provisions in regard to the Irish Financial Services Regulatory Authority. While we are setting up the new legislation and transferring the new powers inevitably some item or other will be left hanging and even though we have the authority to close it down it will be deemed right to keep it open for some administrative, operative or legal reason. When the new legislation is passed I want to see, within a defined period, perhaps six months, that every item concerning the current Irish Financial Services Regulatory Authority is closed down, absolutely. IFRSA should cease to exist, not have a bank account or an administrator or anybody doing anything for it on an agency basis. There should no longer be even a brass plate on the door. People might think it strange for me to say this but in Ireland we have a history regarding structures we think we have closed down that instead we let run forever. I wish to highlight this matter although I may have mentioned it before.

The PMPA insurance company collapsed in 1983. Under administration it continued to trade until 14 July 1989 on which date its ongoing business was sold to Guardian Royal Exchange for £110 million. From that date the company ceased writing new business as PMPA and began to wind up its affairs. It changed its name to Primor plc to reflect its new business and continued under administration. Current legal advice to the Department of Finance, which I received last year when I made an inquiry, is that the company is required to remain in business until July 2011. After it collapsed, therefore, the PMPA was kept operational, writing business for six years after which it stopped and began to wind up its business. However, in 2011 it will have taken 22 years plus the original six years — a total of 28 years — to wind down the old PMPA company.

[Deputy Seán Fleming.]

I have a vision that the same might happen in the case of IFRSA. I would not like to see any remnants of that body around in 28 months, never mind 28 years. I will be told that insurance is different but somebody may come along in 28 years' time and say that IFRSA was different too. I want an absolute guarantee during the passage of this legislation that every vestige of the old company will be wound down.

Regarding the actual legislation, it is intended to create the Central Bank commission, to be chaired by the Governor of the Central Bank, and the Irish Financial Services Regulatory Authority is to be dissolved. I sincerely want it to be dissolved not merely for there to be a provision to dissolve it. Most of its existing functions will be merged into the new structure. The functions of the consumer director, with regard to the promotion of the interests of consumers through the provision of information and the development of financial education and capability, are to be assigned to the National Consumer Agency. That is fine and I do not believe people have any problem with consumer issues being dealt with through that agency.

Within the new structure the positions of head of the Central Bank and head of financial regulation will be given a statutory basis and the officeholders will be *ex officio* members of the Central Bank commission. The remaining members of that commission will be appointed by the Minister for Finance. Details of the appointment procedures will be dealt with publicly and transparently in due course.

That legislation is important and we need it. It is important for all the reasons the Minister mentioned and I concur with them. However, I am trying to take a longer term view, beyond this or next year. Essentially, there will be two main banks in Ireland and one regulator. We must look forward. The scale of the banks in regard to the Irish economy means that both are too big. Duopoly may be the word for this. Only today we heard that the ESB has been told to reduce its business in Ireland below a certain level of activity. If a supermarket has 35% of business share we are told it is too big and therefore not in the consumer's interest. We are engineering a situation whereby the two main banks will have an absolute stranglehold on almost all domestic banking activities. I do not refer to the foreign banks in the financial services sector.

I do not take from the new regulator, the Governor of the Central Bank or the Department of Finance but in my view the scale of these banks will be too big for us to handle or regulate. It is important to remember that when the banks submitted their business plans to the EU it was able to insist on some changes to these plans before it would allow them. It stipulated to what degree they would have to divest some of their current activities in order to bring them back to their core activities. I believe EU regulation of banks will be required across Europe because individual regulators in the different countries will not have the power, strength or ability to carry out regulation on a country-by-country basis.

These factors are all being examined. We are aware of the Greek example. Many countries of the EU are in the euro area. Because there is a single currency and central banks across Europe print currency for each country in the euro area in due course it would be logical to move to having EU regulation of banking, with less individual regulation. There may be inconsistencies in approach, with some countries doing a good job and others being overly diligent, leading to a mixed bag. The basic principle is the Irish banks will be almost too big relative to the size of the economy. If the banks do something wrong we will not be able to close down the banks or the country will collapse. They have size on their side no matter what mistakes they make.

An example has been referred to at length here and I support much of what has been said with reference to Bank of Ireland and Mr. Boucher's pension fund top-up. I do not think it is

right and although somebody may have legal advice to back up the action, it is still not correct. Legal advice is still just advice and every time a person goes to court there are two sets of legal advice, neither of which is always right. We are being told this is part of Mr. Boucher's contractual arrangements and former CEOs were required to retire at 55 from the bank. There is no reason he had to sign a similar agreement, although those were the arrangements in place for former CEOs.

Will the pension for every other staff member in the bank be fully funded to the extent that Mr. Boucher's will be? If not, it is extraordinary that the senior people in the bank, including Mr. Boucher, will look after their own pension funds when the same does not apply to other staff members. It effectively comes down to the captain of a ship looking after his own lifeboat. I and most other people will see it as such. It is not satisfactory and I reject the notion that the Government cannot take action.

We have heard much about the salary cap for chief executives and other executives in banks, along with a cap on bonuses, but that is only part of the picture. Remuneration includes pensions, company cars and perhaps chauffeurs, as well as many other benefits. We might hear at some stage that dividends are being paid through a subsidiary or associated company of the bank; we would be told dividends are not part of a salary and it is a different issue. A company in Ireland or an offshore company could be used to that effect. I reject the narrow interpretation of the cap applying to salaries and bonuses.

I also reject the argument that it is not the function of the Government to deal with the matter. We are putting money into the banks and this issue is in the public interest. The Government, on behalf of the Irish public, has a duty, and the remuneration committee of the board should be called in to explain the position, either to the public interest directors or directly to the Minister for Finance. This issue affects the majority of Irish people, who are very sore because of the current financial position. People are feathering their own nests, which is not satisfactory.

One of the principal reasons we are here is the mess Anglo Irish Bank made of its affairs, the banking industry, the Irish economy and Irish reputation across the world. It is not a bank and is long past needing life support; it is a dead duck. Most of the decisions made regarding Anglo Irish Bank in the past 18 or 20 months have been based on bad information. We were relying on the former regulator, Mr. Neary, former Central Bank Governor, John Hurley, and other such people. Now they are gone, we know the quality of work they were doing. They were not working at all. If they were the people providing advice, it is no wonder such poor advice was given.

Every time we speak about Anglo Irish Bank, the figures get worse, and they will deteriorate further with more disclosures in a few months. I suspect we have been only given details of the known losses from property transactions that will go to NAMA but I am sure Anglo Irish Bank has many other bad loans on its book not connected to property. As the exercise proceeds, the cost of closing the bank is getting closer to the cost of keeping it open. We have agreed to put €22 billion into the bank but it will not stop at that. Events in recent weeks show further exposures that will cost billions across the Irish economy.

The auditors of these major organisations should have been more careful, particularly with banks which had buccaneer chief executives and chairmen. These people may have built up the company from nothing and be the owners or in the case of Sean FitzPatrick or Michael Fingleton, built up a small bank, but they were lord and master of the entire operation. These people had absolute control, and every auditor knows this shows a much greater risk to the financial security of the organisation. There are common features in all the companies which have seen the biggest disasters in recent times.

[Deputy Seán Fleming.]

People said when we provided the bank guarantee that Anglo Irish Bank was of systemic value to the Irish economy, and had we closed it down there would have been a systemic shock. At best that was a subjective opinion. I have never accepted that point, although some people do, and I have never seen figures to back it up. It is not of systemic value to the Irish economy now and 50% of the business is going to NAMA, with the balance of activity in loan collection. Nobody can argue for its systemic value at this stage.

I agree with the people who argue that Anglo Irish Bank should not be wound up quickly. I do not know who has called for it to be wound up quickly. There should be an orderly winding down of the business. People may argue that a quick loss would lead to a fire sale but nobody in a position of responsibility has ever argued that there should be a fire sale and a quick wind-up. Given that 50% of Anglo Irish Bank is already on its way to NAMA, 100% of the bank should be transferred to the agency.

We have great confidence in NAMA and we see it has the best people to manage the billions of euro in loans from all the Irish banks. There is no better organisation to manage an orderly winding down over the next ten years or so. The Oireachtas has put more confidence in NAMA than in the boards of any of the existing banks. It would be almost a logical extension of NAMA, given that some of the rest of the associations of Anglo Irish Bank is also connected to property loans. I have confidence in NAMA but none in Anglo Irish Bank. It would be logical to transfer the bank to NAMA in its entirety, with a view to NAMA managing its business in an orderly winding down.

This leads us to Sean FitzPatrick, the former chairman, who owes more than €70 million to the Irish taxpayer because we now own Anglo Irish Bank. I find it offensive that he is even considering a legal scheme in an arrangement with his creditors which would involve the Irish taxpayer, through Anglo Irish Bank, making some reduction on the money he owes to the bank. This is a point of principle and there should be consequences for his reckless action. I am reminded that Judge Peter Kelly ordered gardaí to break down the door of a man's house in Cork recently to bring that person to court because of an unpaid €28 million loan. The same should happen to Mr. FitzPatrick. The man owes a civil debt and Anglo Irish Bank should go after it the same way that Judge Kelly ordered the front door of a man's house be knocked down in order to bring him to court to answer for his unpaid bill.

People must vacate their houses when they owe money to banks and there is no reason we cannot follow Mr. FitzPatrick for his civil debt. This is not tied to a criminal or other investigation and the current Anglo Irish Bank management should be sacked if it does not proceed with the action. It is a civil debt and the taxpayer has been left carrying the can. The taxpayer would be better to take charge of whatever assets can be used; the value of the assets could be worked out by the taxpayer rather than allowing Mr. FitzPatrick the opportunity to work out the value of his remaining assets at a profit to himself and a loss to the Irish taxpayer.

Much more could be said about this but I am out of time. I am sure we will have further discussions on the matters during the course of the year. I welcome the Bill as important legislation which corrects and improves the Central Bank and financial regulatory system in Ireland.

**Deputy Lucinda Creighton:** I am pleased to have an opportunity to speak on this important legislation, namely, the Central Bank Reform Bill 2010. Clearly, this legislation is badly needed and were one to comb the nation's highways and byways, it would be difficult to find anyone who does not share the view that our banking and financial systems, and probably our political system, are in dire need of reform. Consequently, this Bill constitutes an important first step. I believe the public is disillusioned and distrustful and is utterly dubious about all financial and

regulatory institutions within this State and consequently, reform is badly needed. A robust, credible and rigorous system must be developed that will prevent any recurrence of the type of Russian roulette-style banking and financial practices that literally have brought this country to its knees. While a new system of regulation undoubtedly is required, the question is whether the legislation proposed by the Government is the solution and this requires some consideration.

Objectively, it is highly difficult to place one's faith and confidence in any system proposed by a Government that itself is utterly discredited. It is even more difficult to place one's faith in proposals to reform a system that has not undergone meaningful scrutiny or any form of public investigation. This is quite extraordinary and unique, given the scale of dramatic financial collapse witnessed in this country. We are starting from a point at which there are no definitive answers to the questions as to what went wrong, the reason it went wrong or who was responsible. Without answers to these questions, it is difficult to prescribe a solution or panacea to the serious ailments within the banking sector and the wider economy. One cannot credibly apply a sticking plaster to a failed system and simply move on without any self-analysis, serious investigation or self-examination. The ordinary citizens and taxpayers seek root and branch reform and real change to the entire culture and to all the failed practices and procedures within the banking system. They simply will not accept superficial solutions but desire real change. They do not wish to ever see a repeat of the reckless practices that have destroyed our banks and economy with effects and ramifications that no one in this Chamber can quantify. Moreover, I do not believe that any of the so-called experts who comment via the media or in academic circles can quantify it either. While the gravity of the situation is profound, I am not convinced that any meaningful solutions are available.

In order to achieve the type of reform that people expect and deserve, the Government must undertake a series of measures, some of which have been proposed by my party's finance spokesman, Deputy Bruton in recent months and specifically in the Chamber yesterday. First, I acknowledge this point has been played out in the media and that the Opposition parties have repeatedly called for it but it is time for the Government to listen to the Opposition. There is a need to conduct a special inquiry into the financial collapse of this country, as was instigated by the Icelandic Government. The Minister for Finance, Deputy Brian Lenihan, and other Ministers may be heard pronouncing on an almost daily basis that our international reputation is by far the most important asset the country can have. Moreover, one is repeatedly reminded of the need for a positive response on the part of international markets. While I do not disagree with this, if we are to instil confidence in international markets or to restore credibility among our international peers, we must be transparent. We must prove our readiness to take the necessary steps to identify clearly what went wrong and to prescribe a solution in order to ensure recovery and to prevent a repeat of the type of practices that got us into the mess in the first place.

When one considers the model that was pursued by the Icelandic Government, it is almost a no-brainer as it is so straightforward and obvious. However, Ireland has failed to follow suit. The committee of inquiry that was established in Iceland had wide-ranging powers, including the power to search premises and to seize property evidence to complete a thorough investigation. After almost two years of investigations and a detailed inquiry involving hundreds of witnesses and lengthy hearings, the commission has reached a point at which there are likely to be prosecutions and clear findings have been made that implicate the government, the finance minister and the regulator. I wonder whether this is the nub of the issue. Is the issue that prevents the Government in Ireland from pursuing a similar course of action the simple naked fact that the Minister of State and his colleagues are aware that the Government also would be fingered? It would be identified as having been party to, complicit in or turning a blind eye

[Deputy Lucinda Creighton.]

towards this issue. It would be identified as having played an extremely detrimental role in the Irish economy and banking sector in recent years and would be found to have facilitated the economic collapse that, as I stated earlier, has the country on its knees.

I do not believe this is a good enough reason. While this may require a change of Government, the present Government must begin to introduce some degree of accountability. This is badly needed from the perspective of vindication and of ordinary taxpayers being entitled to know what went on and what went wrong. However, this also is badly needed as a means to gather the intelligence and information that will be required to effect meaningful reform of the financial and banking sectors in Ireland. An inquiry in Ireland that was similar to the Icelandic inquiry could answer many of the questions that remain unanswered such as what went wrong, the reason it went wrong and who was responsible. This is necessary information and is not a luxury. It is not a question of finger-pointing but constitutes necessary information that is required to ensure a comprehensive redesign of the financial regulatory system in Ireland. This is essential and the Minister of State should convey the need for such an approach to be adopted by the Government to the Minister for Finance. This need should be taken into account in any new regulatory environment. Introducing legislation that simply focuses on reform of the regulatory institutions, the Central Bank and so on is all very well, but accompanying reform in the political system is required. It must be built into the larger system of reform that is necessary.

There is a risk that the old regulatory system will be blamed exclusively without any focus on the political decision making mechanisms that were in place. They need to be scrutinised and changed. If we focus on the regulatory system in the financial sphere, we could risk ignoring 50% of the cause. This would set a dangerous precedent in beginning the reform process.

While it cannot be proven, since there have been no inquiries, it is fair to assume on the basis of anecdotal evidence and what is known to Opposition Members and the public that there was a degree of joint culpability between the regulator and the Minister, the Department or the Government collectively. As far back as 2006, both the regulator and one can only assume the Minister for Finance were well aware of the problems in the property market, yet they did nothing. This is a clear example of joint culpability. The advice made available to the Government during the so-called boom years in the run up to the financial crisis should be published and subject to an inquiry. If the Government is not prepared to initiate the public inquiry demanded by Fine Gael and other parties, it should publish the briefing documents, correspondence with the banks and so on in the interests of transparency and accountability. It is not acceptable that, almost two years on from when our country was first declared to be technically in a recession, we are still in the dark. That neither we nor the public have access to this information is unbelievable. The documentation and correspondence relating to the short period preceding the creation of the bank guarantee scheme, the famous night in September, should be made available to Members of the Opposition and the public. It is essential that the Minister for Finance publish this information. Otherwise, the whole notion of reform, starting with a clean sheet and cleaning up the regulatory system is a farce.

The third matter that must be addressed by the Minister for Finance and the Government in the Bill is the mechanism for appointments to the board of the Central Bank. My colleague, Deputy O'Donnell, touched on this issue. Under the legislation, such appointments are to be made by open competition unless the Central Bank Commission believes doing so to be inappropriate. This is bizarre. No definitions or criteria are set out as to how the commission would conclude that an open competition was inappropriate. It is a vague section that is open to abuse. There is a potential for widespread abuse of the system, given a lack of clarity in its interpretation. There is also a potential for the continuation of the now familiar culture of jobs

for the boys. There should be transparency, open competition and independence in respect of these crucial appointments.

The European Central Bank has expressed major reservations and concerns at the breadth of power and influence wielded by the Minister for Finance over such key appointments. Up to eight members of the board will be appointed by him. Despite significant protestations, lobbying and attempts by the Opposition to influence the Minister in this matter over many months, if not years, there is no proposal to introduce a level of transparency via the Oireachtas. Once more, we are seeing the diminution of the powers and relevance of this House, this seat of Parliament, this bastion of democracy. It is completely ignored by the legislation.

As the Minister of State is aware, Fine Gael published a public appointments Bill last year. It would have allowed for hearings at Oireachtas committees for appointments not only to the Central Bank, but to all quangos and semi-State bodies. No body is so relevant and so badly crying out for transparency and additional democratic legitimacy as the Central Bank, yet there is no proposal in the legislation to allow for that. An Oireachtas committee should have oversight and its confirmation of board members of the Central Bank should be a requirement. This would be important from the point of view of accountability, transparency and — please do not underestimate this last — public confidence. The public has no confidence in the system or the Government's desire to clean it up.

Ours is not an outlandish proposal or a strange request. It is the case in other countries like the United States of America, a country with which we have a strong relationship. In our nearest neighbour, the United Kingdom, the Treasury Select Committee scrutinises and hears evidence on proposed appointments to the Bank of England. Let us take a leaf out of their book. This is international best practice. Let us try to follow in their footsteps. If we can improve and raise our standards by learning from other jurisdictions, let us do so. Why not? We have nothing to lose and everything to gain.

The challenge of dealing with failed financial institutions is an important matter. During the past two days in the House, there has been much heated discussion about Anglo Irish Bank and Irish Nationwide, but it is incredible that they are ignored in the Bill. As pointed out by Deputy Bruton yesterday, it is obvious that the Bill should provide for bank resolution powers to take failing banks into administration. It is a simple proposal that has been enacted in other jurisdictions. The failure to provide for it once again shows the Government's determination to expose taxpayers at every turn in order to protect risk investors and bondholders. That is highly unjust and extremely inequitable and it is also completely out of kilter with best practice in other jurisdictions. I hope that fact will be taken into account and that the Government will take action.

Everyone agrees that there is a desperate need to reform the banking and financial regulatory system. However, such reform should be informed and should be based on the facts that would emerge from a detailed and extensive public inquiry. I hope the Government will, in the spirit of co-operation and at such an important time in the country's history, take on board the points being advanced by the Fine Gael Party in respect of this matter.

**Minister of State at the Department of Finance (Deputy Martin Mansergh):** If a double dose of contributions from representatives from south Tipperary would not prove too much for the House, I wish to share time with Deputy Mattie McGrath.

**Acting Chairman (Deputy Joe Costello):** That is agreed.

**Deputy Joan Burton:** There must have been a truce.

**Deputy Martin Mansergh:** I welcome the Central Bank Reform Bill, which is a clear necessity in light of the events of the past two years in order that we might strengthen greatly the effectiveness of the regulation carried out by the Central Bank. In conjunction with related items of legislation that are to follow, this Bill forms part of an overall strategy to put Ireland back on its feet economically and to restore confidence. The Minister referred to a number of examples which show that there is confidence in this country's approach to its problems. That confidence has important implications in respect of both the ability to borrow and the cost of borrowing. For an indication of those implications, one need only consider the difficulties faced by Greece.

This is not the first item of legislation to deal with this subject during the past decade. I had just been appointed as my party's spokesperson on finance in the Seanad when what became the Central Bank and Financial Services Authority of Ireland Act 2003 was introduced. At that stage, the focus was on separating prudential regulation from the consumer interest. The Government of the day was criticised by the Opposition for not agreeing to a complete separation. As Deputy Rabbitte of the Labour Party stated, quite factually and correctly, at the time, the most basic protection sought by consumers was that the institutions to which they entrusted their funds should be financially sound and that the system should be fundamentally solid. During the debate on the 2003 Act, Deputy Rabbitte said: "We take that as read, just as we take as read that the Central Bank has a good record in prudential supervision." His contribution also contained references to Allfirst, Enron, Ansbacher and Tony Taylor. The possibility that mainstream Irish financial institutions could be at risk never occurred to anyone at that point.

Much of the debate on the Bill before the House has — like the remarks I have just made — been retrospective in nature. It is the duty of the Opposition to challenge, play devil's advocate and put forward alternatives. As is the case with historians, it is possible to argue endlessly and inconclusively about counterfactual hypotheses. One can never definitively indicate what would have happened if different courses of action had been pursued at particular times. Even when governments adopt opposition strategies wholesale, they still remain primarily responsible for the consequences of their decisions. In that context, it is the Government of the day which must measure the risks.

The different conspiracy theories being put forward are not credible. The crisis of confidence which had been building internationally was precipitated by the decision to allow Lehman Brothers to fail. When representing the country at the IMF conference in October 2008, I heard the US Treasury representative admit that the collapse of Lehman Brothers had precipitated the global financial crisis. What happened made smaller and weaker countries more vulnerable. We are asked to believe that allowing Anglo Irish Bank to fail would not have shaken the position of our other financial institutions. The decision to allow Lehman Brothers to collapse had a widespread effect on financial institutions in the US.

The Government has taken the view that it is vital to maintain credit, even if the flow thereof remains unsatisfactory. The current crisis has revealed woeful inadequacies and reckless irresponsibility on the part of some of those who held leadership positions in financial institutions. The autocratic-idiosyncratic style cannot be permitted to obtain in the future.

Apparently, the two most secure investments during the past 30 years were banks and property. However, both have recently suffered major setbacks.

In light of my background, I am somewhat bemused that the heavy hitters — there is no doubt that the public has been heavily hit — sometimes benchmarked their achievements against those of the old ascendancy. I doubt if much comfort will be derived from the fact that at least a handful of these individuals will go down in the annals of infamy alongside some of

the worst landlords of the ascendancy. In the days before democracy, star chambers or, as was the case in France when Louis XIV held the throne, *chambres de justice* made people disgorge information relating ill-gotten gains. However, we cannot employ such methods because ours is a written Constitution.

Have we learned lessons? I am not always so sure. Do we know how to say “No”? Property developers and similar individuals come forward with schemes which, according to them, will create hundreds of jobs but they ignore the entire question of sustainability. The banks, or at least some of their leading executives, etc., seem to continue to adopt a macho approach and show little humility or penitence in respect of the consequences of their previous actions.

As far as the investigations are concerned, the Opposition parties are seeking highly politicised explanations. I can easily understand the attractions of Iceland from that point of view. What are required, however, are much cooler appraisals of systemic failures.

I was disappointed by some of the more extreme charges levelled at the Taoiseach and others. How credible is it that a Minister or Taoiseach would seek to undermine this country or its people? Deputy Gilmore has a leftist party background and comes from a tradition that specialised in the virulent denunciation of political opponents. I would certainly be slow to use a word such as “treason” in a republic, but how would one describe wanting to subvert our parliamentary democracy by creating an irreversible socialist republic by revolutionary methods, having one’s party’s general secretary seek £1 million from the Communist Party of the former Soviet Union or forging currency in the basement of one’s party headquarters? That which I have outlined seems to have been a woeful misjudgment. However, Members on all sides of the House have at some point made fundamental mistakes of one kind or another. No side of the House has a monopoly on such mistakes.

As far as the charges relating to property incentives go, when he served as Minister for Finance, the Taoiseach, Deputy Cowen, tried to phase out many such incentives which then existed and resisted demands for the abolition of stamp duty.

The Government has done a good job of crisis management and has placed the country on the road to recovery by creating more robust institutions and introducing effective regulation. Competence and competitiveness are key to recovery, investment and jobs. There are few short-term fixes. We are ready to do whatever is necessary and that has included bigger nationalisations than ever carried out by any party opposite but not losing sight of the fact that we need to maintain and recover a mixed social market economy and get private enterprise back on its feet. Undoubtedly, there was far too much hubris and there is need for a strong State working in constructive partnership.

I note Fine Gael seeks two terms of single party government in a single Chamber Oireachtas without obvious input from the Labour Party. The people will decide in due course what it has done to merit that degree of trust. The Labour Party is claiming the office of Taoiseach by implication without earning it by becoming one of the two largest parties in a potential coalition. There are some precedents abroad for that but not good ones. I need only refer to Lloyd George and Ramsay MacDonald. Undoubtedly, we need practice of government and governance put on a new and more rigorous footing. Which parties are best able to implement that in government and will be chosen and entrusted to do so remains to be seen.

I would be interested in the IMF proposal published today to be submitted to the group of 20 for consideration and then, presumably later, to the whole EU and other bodies. That is certainly part of the agenda that must be considered.

**Deputy Mattie McGrath:** This Bill is of major importance to the House and I welcome its publication. The Central Bank Reform Bill is the last step in a series of measures the Govern-

[Deputy Mattie McGrath.]

ment has introduced to stabilise the economy and rescue the banking system from the brink of collapse. The Bill, which is complex in nature, will be introduced in three parts. It proposes to maintain the stability of our financial system, provide for the effective and efficient supervision of financial institutions and markets and to safeguard the interests of consumers and investors.

The causes of the current crisis have been subject to intense speculation and debate. However, we all agree regulation failure, or a lack of regulation, had a major role to play in bringing about our current difficulties. The former Financial Regulator, Mr. Neary, failed in his duties. He took his eye off the ball and let us all down. In fact, I would say he did not go to work at all and that his contract was not fulfilled. I would question his remuneration and payment for such a lack of work.

Barely a day goes by when another story does not appear in the press highlighting bad practices and immoral behaviour by former bankers. This week we learned about Irish Nationwide Building Society which was giving out 120% loans. That type of behaviour was crazy and criminal. It appears some of the extraordinary successes the banks experienced during the boom years were built on a house of cards and on quick sand. While I share the outrage and disgust of most people about what went on, I realise anger is not a policy and that we need to work out our future. The Bill is of major importance because it addresses the systematic failures which have brought us to this place. It addresses the inadequacies in our regulatory system, or our lack of any regulation.

The appointment of the independent expert, Professor Patrick Honohan, as Governor of the Central Bank and Mr. Matthew Elderfield as Financial Regulator demonstrates to the banks and the markets that the era of light touch regulation is well and truly over. The Central Bank will be responsible for the stability of the financial system, prudential regulation of financial institutions and the protection of consumer interests.

In his impressive performance before an Oireachtas committee on which I sat, the Financial Regulator, Mr. Elderfield, spoke about how new senior personnel would be vetted regarding their fitness for office before being appointed to key positions within our banks. However, I was a bit concerned to see some senior personnel from the old regulator's office accompany him to that meeting. He would need to apply this wish to his own new role as well. He has requested more staff and I hope he gets them as he needs them to do his work.

The Bill also ensures annual performance statements on regulatory performances which will be laid before the Houses of Oireachtas and will be subject to regular international peer reviews. This is a very welcome step. There is a commitment to openness and transparency and this is commendable.

I cannot understand how gentlemen like Mr. FitzPatrick and Mr. Fingleton and cabals of friends were allowed to do what they did, get us into this position and are now allowed to walk free. I fully appreciate that every man or woman is entitled to his or her freedom and the presumption of innocence of any charge, unless otherwise is proven. However, these people must be brought before the courts, made accountable and defend what I believe is the indefensible, but we should let the courts of law decide.

I speak on behalf of small and medium-sized businesses, which are on their knees. They are the backbone of this country but are not supported by the IDA, Enterprise Ireland or anybody else. The people who set up such businesses provide employment for themselves and their families and then go on to employ up to 20 people. These people are crippled with regulation.

I also speak in a voluntary capacity and refer to the amount of regulation implemented in recent years. I sit on a number of voluntary boards and to change a treasurer is almost a week's work. One must sign so many forms that one would think one was getting part of a bank. The

little people were crucified by regulation while the eye was completely taken off the ball in regard to the big people.

Another issue I have relates to the total lack of respect. I am not talking about the ordinary bank workers or officials but about senior bankers from middle management upwards. They show a lack of respect for public representatives, the general public, customers and, in some instances, the courts. Court dates are set to bring a customer to court. The customer feels he or she will have his or her day in court and will employ legal people to defend himself or herself and perhaps trade out of the difficulties but eight to ten days before the court date, the bank will appoint a receiver. That is outrageous behaviour.

My colleague mentioned landlords and the colonial system. Cromwell did not get away with that kind of behaviour, and we know what happened him. These people do what they like. We talk about tiger kidnappings, which are atrocious. However, I believe the tigers were in charge of the banks and kidnapped the public. They continue to hold us to ransom every day and it will take a significant sea change for them to get their paws off the backs of the ordinary people. It seems they have no intention of doing so, despite Government efforts, the Financial Regulator and so on.

A couple of weeks ago we heard about the increases in salaries in Anglo Irish Bank, which brought us to this mess. I did not see that bank on any high street in any town in my constituency. It was a bank for the rich which created cabals. Unfortunately, other banks followed it and allowed us all to get into this mess and it will take us generations to get out of it.

I have argued long and hard for a total clear out of the senior management and the boards in the banks. In recent days, I was appalled to see that the person who is the subject of this pension increase was a former employee. These people should have had their comeupance long ago and been removed.

The recent increases in salaries in Anglo Irish Bank, the pension top-up in Bank of Ireland and Mr. FitzPatrick's family member getting a loan subsequent to the guarantee scheme demonstrate that these people have total contempt for the Houses of the Oireachtas and for any sort of regulation. Common decency ended a long time ago in these institutions.

As I said, there are many decent people working in the banks but their jobs are in peril and they face the wrath of an angry public. I feel sympathy for those people. This situation is untenable and must be discontinued. Light touch regulation should not have existed. It did not apply to the ordinary customer, the ordinary working man or to community committees, or enablers as I call them, trying to better their communities. It did not apply to small business people who worked hard to build up a reputation with their banks and to gain overdraft facilities.

Although legislation is in place to provide that both the major banks must lend €3 billion annually, when will they do this? There is an old saying *tosach maith leath na hoibre* but they have not started at all. They produce false figures of loans given out. The loans have not been given out and the figures are wrong. Most people who contact their bank are not even given an appointment but are instead told to forget about trying to secure a loan or overdraft facility or paying their employees because the banks are in a perilous position. Those in charge of the banks informed the Joint Committee on Finance and the Public Service that they would look after the banks first once the National Asset Management Agency had been established. They were blatant about this. The banks are looking after themselves rather than members of the public.

As I stated, the tigers — I could describe them in much worse terms — are in the banks and we need to get them out. While I hope we will do this in a fair and reasonable manner, it must be done by whatever means. Members of the public are not happy and will not put up with

5 o'clock

[Deputy Mattie McGrath.]

blackguarding, cronyism and the rest of what is being done for much longer because they are at their wits' end. We must get the economy back on its feet and show the world the country is run in a decent manner rather than by the cabals which previously ran the financial institutions.

**Acting Chairman (Deputy Joe Costello):** As Deputy Morgan and I are sharing the next slot, I ask him to take the first ten minutes and indicate that he will share time with me.

**Deputy Arthur Morgan:** I thank the Minister and his officials——

**Acting Chairman (Deputy Joe Costello):** The Deputy should indicate that he is sharing time.

**Deputy Arthur Morgan:** I had better begin by thanking the Labour Party for sharing time. I propose to share time with Deputy Joe Costello.

**Acting Chairman (Deputy Joe Costello):** That is agreed by the House.

**Deputy Arthur Morgan:** I thank the Minister and his officials for the briefing they provided on the Bill. I have a problem with this legislation, although it is interesting. The legislation will take time to implement and will not be fully up and running until Christmas. Does this matter given that the Bill is academic? What counts is proper political accountability and oversight to ensure the various individuals in key positions are doing their jobs. The other critical element of the regulatory regime for the banking sector is the need to ensure these individuals are honest and accountable and possess a high degree of integrity.

I note that all the Fianna Fáil Party backbench Deputies who have spoken were critical of the former Financial Regulator, Mr. Patrick Neary, and a number of bankers who are no longer involved in the banks but did not criticise the bankers who are still in place. While they may have been critical in a general sense, they did not make specific criticism of the individuals running the banks. I wonder if an old boys' club is in operation or some form of convention is in place which prevents such criticism from being made.

To return to the critical issue of accountability, I believe bankers are not subject to any accountability. I will refer briefly to the example of Anglo Irish Bank, which is as good an example as any because there is not much difference between most of the banks. In December 2008, the Minister for Finance appointed two public interest directors, Mr. Frank Daly and Mr. Alan Dukes, to the board of Anglo Irish Bank. It is interesting to note how these two appointees performed in relation to their public interest responsibility. In February 2009, when Anglo Irish Bank published its accounts for 2008 we were all expecting them to reveal substantial losses at the bank. I was gobsmacked to learn that they showed a profit of €784 million and asked what was going on when an institution which had been nationalised just one month previously because it was on the rocks could make such a large profit. I also wondered whether the public interest directors would have something to say on the issue, particularly Mr. Daly who was chair of the bank's audit committee.

The truth emerged some months later when we were told the bank had €12.7 billion in losses. How did this come about? Why is it not considered a scandal that a supposedly accountable bank published incorrect accounts which were signed off by at least one of the public interest directors, Mr. Frank Daly? Under the heading, Books of Account, the 2008 annual report states: "The Directors are responsible for ensuring that proper books of account, as outlined in Section 202 of the Companies Act, 1990, are kept by the Bank." Under the heading, Going Concern, the report states: "The Directors confirm that they are satisfied that the Bank and the Group have adequate resources to continue to operate for the foreseeable future and are financially sound." The directors of the bank, specifically the public interest director, Frank

Daly, signed off on these statements. Questions have not been asked about this. How were these figures arrived at? Why did the directors sign off on something about which they were not clear? Were they up to the job?

I will briefly run through the 2008 annual report. On page 22, it states: "The Directors present their report and the audited financial statements for the year ended 30 September 2008." The following page states: "The Directors are responsible for ensuring that proper books of account, as outlined in Section 202 of the Companies Act, 1990, are kept by the Bank." On page 24, the report states that the directors confirm that, to the best of their knowledge, the accounts give "a true and fair view of the state of affairs of the Bank and of the Group as at 30 September 2008." On page 27, the directors "acknowledge their overall responsibility for the Group's system of internal control and for reviewing its effectiveness." On the following page, as I noted, the report states: "The Directors confirm that they are satisfied that the Bank and the Group have adequate resources to continue to operate for the foreseeable future and are financially sound."

I wonder what was the view of the Minister for Finance when he received a copy of the 2008 accounts. My view is that they are not worth the paper they are written on yet there has not been an outcry. Let us imagine that Bord Gáis, Lloyds Bank, Barclays Bank or a similar institution published an annual report and accounts which later transpired to be totally false. The case to which I refer is an absolute scandal. Either the two public interest directors, Mr. Daly and Mr. Dukes but the former in particular, were up to the job or they were not. If the first scenario is the case, why did they not comment on the false accounts and refuse to sign them on the basis that something crazy was taking place? I am not referring to the shenanigans involving Seanie FitzPatrick, the money swilling in and out of Irish Life & Permanent or the case of Hypo-Bank Ireland. We know that what took place in those cases was wrong and gave rise to corporate enforcement issues. While I hope these issues will be addressed, progress has been slow. The issue of profit at Anglo Irish Bank was critical given that there may have potential buyers for the bank. What is being done about this issue?

At a time when pensioners were having their Christmas bonus cut, people on low wages had a levy imposed on their salaries and welfare recipients had their income cut, Frank Daly was appointed chair of the board of the National Management Asset Agency commencing in December last year. That was his reward for the manner in which he dealt with the issue I have raised. We also know that Alan Dukes is chairman designate of Anglo Irish Bank. As such, he was also kindly rewarded for his role in this matter.

**Acting Chairman (Deputy Noel O'Flynn):** The Deputy has two minutes of speaking time left.

**Deputy Arthur Morgan:** I wish I had another 22 minutes left because a significant number of other issues arise. Unless there is accountability in the banking sector, we are wasting our time. To return to the issue of Frank Daly and NAMA, Mr. Daly was rewarded with a job of €100,000 per annum beginning in December 2009. Within weeks, he had been given a salary increase of 70%, which brought his salary to €170,000 per annum. I do not know if he sought this increase. All other members of the board were given a *pro rata* increase. When we speak about this Bill, does it matter when there is so little accountability?

There are very serious questions I hope the Minister addresses when he replies to this debate. Unless he addresses these critical questions, where so-called public interest directors completely and utterly failed in their responsibility, what is the point in proceeding with the Bill? It appears worthless to me. If we can get proper explanations for this, then fine. Running after the former Financial Regulator and other bankers who are no longer in position is constructive, but it is time somebody addressed the bankers who are still there, as well as the public interest directors

[Deputy Arthur Morgan.]

who are supposed to perform a critical public function in those banks. They were supposed to be the eyes and ears for the Irish taxpayer, the Minister for Finance and for the Government. They either knew what they were doing, or they did not. If they did not know what they were doing, the Minister made a mistake in appointing them. If they did know what they were doing, why did they not say something about it? Why are we not better informed on these matters?

I do not have to time to deal with how the auditors signed off on all this business without a word of a qualification. When I raised this with the new Financial Regulator last week, he told me it was a matter for the self-regulating bodies. There is little hope of getting accountability from that quarter.

**Deputy Joe Costello:** I am delighted to have an opportunity to say a few words on this Bill. It is the first legislative proposal to deal with the flawed regulatory and supervisory mechanism that was in place until now. We certainly need a better system of regulation and supervision. We need to ensure there is integrity and that the structures put in place are not flawed and are subject to subversion. The proposals for a new, single unified Central Bank of Ireland commission will hopefully go some of the way towards achieving these goals. However, the proposals will not be successful unless they are backed up by a strong EU supervisory framework that insists on the proper independent regulatory mechanisms working in the first place. Nor will they be successful unless there is a strong political motivation to ensure they operate properly.

We need structures, proper personnel and proper political leadership. We did not have any of these in the past, but we need them for the future. It is an amazing sign of the times that the IMF has today called for a banking stability fund to have a pot of money available to cope with future bank bail-outs. The situation is pretty dire.

It is now nearly two years since the bubble burst, yet the economy is still in sharp decline. We are finding more nuggets of nasty information every day. It is like turning over a stone and finding creepy-crawlies everywhere. There is no sign of an end to the creepy-crawlies. There is a bewildering array of irregular transactions coming to light at Anglo Irish Bank, and the most recent has been the €200 million fund that was transferred from a German bank to give the impression that Anglo Irish Bank was in a healthy state of liquidity. The board members were more or less sworn to secrecy not to say a word about it in case it would leak out to the financial markets and it would be discovered that Anglo Irish Bank was on its uppers.

NAMA is finding out that only a third of the portfolios it is acquiring have any meaningful commercial value. We are fully coming to terms with the extraordinary events at Irish Nationwide, a building society that was set up to give mortgages to home borrowers. We now find that 80% of its operations was for speculative property transactions. No regulator shouted "Stop", nor did any Minister for Finance see what was going on in the past few years. No civil servant in the Department of Finance copped what was going on there. It is extraordinary that a body was not engaged in its core function, but got involved in something completely different.

People who bought their homes in the past seven years are in negative equity. There are 30,000 homeowners who are three or more months in mortgage arrears, while another 30,000 have changed to interest only mortgages because they cannot pay back the premium. They will be in dire straits following an increase in interest rates. Forty thousand people emigrated in 2009, while a further 60,000 are expected to have departed the country by the end of this year. That is back to the worst days of the 1980s and the 1950s. This is due to the lack of regulation and the lack of political control that has allowed the meltdown to take place.

At the Labour Party conference in Galway last weekend, we made a promise to conduct a full inquiry into what has gone on. We have made this call and it does not matter whether this limited private inquiry proposed by the Government takes place. It is not adequate.

**Deputy Michael Mulcahy:** It is not private.

**Deputy Joe Costello:** It is a commission of inquiry, and if the Deputy has read the legislation under which such a commission is established, he will see that the intention is to carry out a private inquiry into matters. The function of the commission is to avoid the public inquiries of tribunals and that is why it was established by the former Minister for Justice, Equality and Law Reform, Michael McDowell. It is effectively a preliminary inquiry and is not a full blooded public inquiry.

We must have a proper inquiry into all the circumstances. We must return to that fateful night of 28 September 2008, when the Government decided to give a blanket guarantee of €440 billion, without any consideration for the zombie banks and building societies like Anglo Irish Bank and Irish Nationwide. Irish taxpayers' money was thrown at banks that had ruined our economy and our institutions. Why was the Government bounced into that decision? Why did it not reflect on the matter for a couple of days? Was there some other reason? We do not know. We can only know if we have an inquiry, but the inquiry being established by the Government will not cover those events. It must go back that far and it must be comprehensive.

We owe it to the taxpayer to carry out all investigations necessary to get to the root cause of Ireland's financial collapse. We must determine why we came to this sorry state. Only then can we properly put in place a regulatory and supervisory mechanism. To an extent, we are putting the cart before the horse so when the investigation is done we will have to come back and address the issue again. In addition, we must apportion blame and impose sanctions. We must ensure that, where appropriate, people do end up in prison. Deputy Morgan referred to directors who signed off on accounts and gave the impression that everything was fine within Anglo Irish Bank and other institutions. For that matter, the former Financial Regulator was telling the public at large that we had the best capitalised banks in Europe when there was scarcely a penny in their coffers and they were desperately seeking money. These matters must be addressed and those responsible have to be dealt with.

Regulation must come about and this Bill is the start. The regulator, Mr. Matthew Elderfield, has shown how it can be done and the European Union is already engaged. The Minister for Finance is proposing in legislation to mirror what is already being proposed in the EU. It is very important that both the domestic and European legislative packages can integrate in such a way that the EU can play a necessary supervisory and regulatory role, as proposed in the Jacques de Larosière report.

**Acting Chairman (Deputy Noel O'Flynn):** I understand that Deputy Michael McGrath is sharing time with Deputy Michael Mulcahy. Is that agreed? Agreed.

**Deputy Michael McGrath:** I welcome the opportunity to speak on this Bill. Last week, it was refreshing to see Brendan McDonagh, the chief executive of NAMA, and Matthew Elderfield the new Financial Regulator appearing before the Joint Committee on Finance and the Public Service and the Joint Committee on Economic Regulatory Affairs, respectively. It is clear that their approach will be in stark contrast to that of their predecessors. They spoke in clear and simple language and they will hold no hostages to fortune. We can have confidence that they will carry out their important functions with the level of integrity and professionalism that is required.

[Deputy Michael McGrath.]

I also commend the appointment by the Minister for Finance of Professor Patrick Honohan as the new Governor of the Central Bank. As the Minister said last night, these appointments have brought credibility and professionalism to the various offices they hold. They hold critically important offices as we seek to rebuild some degree of public confidence in the banking sector and the regulatory system.

Some of the evidence we heard last week from Mr. McDonagh was not very comforting concerning the work of NAMA and particularly the quality of loan documentation that NAMA has encountered when it went into the detailed, loan by loan, due diligence analysis. However, I am confident that NAMA will work over the course of its lifetime, which is estimated at seven to ten years. At the end of that process it will have been successful. By imposing a higher haircut on the purchase of the loans, it is pushing a lot of the cost of rescuing the banking system directly into recapitalisation. We saw the outcome of that in the Minister's speech before Easter whereby the total cost for each of the institutions was clearly outlined.

Overall, the choices the Government has made to rescue the banking system have been the right ones. The overriding requirement is to maintain financial stability for us as a country. Those decisions have been supported internationally by all the essential stakeholders, including the IMF, the ECB and the European Commission among others.

Economically we are heading in the right direction and there are some positive and encouraging indications on the progress we are making to bring this country firmly out of recession — not least the recent reports from the Central Bank and the ESRI. Both reports confirmed the Government's target that by the second half of this year the recession will have formally ended and the country will begin to grow again. Once people begin to see growth in the economy, confidence will re-emerge and consumer spending will improve. In addition, sentiment will help to rebuild confidence in the economy and growth will take root once again.

In recent days the pension top-up for Richie Boucher, group chief executive of the Bank of Ireland has rightly taken centre stage in the media. I would ask a number of questions of those in charge of Bank of Ireland. Who had oversight and who was involved in negotiating the new contract with the new chief executive, which allows him to retire in four years' time at 55 years of age? According to media reports, his pension will be just under €370,000 per annum. The facilitation of that package has required an investment into the pension fund of €1.5 million by the bank so that Mr. Boucher can retire in four years' time. How the board could have signed off on the that contract, if it did so, is beyond me. The board members need to come clean as to their involvement. Did the public interest directors have an involvement and, if so, what level of oversight did they have? I agree with Kieran Mulvey, the chief executive of the Labour Relations Commission, that this could jeopardise the passage of the public sector pay and reform deal, which was agreed at Croke Park in recent weeks. If Richie Boucher has any respect for the Irish people he should refuse to accept the pension top-up. I believe he should reject it on the basis of the level of commitment and sacrifice the Irish people have demonstrated to bail out his bank and the other financial institutions.

I listened carefully to the Taoiseach earlier today during Leaders' Questions when he said the Government sought advice from the Attorney General on the issue. I have no doubt therefore that the Government does not believe that the pension top-up payment should have been made. Every day the Taoiseach has to answer questions here about some indefensible decisions that senior bankers are making, but he should not be afraid to represent and express the public's anger over the breathtaking arrogance of senior bankers who time and time again recently have shown two fingers to the democratically elected Government and the people. Enough is enough. The banks owe their very existence of the Irish people and they need to

show some degree of sensitivity concerning ordinary people's daily lives and the impact of the recession, as well as the impact the reckless management of the banks has had on people. They need to show some common sense, which is sadly lacking at the higher echelons of our banks. Regrettably, that is a damning indictment of them.

While I accept that we need to allow the banks to operate commercially, they must have regard to the impact and perception of their decisions on the public and the wider economy. How can Mr. Boucher accept that top-up? How can Mr. Fingleton not return the €1 million bonus he received from the Irish Nationwide Building Society at a time when people are in dire straits, partly because of the reckless management of the banks? It is beyond me.

Turning to the issue at the heart of this Bill, it is clear, to say the least, that the regulatory system we have in this country to date was simply not fit for purpose. It was a shambles. We did not have the right people in charge and it is clear now that the structure itself was not designed to meet the needs of a banking system that was running rampant in the economy. Time and time again, like Deputy Morgan, I sat at meetings of the Oireachtas Joint Committee on Finance and the Public Service which were attended by the former head of the Central Bank, senior bankers and the former Financial Regulator. Looking back, the evidence we were hearing was farcical. One could not expect a primary schoolchild to believe some of the evidence that was put forward. It is clear that they had the evidence, which demonstrated that what they were telling us was incorrect. That is regrettable, to say that least, and it has put us in an invidious position today. Let me give an example. When the regulator's office came before the Oireachtas committee on the issue of the Seán FitzPatrick loan scandal, it was quite clear, despite the fact that members of staff at the authority had a series of meetings with key personnel in Anglo Irish Bank as far back as January 2008, that we were being led to believe that neither the chief executive of the authority at the time nor any member of the board was aware until December 2008 of the directors' loans, or until the Minister informed the regulator as soon as he became aware of the information. The authority investigated itself in that regard and the resulting report was, unsurprisingly, a complete whitewash.

It is for this reason that the Minister had to say last night that we need a system where the overreaching objective of the stability of the overall financial system directly informs the supervision of individual firms, while at the same time safeguarding the interests of consumers and investors. Many times during the Celtic tiger boom years, the Central Bank highlighted the risks for the economy arising from excessive lending, particularly in the property market, but the advice it provided was not implemented by the regulator in its dealings with individual financial institutions. I believe that is why the Minister has taken the decision to consolidate the functions of the regulator and the Central Bank so that they speak with one voice on the key issues of the stability of the financial system overall, the prudential regulation of financial institutions and for the protection of consumer interests.

I agree with Deputy Costello that this Bill is part of an overall jigsaw of regulation, both in European terms and globally, into which Irish reform must fit. The Chair, in his contribution, referred to the work of the credit review office and the need to ensure that the €12 billion of lending which AIB and Bank of Ireland is required to engage in between now and the end of next year is delivered. That is a key issue. I support the Bill and commend the Minister for bringing it forward. Obviously, the full effect of the Bill will not take root until the three pieces of legislation are implemented, but I look forward to it happening so that we can have a new robust, independent and tough financial regulatory regime once again.

**Deputy Michael Mulcahy:** I too welcome this Bill. I also welcome the speech made by the Minister for Finance when he introduced the Bill yesterday. I pay tribute to the Minister. I have only been a Deputy since 2002 and was previously a Senator in the 1990s for three years.

[Deputy Michael Mulcahy.]

I have been a member of a local authority since 1985 and a member of Fianna Fáil since 1979. In all that time, I do not recall any Minister for Finance from any party having such a difficult or more challenging tenure or who acquitted himself or herself as well as the current Minister. Whether one agrees or disagrees with his policies, there is no doubt but that he has been extremely active and has risen to every challenge put to him, and done so very well.

I also pay tribute to the Attorney General and his staff. If one considers the various legal instruments and measures that have been required to stabilise our economic situation since September 2008, including the bank guarantee scheme, the recapitalisation of the banks, several budgets, the NAMA legislation, public service reform, setting up the banking inquiry and now the reform of the regulatory regime, one becomes aware of the incredible amount of activity and of legislation and Dáil procedural work that has taken place. It is a great tribute to the staff of the Attorney General's office and the officials in the Department of Finance that they have coped with such a huge volume of work in such a relatively short period of time. I challenge anybody to show me an equal period of time in the history of this State that required as much legislation or activity.

The Bill is the first part of a three stage legislative programme to create a new fully integrated structure for financial regulation, to enhance the powers and functions of the Central Bank and to consolidate existing legislation. The Bill dissolves the Irish Financial Services Regulatory Authority and creates a unified Central Bank of Ireland under the control of a single board called the Central Bank commission. The Governor, currently Professor Patrick Honohan, will remain solely responsible for the European system of Central Bank related functions and the Financial Regulator will be replaced with a statutory head of financial regulation. That post will be held by the current regulator, Mr. Matthew Elderfield. The Government has clear objectives — the maintenance and stability of the financial system, effective and efficient supervision of the financial institutions and markets and the safeguarding of the interests of consumers and investors.

Much of the Bill concerns the fitness and probity of persons involved in the financial services industry. It provides for new powers to be exercised by the bank to ensure the fitness and probity of nominees to key positions within financial service providers and of key office holders within those providers. This initiative will help restore confidence in the management of those institutions, both domestically and in international markets, something that may also arise with the financial service industry representative. Accountability is another major concern of the legislation. Annual performance statements on regulatory performance will be laid before the Houses of the Oireachtas and will be subjected to regular international peer reviews. A committee of the Oireachtas may call the Governor and-or the heads of functions to be examined on the performance statement. Responsibility for consumer information and education in respect of financial services will transfer to the National Consumer Agency, along with associated staff.

It is very easy in a discussion of large scale financial issues to forget some of the people most affected, those who have taken out mortgages. Many ordinary working people are finding out to their cost that our financial problems have real consequences, particularly in terms of their mortgages. The issue of mortgage arrears is one in which the Government is centrally involved. It has made it clear it will introduce new measures to protect families that are having difficulties with home mortgage payments due to the current economic situation. This is outlined in the renewed programme for Government.

A mortgage and Government debt group has been set up and the Government has already taken a series of steps to deal with the situation. It has provided financial help to over 15,000 families through the mortgage interest subsidy scheme, increased the advisory services provided through the Money Advice and Budgeting Service, MABS, introduced a statutory code of

conduct on mortgage arrears for all the financial institutions and extended the six-month moratorium on legal proceedings to 12 months. It has also refocused mortgage interest relief on those who bought their homes at the peak of the market, with extensions up to the end of 2017. In 2009, there were only 28 forced repossessions of homes by legal process by State guaranteed lending institutions, which is a remarkable achievement.

I support this regulation and will support further, tougher legislation coming from Europe. However, it is obvious to me and should be obvious to the House that no amount of regulation will ever fully overcome the creativity of some ingenious people who wish to break the rules. Unfortunately, many financial institutions seem to have succumbed to the Wall Street dictum that greed is good. In America, the Securities and Exchange Commission, SEC, is a very powerful body with extensive powers and a large staff. However, that did not stop the people who caused the Enron or Bernie Madoff scandals and now there major questions with regard to the transparency and correctness of financial transactions within Goldman Sachs.

Those involved in the financial services industry must act morally. There is an injunction on people involved in handling other people's money and in selling financial products to act morally and not just to obey the rules. To obey the rules is not quite good enough because it is always possible to create a way around every rule. A message should go out from this House that people in leadership positions particularly in financial institutions have a duty to act morally and in good faith towards their customers or else they should get out of the business. It is as simple as that.

I agree with other speakers who decried legal contracts whereby various bankers feel they are entitled to large pensions or bonus payments. I do not want to mention any particular names but I want to make a point. Is it not time that the banks showed a little bit of moral leadership even if they have a contract? I know people across the floor will agree with this. They should recognise that people are living on less than €200 a week and who have genuine difficulties with feeding or clothing their children or paying essential bills. There are people who, if they are stranded abroad, cannot afford to come home. Many people are suffering serious economic deprivation, particularly arising out of the misdeeds of financial institutions. To those in financial institutions who will not show moral leadership I state that we will not forget it. They have an opportunity to break with the past and show the type of moral leadership required in this connection.

I disagree with some of the comments made by Deputy Costello of the Labour Party. The Labour Party states it wants to support the rebuilding of the economy but it has opposed at every stage every positive and constructive change introduced by the Minister. It did not support the bank guarantee scheme, the recapitalisation of the banks or the NAMA legislation which has been widely praised throughout Europe and by the IMF. It is time for every party in the House to come on-side and stop scoring points. This is above politics in the sense that Ireland must get back to a position of financial stability so people can get on with their lives and enjoy happy and prosperous lives. I strongly support the introduction of this legislation.

**Deputy Joe McHugh:** I welcome this opportunity to speak on the Bill as it is important. Timely is not an appropriate word because we are in a crisis and the decisions that have been made and future decisions will be critical to pave a way for us to get out of the mess we are in. Deputy Michael McGrath spoke about sending people to prison and I have a statistic for him. In the United States, 42 people who were in the banking profession have gone to prison whereas in Ireland not one person has gone to prison. Interestingly, about six weeks ago in County Cavan at a meeting of the British Irish Parliamentary Assembly I asked Patrick Honohan of the Central Bank, who was in attendance, whether bankers should go to prison for being involved in what everybody now knows was malpractice if not corporate neglect. The first part

[Deputy Joe McHugh.]

of his answer was that they should, and I thought we would get somewhere. However, Mr. Honohan would be a good man in this House because he ended his answer with a political response, as he stated they should go to prison but first they need to be found guilty of the crime. That is fair enough and one is innocent until proven guilty but in the corporate world of white-collar crime which went on, and I call this white-collar crime, it will be very difficult to prove this in the courts.

There was a tipping point when bankers became sales people in this country. Good bankers worked from a banking philosophy underpinned by prudence in lending. I remember that in the 1980s my parents had a good and positive relationship with bankers. They knew they would not get money on a *laissez-faire* basis. They built up a relationship with bankers through managing their own affairs and providing savings and it was a good, positive and pro-active relationship. There was two-way respect whereby bankers did not want borrowers to get into difficulty and have long-term debt as a millstone around their necks. They had a shared responsibility from within their institutions and this was underpinned when they learned how to be bankers.

Who decided that all of a sudden commission would be the driving force for bankers? Bankers were on commission to get as many mortgages and as much lending as possible. That was the tipping point. Who was to blame? Was it the bankers themselves or the regulator? In the past week serious questions were asked about the lack of regulation. However, a predominant role was also played by the Government as the ultimate watchdog in the State. Freelance and *laissez-faire* lending was the culture in this country for the past decade or longer. Someone authorised that change in philosophy and culture and forced good bankers to become salespeople. Unfortunately, human nature being what it is, good bankers bought into this philosophy because they were not in a position to stand up to it and they needed their jobs. Other good bankers decided not to buy into it and many of them lost out through not getting promotions or being cast aside after years of experience. I have heard of various examples of this through contact with people in banking institutions.

Bankers are the people who know banking. I believe the public has the attitude that bankers are leading this charge. I share Deputy Mulcahy's admiration for the Minister for Finance, Deputy Brian Lenihan, and he has to be admired for the work he is doing, the effort he is putting in and his positive attitude to try to get the country out of the banking situation it is in. However, if one removes the layers to see who is leading the charge for the banking solution I believe it is the bankers. The question has to be asked, who knows banking and obviously the answer is the bankers. It is certainly not the people in this House; we are politicians and not bankers. It is not the case that people in this House know how bank institutions are run unless they are former bankers.

We need to build an infrastructure around us with people with the knowledge, understanding and know-how to examine where everything went wrong and how solutions can be put forward. There is way of doing so and there are plenty of young retired bank managers, officials and executives who did not want to be part of this culture or promote this philosophy. We should be reeling them in and pulling together their expertise, knowledge and understanding of the banking system. If the officials at the Department of Finance think they know banking, they are wrong. The Department of Finance is made up of people without banking experience. The Minister should bring in an arsenal of former bank managers and bank executives, who were not part of this culture, were cast aside and missed out on promotions because they did not want to be part of the culture of banking in the past 15 or 20 years. They are the people we should bring in to give us a deep understanding of banking.

Small business is on its knees as the Minister of State will know from talking to people in his constituency. Every Deputy in the House knows the story with small business. Small business is

on its knees because the relationship between bankers and the small business community is broken. A two-way relationship no longer exists; it is one way. It is the banker's way and the banker's way is the only way. There is no room for negotiation or compromise. There is no assistance or support. It is bottom line stuff as the Minister of State and every other Deputy in the House know. Businesspeople with overdrafts have had the rug pulled from under them at short notice. In recent days I came across the example of certain banks cutting overdrafts overnight and turning them into term loans with no negotiation or compromise. I know of no solution-based examples of bankers trying to work with the small business community. Many of the clerks who work at the desk and the front-line staff who work at the coalface of the banking institutions are feeling the heat because they are working under instructions. It is important that we do not fall into the trap of shooting the messenger. Many of these people are just messengers and are just doing the job based on the new type of practice that is being carried out.

I am hearing horrendous stories of how the backroom banking executives are treating some of their creditors. I am not talking about the NAMA brigade, those with in excess of €5 million or even in the millions. I am talking about people who are in debt and having difficulty, and are trying their level best to get off the ground with home-grown solutions. Some people are even going abroad to try to rake in a bit of cash, including people flying to Spain on a Monday to do some construction work and flying back to their families on a Friday. Some people may be setting up small businesses — maybe going to England. People are using their family connections and trying different countries looking at the European market. They are looking for medium to long-term solutions for their businesses. Bankers are not interested. They only care about bottom-line answers in the short term. They are not interested in compromise or solutions. They are not interested in people putting together practical proposals that might get them out of the mess in the medium term. The banks are closing them down and are not interested.

Two-way traffic in banking needs to return with respect on both sides of the counter. That respect has gone. It is dysfunctional and some of the people in the backroom offices are treating customers with absolute contempt. I have an example of a certain official ringing up a certain house, could not get the creditor who owed the money but got to speak to the man's wife and took it out on her. The official started asking where the man was and what he was doing. There is interrogation and intimidation. It is one-way traffic. It is an absolute nightmare in terms of the relationship between the backroom banking staff and their clients and creditors, many of whom are in minimal trouble in terms of being in debt.

There is a fear that extra banking charges will be imposed in order for banks to achieve the capital levels and meet the criteria of the regulator. If this happens it is the customer who will suffer. There is a fear among taxpayers that there will be further charges in future. There is very little optimism that people will get out of the traps in which they are stuck and very little optimism that there will be long-term progress in getting the banking crisis under control. The ultimate victim is the taxpayer, whom we all represent. There are people who cannot and will not survive financially. They will be faced with a carbon tax on 1 May. On average it will cost people an additional €50 to put 1,000 litres of oil in their tanks for home heating. That is an extra €50 that people will not have. It will start to apply in the summertime. For people who are already struggling to heat their houses in the summertime, what will it be like next winter?

What is it like for people if we cannot offer them some hope or optimism? It is not just in the sense of addressing culpability. Nobody seems to be coming out of this with any sort of blame or responsibility. Why are we not putting windfall taxes on the bonuses? Should we not have a windfall tax on the bonuses and use that money to stimulate small businesses? Some 18 months ago we were told that Irish Nationwide Building Society and Anglo Irish Bank were

[Deputy Joe McHugh.]

of systemic importance to the economy. If those banks were of systemic importance 18 months ago, could it not be the case that they are not of systemic importance today? We have an opportunity next September to wind down these banks. I know Matthew Elderfield recently told an Oireachtas committee that it would cost too much money and the Minister agrees. We on this side of the House would agree differently. It is costing too much money as it is. We believe it is a systematically dysfunctional bank that should be wound down. That is an issue that could be addressed next September.

We are trying to deal with the culture of banking with the same people in charge. It is like the Government. There are many good people in the Government, but it has been in office for too long and has lost the public's confidence in its leadership ability. The same can be said of banking. However, if the same people are kept in place, as with the Government, nothing changes. The same people will not change things.

Regarding the wider picture, we are handicapped compared with the United Kingdom. We cannot influence monetary policy and cannot print our own money. We cannot influence interest rates. However, that begs the question as to where we can be proactive within Europe. It is not just as simple as Deputy Mulcahy saying we get great reviews and respect in Europe, and that international observers say we are doing the right thing. That is a load of nonsense. The people we should heed are the people on the ground in this country who do not share those sentiments. It was the people on the streets who warned of the property bubble bursting and warned against excessive lending and overheating in the economy. They are the people to whom we should be listening, not international observers and high powered people in nice suits and fancy shoes in nice buildings eating big meals. We should go back to basics.

There is a problem in this country at present. People are not angry any longer — they have moved on from that. They are not even suffering from apathy. There is a dangerous phenomenon in this country at present, namely, indifference. There is an attitude of indifference towards Government and how it affects people's lives. That indifference is very dangerous because people are making alternative plans. I meet people from my constituency every week who are planning to emigrate or are making plans for their sons and daughters to go to different countries. Parents are sitting in their houses with PhD and master's degree graduate children who are waking up every morning with no reason to get out of bed. We in this House are lucky in that we have a reason for getting out of bed in the morning but far too many people do not have a reason to do so, including very talented and educated people. Why are we not employing them in some way to help us to get out of this crisis? This is the damage that has been done to this country by banks and by the people who are supposedly in charge of the country.

To return to my original point, I asked a question of Professor Patrick Honohan and I will ask it again of the new regulator, Mr. Matthew Elderfield. I will put the question in two parts. First, will Mr. Elderfield employ a crusade to try to put in jail the people who contributed to this crisis? Second, he is our regulator and it must be understood that this is not just about regulation at the top end. Will he regulate the way in which some of the executives in the back rooms are treating the small business community and taxpayers? This is where the real regulation should be because until we build up that relationship between bankers and the community, we will not get out of this crisis.

At present, the system is dysfunctional and is not working. There has to be culpability and responsibility, and it starts in this House. Obviously, the Government will not take responsibility for the sins of the past but the dangerous point, which history proves, is that the past is always a very good indicator of future performance. With the present bankers and the present

Government in office, that is a very negative sign and it will instill a level of indifference among the public.

**Deputy Michael P. Kitt:** I welcome the Bill. I would always wish to welcome a new structure in regard to the head of the Central Bank and the head of financial regulation, which this Bill is, and to give them a statutory basis is very welcome. I pay tribute to the contributions of the governor of the Central Bank, Professor Honohan, the Financial Regulator, Mr. Matthew Elderfield, and the chief executive of NAMA, Mr. Brendan McDonagh, in recent weeks. They have brought great credibility and a new professionalism to the new structures the Government has put in place to deal with the banking crisis. I understand the situation is very serious. I would hope the work they do will be recognised, as it has been, not only by commentators in this country but also by the members of the European Union.

This Bill is part of a three-stage legislative process, with another Bill coming to the House in the autumn in regard to the overall stability of the financial system, and a third Bill to consolidate the existing statutory arrangements for the Central Bank and financial regulation in the State. My particular concern is in regard to mortgages, on which the Minister touched, and I welcome the measures that have been taken. I understand the mortgage interest subsidy scheme has been of great benefit to 15,000 families and that extra resources have been made available to the Money Advice and Budgeting Service, MABS, which is also significant.

I hope we will never have a high rate of repossessions of property, as has been seen in the UK, the US and other countries. There were 29 forced repossessions of homes by legal process by State-guaranteed lending institutions in 2009. While I hope we do not see that happen again, it is an issue that is to the forefront of our minds and constituents have had much to say on it. The more help we can give to people who are in financial difficulty, the better for them. Taking away homes is the last thing that should happen.

Much comment has been made in recent times on the insurance industry, particularly in regard to the Quinn Group. The Minister referred to this and to the fact the Financial Regulator has been very clear about what he is trying to do in restoring financial health to the insurance sector. Obviously, insurance companies are required to hold sufficient assets to cover their insurance liabilities and those losses have to be dealt with. It is important the Financial Regulator has the support of the Government and the full confidence of the people in what he is doing. There has been a great lobby by all politicians to try to save as many jobs as possible in the Quinn Group. There is great diversity in the Quinn Group, which has many projects, not just in the motor insurance business but also in many other areas such as health insurance and commercial business.

This highlights the point that insurance is becoming a big problem for small business, as noted by many Deputies. This was brought home to me in particular following the flooding in County Galway, which was particularly bad in Ballinasloe town and the south Galway area, where it appears people were refused insurance because it was the second time they were flooded. It has been a serious blow for small business. It amazes me to think €82 million was made available for structural work to tackle flooding, for humanitarian assistance and for fodder grants in the agriculture sector, yet small businesses which wanted to be re-insured fell between every stool.

I hope there may be an opportunity for the county enterprise boards to help small businesses, particularly those companies where fewer than ten people are employed given that the employment subsidy cannot help such businesses. Funding those companies will entail giving at least €500,000 to every county enterprise board to ensure those companies can remain in existence, and I hope this will be done. Where small businesses work together, with perhaps two companies employing five or six people each, this has been one of the great strengths of the small

[Deputy Michael P. Kitt.]

business sector. NAMA has been debated a lot in this House and outside. The Governor of the Central Bank and the Financial Regulator have advised on and supported the Government's approach to resolving the difficulties in the financial sector. The Governor of the Central Bank said the guarantee, even if it had been known how large it would be, would still have had to be provided. It was an extraordinary time involving a large bank, Anglo Irish Bank, that was central to the economy and it had to be done. I endorse that. The Governor also made it clear that the lowest cost solution for the taxpayer was to support it and he backed it. The regulator also said it was systemically important on the night of the guarantee and he backed it.

This Bill will establish new and fully integrated structures. We are replacing the Central Bank and the Irish Financial Services Regulatory Authority. Oireachtas oversight of the Central Bank's regulatory performance will enhance its accountability. This will ensure stability of the financial system, effective regulation of financial institutions and safeguard the interests of consumers and investors.

The new powers give the Central Bank the ability to investigate nominees to key positions within financial institutions. This reinforces the tone of the new regulatory regime. It will help to restore confidence in the management of the banks at home and internationally. The legislation that will be introduced in the autumn will cover enhanced powers and functions for the restructured Central Bank, which is welcome.

There has been much comment about Mr. Boucher's €1.5 million pension top-up from the Bank of Ireland. I hope that will be resolved and another way will be found to deal with it. People are annoyed about this and do not accept this is going into a pension fund. Similarly, Irish Nationwide, which lost €2.5 billion last year after writing off €2.8 billion in loans, is causing outrage, particularly because there was no regulation to prevent it from happening. I hope the banking inquiry will prioritise such issues and ensure it never happens again.

**Deputy Michael Ahern:** In 1998, the Joint Committee on Finance and the Public Service published a report on the review of banking policy on foot of allegations relating to certain sectors of the commercial banking sector in Ireland about possible tax evasion in overseas or offshore bank accounts and about undisclosed overcharging or loading of customers. Another report was published that year by the committee chaired by Michael McDowell that recommended a division of responsibilities between the Central Bank and the regulatory authority. It reached the same conclusion as the joint committee.

In 2002, legislation was introduced to establish the Financial Regulator on 1 May 2003, following a Government decision to set up the Central Bank of Ireland as a central bank and financial services authority. The structure combined two distinct components, the Central Bank and the Financial Regulator, each with its own set of responsibilities and governance structure. The responsibilities of the Central Bank included surveillance of the strengths and vulnerabilities of the overall economy and the financial system.

We listened in the past number of years at the Joint Committee on Finance and the Public Service as officials from the Central Bank told us everything was rosy in the garden and if anything went wrong with the world banking system, we were fine. A number of the reports from the former Governor of the Central Bank, Mr. John Hurley, carried warnings in the forwards but, overall, the impression given to the world was that our system could withstand any problems likely to arise. We have seen the result when those problems did arise. The Central Bank had not done its job as effectively as it should have.

The other side of the coin is the Financial Regulator. The regulator's remit included, and includes still, the monitoring of the financial soundness of individual institutions in addition to

wide-ranging consumer protection powers. The question we must ask is if it did its job effectively and efficiently. It is clear it did not. We need merely look at the situation all the banks and financial institutions in the country are in today and what the Government has had to do to clear up the mess.

The volcanic events in financial institutions over recent years have resulted in a review of the Central Bank and IFSRA's functions. The Bill before us was signalled by the Minister for Finance in his budget speech on 7 April 2009 when he stated that the role of the Central Bank of Ireland will be reformed to place it at the centre of financial supervision and financial stability oversight, providing for full integration and co-ordination of the prudential supervision and stability of the individual institutions with that of the financial system as a whole. The Central Bank of Ireland will in future be headed by a commission chaired by the Governor.

The problems that arose in the old situation brought about these decisions. The Minister outlined that the Bill is the first of a three stage legislation programme that will create a new and fully integrated structure for financial regulation, enhance the powers and functions of the Central Bank and consolidate existing legislation. In these troubled times, the Government must ensure the maintenance of the stability of the financial system, the effective and efficient supervision of the financial institutions and market and the safeguarding of the interests of consumers and investors.

At present, due to current and past actions, appointments in the financial institutions and the banks have been met with a degree of cynicism, rage and anger in the public arena. This has led to a lack of confidence in the banks and a lack of trust in them that they can provide services for the public that are vital to get our economy functioning again.

Events in the past couple of days related to pension provision has not helped one bit in getting us moving in the right direction. I join colleagues on all sides of the House in calling on those involved to look at the situation again to see if they can undo the undermining of confidence that has been caused by those actions.

I welcome the provision of new powers to be exercised by the Central Bank in order to ensure the fitness and probity of nominees to key positions within the financial service providers, and of key officeholders within those providers. This initiative will help to restore confidence in the management of the institutions, both at home and in international markets.

I also welcome the provision regarding the laying of annual statements on regulatory performance before the Houses of the Oireachtas and especially that these will be subject to regular international peer review. I believe it is important, in a small nation such as ours, that there should be outside independent individual bodies reviewing our systems every now again to ensure everything is kept above board. It is a fact of life that ours is a small country. People come from the same colleges and backgrounds and there may be a certain amount of questionability about certain decisions, not because of anything found but because people know each other and take the word of those they know instead of looking at an issue in the cold light of day and making decisions on the facts and figures before them. I also welcome the fact that the relevant Oireachtas committee will be able to call the Governor of the Central Bank and the heads of functions before it to examine them on performance statements.

Another section of the Bill about which there have been queries concerns the transfer of functions and responsibilities for consumer information and education from the Financial Regulator to the National Consumer Agency. In my view that is where they should be in any case and I welcome the decision. A Deputy stated that decisions had been taken to date which have met with international approval from the IMF, the *Financial Times*, *The Wall Street Journal*, *The Economist* and Moody's credit agency. All these decisions have been successful for our country and to have them acclaimed by such bodies is vitally important for our ability to get

[Deputy Michael Ahern.]

funds from abroad. For a person on the Opposition — or anybody — to say, in effect, that it is only a joke that these people support what we are doing in this country does not do service to the growth and renewal of our economy.

A comment was made about auditors to the effect that they are merely leased by their own organisations. In 2003, when I was Minister for Trade and Commerce, there was legislation to bring into being the Irish Auditing and Accounting Supervisory Authority, IAASA. This is an independent outside body which is looking at the activities of accountancy firms in respect of the current problems that arise in all our institutions. It will take a fair course of action against any auditing body which can be shown not to have done its job.

This Bill is a start in terms of getting our regulatory system back to main stream and, with support from all sides of the House, it should ensure that in years to come we will have a regulatory system that will work and be true, fair and effective.

**An Ceann Comhairle:** I call Deputy James Bannon who has up to 20 minutes available to him.

**Deputy James Bannon:** I will need half the day to deal with this issue.

This Bill can be likened to surgery without having a scan or X-ray to pinpoint the affected area. Reforming the financial regulatory area without having an inquiry into the collapse of the Irish financial system, such as took place into the Icelandic banking fiasco, is an exercise in groping around in the dark. This is what the Government is doing.

Yesterday the Minister for Finance was honest when he said, wittingly or otherwise, concerning the Government's strategy to resolve our banking crisis, "Let us make no mistake that what we are discussing now is the fallout of the financial sector for which the Government must take the major responsibility". I am glad he said that because there are very many angry people criticising the manner in which this Government dragged us into the mess in which we find ourselves today.

To state the obvious, an inquiry would not be in the Government's interest, no matter how it spins this. It is most evident that Fianna Fáil and the Green Party have blocked an investigation for their own ends. I am very surprised that the Green Party is backing Fianna Fáil 110% on this. A constituent inquiry would have set the foundations for reform but the cost would have been too high for the Government, especially for the Green Party. Every member of that party now has a position. They have looked after their own interests rather than those of the country although at this stage it is hard to see what they have to lose.

The electorate is waiting in the long grass for both Fianna Fáil and the Green Party. The Government's cover has been well and truly blown in every area. There was the crazy cronyism that went on in the Galway tent. There are the entire areas of health, education and farming. The Government created the jobs crisis that now exists in the country, where almost 440,000 people are out of work. In my constituency, Longford-Westmeath, 15,000 people are unemployed: more than 5,000 in County Longford and 10,000 in County Westmeath. I am pleased my constituency colleague, Deputy Peter Kelly is present to listen to this.

Every man, woman and child in the country knows what went on and what still goes on. They know it but are powerless to prevent the dissemination of their lives and lifestyles that was necessitated by the greed of those who were and still are milking the system. On several occasions there have been votes in this House but we all know that politics is a numbers game. The Fianna Fáil troops walked into the lobbies along with the Green Party to support NAMA while Fine Gael rejected it and all the depredation it has brought to the country.

I am interested in, and almost amused by, the Minister's contention that NAMA is winning the respect of the public. He only has to come down to the midlands, to Longford-Westmeath, where NAMA is like a noose around the neck of people but it is also tightening, every day, on the Government. Perhaps the Minister will give me a detailed breakdown of the reasons for not having a referendum on NAMA. Was it because the Government feared the country would rise up and refuse to bail out its cronies? If this were happening in France or any other country there would be a revolution. I still predict a revolution in Ireland because I witness people coming to my office and my clinics every weekend who are extremely angry because of the way in which the Government is behaving.

There is no NAMA for the young people who purchased houses four or five years ago at prices from €250,000 to €400,000. When they were getting their mortgages the same banks told them to take out a loan for a holiday or a cheap whatever. The banks put a huge noose around the necks of those young people whose children will not see these loans repaid.

NAMA is increasing the divide between the haves and the have-nots. An inequality of provision sees social welfare benefits being cut across the board while taxpayers' money, to the tune of €8.3 billion, is being ploughed into Anglo Irish Bank, with a possible €10 billion yet to be provided by the taxpayer. This is a shameful disgrace as our young people head in their droves out of the country. There are predictions that over 60,000 well educated young people from Ireland will be forced to emigrate during 2010.

This bank has recorded the largest corporate loss in the history of the State. There is a shocking deficit of €12.7 billion and I am delighted with the European Commission's decision to reject the Government's business plan for the bank. It has been revealed that the EU knew about the €8.3 billion cash injection for Anglo Irish Bank long before we in the Dáil, which makes a sham of any debate in this House.

The Government has been driven by cronyism throughout this recessionary period, with the elite in the country immune to the cuts. Those in extreme poverty are being refused their entitlements for the most tenuous reasons. It is heart-breaking to see people come to my constituency clinic having lost their jobs or self-employed people waiting over six months to get some form of social welfare. Some of these people are at their wits' end, and I know of people who have gone to mental institutions because they were not able to cope. People are threatening suicide because of this Government's behaviour.

The Government is continuing without accountability and ignoring the interests of consumers in this Bill. It is a disgrace that the Government is proposing to abolish the statutory position of the consumer director and disband the consultative panel. Lest the Minister forget, that panel was set up to protect the interests of the consumers and customers, and it seems that under the current Government, anything protecting the consumer, the taxpayer, the unemployed and the disabled is to be done away with. It is cowardly behaviour. Conveniently, anything protecting the elite is to be encouraged under this Fianna Fáil and Green Party coalition.

The Minister claimed yesterday that the citizens of this country have demonstrated their gritty determination to get this economy back on the road to growth. He failed to put the emphasis on the word "demonstrated". Has he forgotten the industrial unrest and demonstrations that should leave him in no doubt how the lower and middle income earners of this country feel? They are extremely angry and hardly a day or week goes by without people protesting outside the gates of the Oireachtas because of the disgraceful actions of the Government. Those actions were not promised in the programme for Government.

The Minister has said the Irish people have shown the world that the enterprising spirit which brought us the boom is alive and well and will lead us back to recovery but who will

[Deputy James Bannon.]

benefit from the recovery. Every family in this country is in hock to the Exchequer for generations to come. It is not just those who are alive today who will suffer but generations not yet born will bear the brunt of the reckless behaviour of the Government. Was the Minister referring to a recovery for those who have been forced to cut down from three expensive cars to two or reduce their holidays by half?

What have the people got for their trouble? They have received a half-hearted apology from the Minister and his Government but who has accepted blame? Has one banker been brought to justice? Is one dodgy banker who led us into the mess we are in today behind bars? If there is nobody behind bars, it is the fault of the Government and the system we have in this country. Young people — and those not so young — in every village, townland and county are saying that some of the dodgy bankers should be in prison because of their reckless behaviour. Fine Gael, the party of law and order, will ensure that the culprits who wrecked this economy will be brought to justice.

Are the banks now operating in a manner that would lead one to believe that they are interested in reform? Are they conscious of the sacrifices the citizens of this country have been forced to make to prop them up? It will be business as usual for the banking sector, and €1.5 million for a pension fund is small change to these people. Living in their rarefied atmosphere they cannot conceive the heartbreak and despair being experienced by the small and middle income earners who have lost their jobs, or if in employment, taken a massive reduction in wages because of the various taxes introduced by the Government. That sort of grief does not make its way into the consciousness of those who lived off the wealth of the Celtic tiger and see no reason to change their lifestyles. We saw some of these people pictured on the front of newspapers returning from exotic holidays recently.

The only achievement of Irish bankers was extremely dubious. They propped up the property bubble and in doing so destroyed the country. They were not alone, as the Government was with them putting a legislative stamp of approval to their worst excesses.

I can see the result of this in my constituency of Longford-Westmeath as vacant houses in the midlands will be among the first to be demolished by the NAMA wrecking ball. A decision will be made over the next few months as to how much land and housing taken from developers will be built or completed. There are 19 ghost estates in County Longford and 18 in County Westmeath, a particularly high ratio of estates per head of population. These estates are proof of the excesses of the Celtic tiger years, the out-of-control bankers and the greed of some developers.

A significant question hangs over the issue of planning permissions. Unlike my colleague, Deputy Peter Kelly, I do not believe the Planning and Development (Amendment) Bill 2009 will wave a magic wand over the area of rogue developers. Services must be developed to turn ghost estates which are not bulldozed into sought-after residential units; we must convert anything left unfinished into a proper unit where parents, children and families can live in comfort with infrastructure such as sporting facilities, public lighting, footpaths, etc., on hand. The needs of those awaiting social housing must be paramount and local authorities and the appropriate Minister must act to clear waiting lists.

There is a significant number of people in the country waiting on houses. There is a go-slow in the Department of the Environment, Heritage and Local Government under the Green Party Minister, Deputy Gormley, especially in the purchasing of houses for people who have no homes of their own. As it stands the horrible spectre that hangs over the rural landscape in Longford and Westmeath, and throughout the country, is that of estates left to rot over years with no initiative taken to remove them and restore the land's rural heritage.

The fall-out from the banks has also left rural Ireland without another essential service. The decision of many banks to close local branches and centralise is a retrograde step. We have lost bank branches in my own county of Longford, and Deputy Kelly knows of the protests which took place in Lanesborough, Edgeworthstown and other parts of the county as a result.

People have had services taken from them but they need local services. On-line banking does not fill the void as people need to lodge and withdraw money, for example. Elderly people may not be up to speed with Internet banking and such people cannot afford to keep money in their houses under the bed in the current climate. They need a local banking service.

It does nothing for our elderly to close bank branches in rural areas, thus forcing them into the larger towns. The lack of a proper local transport service kicks in when services are not available in local towns and this has not happened across the midlands. How to access the nearest large centre constitutes a huge problem for those in remote rural areas. I am sure the Ceann Comhairle is aware of the position of those who live in isolated areas, as are many Members who represent rural constituencies. These problems will not engage the mind of the bank executive but are the inheritance of a system that is rotten to its core.

While listening to the Minister speaking yesterday, I was struck forcibly by the self-congratulating attitude and the spin that has been at the core of the current economic problems and still remains so. I detected neither doubt nor a sense of shame about the problems that now haunt those who have lost their jobs, those who have lost medical benefits or other entitlements and most importantly, those who have lost hope. The Government is providing no hope to the people. Instead, Members have heard a litany on how great are the Minister and the Government. The only people who will tell the Government how great it is are the electorate when they get their chance in the not too distant future. Members are being told the Government has saved the country from the jaws of economic ruin. It appears that only Fianna Fáil and the Green Party could do it. The Government should make no mistake but that the people are angry and will teach it a lesson at election time. Members should not mind the minor detail that the Government caused the problem and now expects them to accept that the merger of the independent Financial Regulator's office with the Central Bank is the answer to our problems. On what grounds should Members accept this? They cannot and will not. While promises by Fianna Fáil and the Green Party come easily, results do not.

In December 2008, a bank executive stated that the banking sector is on life support. The taxpayers of this country, particularly those who can least afford to, are now manning the intensive care unit. The manner in which the Government has behaved towards the citizens is shameful because all our citizens are human beings. While the Constitution states that this nation cherishes every citizen equally, Fianna Fáil cherished the rich at the Galway tent over a great number of years. Shame on them and the sooner the Taoiseach, Deputy Cowen, goes to the country the better for this nation, because Members should make no mistake but that Ireland is the laughing stock of Europe.

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** I wish to share my time with Deputies Kelly and Thomas Byrne.

**An Ceann Comhairle:** The allocation will be five minutes each for the Minister of State and Deputy Kelly and ten minutes for Deputy Thomas Byrne.

**Deputy Dara Calleary:** I welcome the chance to speak on this important legislation today. I thought for a minute that I was attending a meeting of Longford County Council, such was the exchange of views between Deputies Bannon and Kelly. I note that Deputy Bannon was so passionate that he forgot to pay tribute to Deputy Kelly for all the investment the latter has directed into Longford since his election in 2002. Moreover, being the modest type he is,

[Deputy Dara Calleary.]

Deputy Kelly will not take the credit for it and so I will do it for him in Deputy Bannon's presence.

**Deputy James Bannon:** Fianna Fáil always has been great at spin.

**Deputy Dara Calleary:** The Deputy is not so bad at it himself.

**Deputy Peter Kelly:** In fairness to Deputy Bannon, he always acknowledged it.

**Deputy Dara Calleary:** The Bill reflects the events of the past two years, which have highlighted grave shortcomings on the part of the current system of financial regulation in Ireland and globally. Coupled with the establishment of the banking inquiry and with reforms that are ongoing at European Union level and elsewhere, this Bill is designed to ensure we have learnt from the experience and from the events of the recent years and, most importantly, to ensure they will not happen again. I am pleased to note that there is general international approval of the overall approach being taken by the Government in respect of banking. The Bill ensures greater fitness, probity and accountability across our financial and insurance sectors. It is intended to safeguard the stability of our financial system, the prudential regulation of financial institutions and most importantly and in particular, the protection of consumers and depositors.

In addition to its importance to economic growth, the financial and insurance sectors are key providers of many high-quality jobs. The total number employed in financial, insurance and real estate activities has remained remarkably resilient during the current downturn and more than 100,000 people are employed in this sector at present. Effective regulation of the sector is designed to enhance the sector from both an economic and an employment perspective. Our recent experience has shown a need for serious monitoring and that operational deficiencies have been evident in recent years. Accordingly, this experience has underlined the need for a more robust system of financial regulation. The role of the Central Bank and the Financial Regulator is vital to ensure full compliance with regulatory requirements within which competition takes place.

As for the insurance sector, the actions of the Financial Regulator in recent weeks in seeking the appointment of provisional administrators to Quinn Insurance Limited are an example of this robust approach. The Regulator has the full confidence and support of the Government in the steps he has taken to protect the wider interests of policyholders and the wider economy. I am conscious of the importance of the Quinn Group to employment in the Cavan region.

**Deputy James Bannon:** The Government has blindfolded Mr. Quinn anyway.

**Deputy Dara Calleary:** I wish to pay tribute to Members of the Oireachtas from across the Border region who have reflected the views of the workers of the Quinn Group on a non-political and non-partisan basis in recent weeks. However, companies in the insurance sector operate within a regulated market place in order to safeguard the long-term interests of policyholders and third parties. As Members are aware, the Financial Regulator is working on a number of issues at present in respect of the Quinn Group and the Government awaits the outcome. I appreciate the concerns of those employed directly or indirectly by Quinn Insurance Limited but the Regulator has acted in what it considers to be the best interests of the firm's policyholders and the appointment of the administrators will allow the firm to remain open for business, to continue to be run as a going concern with a view to placing it on an ongoing sound commercial and financial footing. I believe this will assist in the maintenance of the public interest and of the proper orderly regulation and conduct of its business and of maintaining employment levels as high as possible.

Another critical reform set out in this Bill is the strengthening of banks' prudential capital requirements. The ability of banks to absorb losses on an ongoing basis is crucial for them to be able to continue to service the needs of the broader economy. The G20 and the European Union both have agreed that amending the existing prudential rules on capital requirements is essential to increase significantly the level of capital in the financial system and this will be achieved under this Bill. The Regulator's assessment will ensure that banks are not simply adequately, but are prudently, capitalised in order that they can absorb expected losses, as well as foreseeable future losses, that will arise on remaining loans. As a result, the banks will be better prepared for the more onerous capital rules being developed internationally.

This Bill will ensure that Ireland has a regulatory system that is fit for purpose and that is efficient and cost-effective. The proper functioning of our banking system is critical to the economy and must be protected by the Government. Governments throughout the world have made substantial interventions to protect their banking systems. These interventions have been difficult, are not popular, are difficult to explain or understand but have been necessary. In the steps taken by the Government, its overriding objective has been to maintain and recreate a functioning banking system, ensuring a valuable flow of credit to businesses and households in this economy and this Bill will provide a further step towards so doing.

**Deputy Peter Kelly:** The Central Bank Reform Bill is the latest in a series of measures introduced by the Minister for Finance, Deputy Brian Lenihan, to stabilise our public finances and to fix our banking sector. The failure of regulation in this country has greatly contributed to our economic downfall. Regulation under the soon to be disbanded Financial Regulator was a disaster. When Patrick Neary appeared before the Oireachtas Joint Committee on Economic and Regulatory Affairs in October 2008, I asked him whether he saw the financial crisis coming. While it was known at the time that things were not good, looking back it now is clear that banks then continued to run rings around the Financial Regulator. Unfortunately, the people will now have to pay the price for this failure.

**Deputy James Bannon:** Does Deputy Kelly intend to put them in prison?

**Deputy Peter Kelly:** The Government has taken a number of bold and, at times, unpopular decisions to get this economy back on track. This Bill is a vital part of that strategy. Without effective regulation, the actions and greed of an irresponsible few could nearly destroy the whole country again.

**Deputy James Bannon:** They did.

**Deputy Peter Kelly:** I understand the anger and frustration that people feel when they hear about the vast sums of money that banks need to meet their capital requirements. Like my colleague, Deputy Bannon, I share their anger. This is why it is particularly galling to hear of the extravagant pension entitlements that those in key positions have received and are continuing to receive. That situation cannot be justified. It is a slap in the face of the people suffering in this recession. It is only by the grace of the people that these high paid executives have their jobs and their banks are still in existence. They need to do the right thing and give the money back to the people. The arrogance and lack of empathy for what normal people are experiencing on a daily basis is breathtaking.

Unfortunately, anger is not a policy. For this reason, the Government is taking necessary and unpopular decisions to restore this country to growth. Like many, I do not like what we must do, but I accept that if we do not rescue the banks, our entire economy will fail. The appointments of Matthew Elderfield as Financial Regulator and Professor Patrick Honohan as

[Deputy Peter Kelly.]

Governor of the Central Bank will bring about an end to the era of light touch regulation and easy credit. They will be instrumental in restoring confidence to consumers and markets.

This Bill will place financial stability and consumer protection at the heart of regulation. It will also ensure effective and efficient supervision of the financial institutions and markets. It is another step in a series of measures the Government has introduced to ensure financial stability.

Every initiative we have taken, from the introduction of the bank guarantee to the recapitalisation of the banks, from the nationalisation of Anglo Irish Bank to the establishment of NAMA, has been opposed tooth and nail by the Opposition.

**Deputy James Bannon:** And the citizens.

**Deputy Peter Kelly:** If the Labour Party had its way, the banks would have collapsed on the night of 29 September and, with that, our economy. Without the State guarantee, our banks would have been unable to access funding in the days that followed. While Fine Gael, including Deputy Bannon, supported the bank guarantee, it has opposed every initiative the Government has since introduced.

Despite Opposition criticism, the international community, including the ECB, the IMF and the European Commission, has come out in support of our strategy. Likewise, the international press, including the *Washington Post*, the *New York Times* and *The Economist*, has commended the Government on the action it has taken.

**Deputy Pat Rabbitte:** I never realised the Deputy was so widely read.

**Deputy Peter Kelly:** Now that NAMA has received widespread approval, Fine Gael has tried to shift its criticism to the issue of bondholders in Anglo Irish Bank. The idea that we are bailing out senior bondholders does not stand up to scrutiny.

**Deputy Joan Burton:** That is what the Government is doing.

**Deputy Peter Kelly:** Senior bonds tend to be owned by corporations, pension funds, insurance companies, credit unions and other providers of long-term funds. People do not realise that some individuals are continuing to play politics with the banking crisis. Given the scale of hardship we are facing, it is time the Opposition parties got behind Government decisions that have been widely approved by international experts.

**Deputy James Bannon:** Send that speech to the *Washington Post*.

**Deputy Peter Kelly:** I have no doubt that Opposition Members are reasonable and sensible and will support the Government.

**Deputy Joan Burton:** We do not support the Government's cronies.

**Deputy Peter Kelly:** If the Deputy knew them, she would.

**Deputy Joan Burton:** We do not support them.

**An Ceann Comhairle:** Deputy Thomas Byrne without interruption, please.

**Deputy Peter Kelly:** I have no cronies among the banking fraternity.

**Deputy Dara Calleary:** Hear, hear.

**Deputy Joan Burton:** The Government is looking after Richie Boucher fine and well.

**Deputy Thomas Byrne:** Sure we are.

**Deputy Peter Kelly:** Deputy Burton has had more dealings with the bankers than I have had in my life. She is dealing with them all as her party's spokesperson on finance.

**An Ceann Comhairle:** Will Deputy Kelly stop engaging with Deputy Burton across the floor?

**Deputy Joan Burton:** I am sure Richie Boucher is delighted to have a friend like Deputy Kelly——

**Deputy Peter Kelly:** Labour was friendly with them all and happy to help them out.

**Deputy Joan Burton:** ——with €1.5 million for——

**An Ceann Comhairle:** Would the Deputies show some respect for the Chair, please?

**Deputy Dara Calleary:** She does not know the meaning of the word.

**Deputy Thomas Byrne:** That was another stream of insinuations from Deputy Burton. She is reading the *Financial Times*, which at one point issued a stream of insinuations about this country's policies.

**Deputy Joan Burton:** It was the Deputy's Minister for Finance who gave it an interview on St. Patrick's Day and discussed crony capitalism.

**An Ceann Comhairle:** Please, Deputy Burton.

**Deputy Thomas Byrne:** She should also read the section of the *Financial Times* that deals with the cost of Government debt. If she had read that page every day since this Government started taking action on the banking crisis, she would have seen that the cost of the Government's debt has decreased further and further. If she reads those figures and quotes them, which she used to do when they were very high, she would realise that the Government's policies are having the desired effect of getting us back from the brink and putting us on track. These are the figures she used to quote. Obviously, she no longer gets to that page in the *Financial Times*. She only reads the headlines, but she should read the second section. It is called "The Markets".

**Deputy Joan Burton:** No, I quote the totals now because they are staggering. The Deputy should add up the cost of servicing the debt. That is, if he is capable of doing that.

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

**Deputy Dara Calleary:** Typical.

**Deputy Thomas Byrne:** An allegation was made in the Dáil that Fianna Fáil Deputies do not read such newspapers. Many of them do. In fact, I even saw Deputy Bannon with a copy of *The Economist*. The idea that the Labour Party is the intellectual giant of the Dáil and the country is a nonsense that needs to be put on its head. Labour's arrogance is the reason it is not in power and will not be for another generation. That arrogance will not be tolerated on this side of the House, nor will any allegation or insinuation that we are looking after Richie Boucher or that we are friends of the banks. We are not looking after them. Rather, we are putting manners on them.

**Deputy Pat Rabbitte:** Then who is looking after them?

**Deputy Joan Burton:** How did he get away with €1.5 million if the Government is not looking after him?

**Deputy Thomas Byrne:** He will not get away with it. It is a scandal that Mr. Boucher has sought the money.

**Deputy Joan Burton:** Big talk and no action.

**Deputy Thomas Byrne:** As I stated on radio today, the danger with caps on executives' pay is that the banks are past masters at getting around them. They did so successfully in the US. It is up to the Government and the Minister, Deputy Brian Lenihan, to be just as clever. He is clever enough to ensure bankers are held to account. However, the allegation that Fianna Fáil is looking after them, giving them money or doing something for them must be knocked on its head. Deputy Burton can smile all she likes, but it was a false statement.

**Deputy James Bannon:** Could the Deputy give me the list from the Galway tent for the past five years?

**An Ceann Comhairle:** Allow Deputy Thomas Byrne to continue.

**Deputy Dara Calleary:** What of all the London fund-raisers?

**Deputy Thomas Byrne:** The issue of consumer protection has reared its head in respect of this legislation. I was involved in a relevant debate. It is an important issue, as there is no doubt that consumer protection is at the heart of the Bill. Nor is there any doubt that the personalities in the Central Bank and the Financial Regulator's office are putting consumer protection at the heart of their actions. Much will depend on those personalities, as we saw to our cost in recent years.

Last night, the Minister for Finance stated that he is consulting the various representative associations and interest groups. I would be keen for him to consult the Consumers Association of Ireland on this legislation and, if possible, to retain the Central Bank's consumer panel in some form. It is included in the legislation in a different form, but perhaps it should be retained in a bid to keep the public's confidence. The public is confident that we are looking after the consumer and doing the right thing.

**Deputy James Bannon:** The Government abolished all of the protection agencies.

**Deputy Thomas Byrne:** However, keeping the panel would be more image than reality, since the reality is evident in terms of the regulator's actions.

We must do everything possible to prevent regulatory capture. Regulators are supposed to regulate, not be in hock to the banks. Regarding the making of telephone calls to banks, there should not be a channel between them and the Central Bank unless it has to do with an emergency or part of the Central Bank's normal functions. That the Central Bank should be independent is important, but it will depend on individuals. While the current individuals are good, we must keep them in place for a reasonable period. A time will come for change in those positions.

Debate adjourned.

**Private Members' Business.****Energy Security: Motion (Resumed).**

The following motion was moved by Deputy Simon Coveney on Tuesday, 20 April 2010:

That Dáil Éireann:

recognises Ireland is acutely exposed in the event of fossil fuel import disruptions because:

- fossil fuels comprise 96% of Ireland's primary energy mix;
- all oil used for energy and over 90% of natural gas is imported;
- Ireland is at the end of a long supply chain that mostly originates in regions of geopolitical instability;
- Ireland has a total of only 11 days of commercial storage capacity for natural gas which may, or may not, be filled at any particular time;
- Ireland has no strategic gas reserves;
- natural gas accounts for over 60% of indigenous electricity generation in 2008;
- Ireland has only a few days of commercial stocks of oil on the island and is dependent on 24/7 availability of Dublin Port and the Whitegate refinery;

recognises the potential devastating impact of a dramatic spike in the price of oil or a prolonged disruption to fossil fuel imports can have on the Irish economy, national finances and general economic activity;

welcomes the anticipated coming on stream of the Corrib gas field and increased European electricity interconnection but recognises that these are only short term measures to assist energy security problems;

and calls on the Government to:

- extend the remit of the National Oil Reserves Agency to develop strategic gas reserves;
- increase the requirement on gas fired electricity generators to hold back-up stocks of oil from five days to ten days so as to permit electricity generation to continue for a longer period of time in the event of a shortage or absence of gas supplies;
- facilitate as much as possible the coming on stream of the Corrib gas field;
- use the opportunity provided by the Corrib gas field and the global slump in energy demand to front load investment in domestic energy infrastructure as outlined in Fine Gael's 'NewERA' economic stimulus plan;
- facilitate greater investment in micro generation by fast tracking revised planning legislation to deal with impediments to micro generation and introducing statutory safety guidelines for the installation and maintenance of micro generation equipment, to develop a proper certification process for installers and to develop a new and more appropriate tariff and taxation structure to kick-start investment;
- invest in greater electricity interconnection with mainland Europe;
- develop a clear action plan with specific targets to promote indigenous biomass energy in Ireland;

- produce a White Paper on energy security and publish an annual report on efforts to improve Irish energy security, including annual targets for new domestic energy production, reasons for delay in developing indigenous energy production infrastructure and energy storage capacity; and
- devise an emergency strategy for the allocation of energy resources in the event of a serious disruption of oil or gas supplies.

Debate resumed on amendment No. 1:

To delete all words after “Dáil Éireann” and substitute the following:

“commends the Government for its comprehensive actions to ensure a sustainable energy future for Ireland, delivering a reliable supply, efficient use of energy, competitive prices and diverse fully sustainable energy sources through:

- ensuring that electricity supply consistently meets demand;
- ensuring the security and reliability of gas supplies;
- overseeing ongoing investment in electricity and gas networks;
- prioritising energy efficiency and conservation;
- delivering a diverse and sustainable fuel mix; and
- in particular:
  - its prioritisation of electricity interconnection and grid development, including the east-west interconnector on schedule for 2012 with EU funding support, and the North-South interconnector, together with the development of further interconnection to the UK and mainland Europe;
  - its commitment to ensuring all-island gas security through its support for the new European framework for security of gas supply and emergency planning under the forthcoming regulation, and investment in the transmission system, bilateral arrangements with the UK and facilitation of liquefied natural gas and gas storage projects;
  - its delivery on increased levels of strategic oil stocks held on the island of Ireland, through new National Oil Reserves Agency facilities which will come on stream in the next three years and its ongoing commitment to rebalancing of strategic stocks in favour of stocks held on the island of Ireland;
  - the exponential investment in national energy infrastructure currently under way by the State energy companies, including EirGrid’s GRID25 €4 billion investment by 2025 in developing Ireland’s high voltage transmission Grid, ESB’s investment of €22 billion to decarbonise the national energy system, and Bord Gáis Éireann’s investment in gas networks and energy supply;
  - the accelerated development and deployment of renewable energy technologies including offshore and onshore wind, bioenergy and ocean, delivering the national target of 40% renewable energy in electricity in 2020, and creating the conditions for Ireland to become an exporter of energy with consequent economic and security of supply benefits;
  - radically enhancing energy efficiency and conservation through unprecedented funding for energy efficiency programmes, including the home energy saving scheme, warmer homes, industry support programmes, the public sector energy

efficiency programme, energy efficient equipment tax incentives and the roll out of the national retrofit programme this year; and

- maintaining a stable and sustainable environment for hydrocarbon exploration and production, including the strengthening of the regulatory safety framework through the enactment of the Petroleum (Exploration and Extraction) Safety Act 2010.”

—(Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan.)

**Deputy Joanna Tuffy:** I wish to make a number of points in respect of the climate change aspect of this debate. I am my party’s spokesperson on the environment and, as such, this matter comes within my remit.

Those in government, particularly the Green Party Ministers, need to realise that one of the ways to begin to tackle climate change would be to bring about a greater level of income equality in this country. A great deal of research has been carried out which indicates that societies in which there is greater income equality perform better with regard to tackling climate change, conserving energy, etc. I am sure the Minister, Eamon  
7 o'clock Deputy Ryan, is aware of a book on this subject, *The Spirit Level: Why More Equal Societies Almost Always Do Better*, which was published last year. Its authors considered studies carried out over a period of 30 years in various developed countries and also examined the position in 30 American states. They compared countries on the basis of their levels of income equality or inequality and discovered that countries which have greater income equality and in which there is a smaller gap between those on high and low incomes do better across a range of indicators, including life expectancy and mental health. The authors also discovered that such countries do better in the context of their carbon footprints, in their performance on recycling and in various other areas.

In the context of the Green Party’s policy on energy conservation and climate change, the central premise of the book to which I refer must be taken on board. Since they entered Government, the Green Party Ministers have done little with regard to tackling the issue of income inequality. It just does not seem to appear on their radar. They have agreed to the introduction of budgets which will widen the level of income inequality as the years progress. In budget 2010, for example, social welfare rates were cut. At one point the Minister spoke out against labour taxes, which are basically income taxes. He was echoing the line the Minister for Health and Children, Deputy Mary Harney, has espoused for many years. The latter may have referred to them as taxes on work but her remarks on the subject certainly mirror those put forward by Minister for Communications, Energy and Natural Resources, Deputy Ryan, who is quoted as stating that there is something wrong with labour taxes.

If those in government want to ensure that the tax system is fair, then they must ensure that taxes are based on people’s incomes. That is why income taxes should form the core of the Government’s taxation policy. Those opposite should do everything in their power to ensure that there are not significant gaps between people’s incomes. That is the message put forward in *The Spirit Level: Why More Equal Societies Almost Always Do Better*. This book states, in the context of climate change, energy conservation, recycling and so forth, that the members of societies where there is greater income equality and where large gaps do not exist between rich and poor are not as compelled to consume as much. People’s status in such societies is not based on what goods or luxury items, such as jeeps or whatever, they own. In other words, they are much less focused on attaining status in society by means of consuming goods.

The authors of the book to which I refer also state that these societies do better in terms of their performance in respect of climate change and other environmental protection indicators because there is more solidarity among their citizens. People who live in such societies are

[Deputy Joanna Tuffy.]

more likely to work together on issues in their communities. An obvious example of where societies should work together is in respect of climate change and energy conservation.

I refer to this matter in the hope that the Minister, who represents the Green Party, will take on board the points I have made. Perhaps more could be done in future budgets to reduce the gap between rich and poor in our society.

There is another aspect of this matter to which I wish to refer, but I accept that it is probably more relevant to the remit of the Department of Education and Science. A great deal could be done to conserve energy and reduce carbon emissions by making school buildings more energy efficient. This is a matter over which the Government exercises a high level of control and in respect of which it can show an example and take the lead. As Members are aware, many school buildings are in a sad state of repair and have leaky roofs, poor quality windows and are not properly insulated. Large numbers of children are taught in prefabs, a large number of which are old and are not energy efficient.

If the Government were to front load investment in school buildings in order to ensure that they are properly insulated and that they are energy efficient, it would save money in the long term because the amount of money spent on heating such buildings would be reduced. In addition, carbon emissions would decrease and we would go some way towards addressing the issues that will arise in the context of peak oil. If the Government were to proceed as I have outlined, it would be good for the economy because people who previously worked in the construction industry and who are currently unemployed could obtain work on such school building projects. The Labour Party has been proposing a move of this nature for some years.

If the Government and the Green Party are serious about the green economy, they should proceed in the way I am suggesting. It would make sense to involve those who previously worked in the construction industry in erecting badly needed school buildings that are more energy efficient. This would provide an economic stimulus, while also being good for the environment.

**Deputy M. J. Nolan:** I wish to share time with the Minister of State at the Department of Finance, Deputy Martin Mansergh, and Deputies Charlie O'Connor, Trevor Sargent, Peter Kelly and Timmy Dooley.

I welcome the opportunity to contribute to the debate on this timely motion. Many Members are interested in discussing the sustainability of Ireland's energy supply. This is an issue to which we must all pay attention, particularly when one considers that gas accounts for such a high percentage of the fuel required to meet our electricity generation needs. In view of the fact that the Kinsale gas field is seriously depleted — it only accounts for 4% of our needs — most of the gas we use is imported. The Corrib field is expected to be in production by 2012. Whereas we now import 96% of our gas from the UK, it is hoped that the Corrib field, when in full production, will be able to meet a large part of our needs.

It is important that we should continue to consider possible sources of renewable energy. In that context, we are well on track towards achieving the Government's target of meeting 40% of our electricity needs from renewable sources by the year 2020. It is also worth noting that we are investing significantly in our national grid. Due to the fact that we are at the end of the gas pipeline, we must consider how we might establish more secure interconnectors between Ireland and the UK, particularly Scotland, in order to ensure that there will be continuity of supply.

In January, a major increase in demand for gas supplies was experienced in this country and in the UK. We managed to navigate our difficulties in this regard. Even though the UK was

subjected to the same cold weather as Ireland and experienced the same increase in demand on supplies, both countries managed to continue to meet the needs of domestic and industrial customers, particularly those who operate in the field of electricity generation. The fact the European Union is taking a serious interest in the security of supply for the European Community will also assist us. We all recall the difficulties when the Russian and Ukrainian problem developed and the impact that would have had on the gas supply for the European Union had it continued.

It is important we continue to look for sources of new gas. I was pleased to note recently that there is talk of a new find off the east coast. The Minister should continue to encourage prospectors to look for indigenous supplies of gas or other sources of energy.

I wish to make a couple of points on the two interconnectors between Ireland and the UK. The Commissioner for Energy Regulation is looking at the provision of a third interconnector and that should be encouraged and seriously considered.

The strategic storage of gas is an issue which has not been looked at to the extent it possibly should be. It costs five times more to provide storage for gas than for oil. Given our dependence on gas, we will have to consider that. If the Government is not in a position to fund such a serious capital investment, perhaps it is an area at which the commercial sector might look.

We are very reliant on the UK. Last winter we had a one year in 50 years cold snap, which we came through. That is to be welcomed.

I refer to the security of gas supply on an all-island basis. That is the only way we can look forward. The Joint Oireachtas Committee on Communications, Energy and Natural Resources has given serious consideration to the grid interconnector. The interconnector between North and South is at planning stage. Every aspect of that planning application has been discussed by our committee and in the Chamber. I hope that will go through and that we will have a security of supply, North and South.

I commend the Minister and the Opposition for tabling this motion because there is not too much between us on this matter.

**Deputy Charlie O'Connor:** I welcome the opportunity to make a brief contribution to this important debate. I could not see Deputy Coveney's expression when the last statement was made about him being close to the Minister on this issue. I would be interested if he would confirm that. I take the opportunity to compliment Deputy Coveney on giving us an opportunity to discuss an issue which is timely. I also wish the Minister well in regard to his issues.

I was in Tallaght this evening with Deputy Coveney's colleague, Deputy Brian Hayes.

**Deputy John Perry:** That is a big surprise.

**Deputy Simon Coveney:** It only took him 12 seconds to mention Tallaght.

**Deputy Charlie O'Connor:** It is topical enough in the sense that we were guests of George Hook in the civic library in Tallaght. The reason I mention it is that the event is part of the Bord Gáis library opportunity which is being run throughout the country. George Hook made a point about the importance of energy supply. The nice managing director from Bord Gáis made the case for his supply, which was fair enough.

What sort of world would it be without energy or without electricity? I am old enough to remember a time when it was not always possible to switch on the radio or to have an electricity supply. A few weeks ago, Deputy Pat Breen and I went with the organisation, IAVI, to Entebbe in Uganda to evaluate an AIDS project. The reason I mention it is that sometimes one needs to go to places such as that which do not have radio, television or electricity and see the

[Deputy Charlie O'Connor.]

challenges that brings. That is relevant because people have asked me during the week if God is not happy. He may not be given the volcano and what has happened in our air space.

I often think about what it will be like in 50 or 60 years time, what we will do about energy supplies and what the challenges will be. I am genuinely pleased this Minister has shown a progressive attitude — I know everyone in the Chamber will agree with that — towards his remit. It is right that he does so, because it is a challenge.

The events of the past week, which have affected Europe and have had consequences throughout the world, prove that we need to look at the alternatives. I suspect there will be much debate about energy and other issues arising from what has happened, which is good.

I look forward to listening to Deputy Coveney conclude the debate because I am interested to know how close the Opposition is to the Government on many of these issues. There will always be a dotting of i's and a crossing of t's in Private Members' business but I hope, as we go forward, there will be a different kind of government in power and it is important we understand the alternatives. I am not saying what they should be and having listened to the Labour Party conference at the weekend, I am not sure how that will manifest itself but I look forward to seeing it.

**Acting Chairman (Deputy Jan O'Sullivan):** Will Deputy O'Connor conclude?

**Deputy Charlie O'Connor:** Do what?

**Acting Chairman (Deputy Jan O'Sullivan):** The Deputy's time is almost concluded.

**Deputy Charlie O'Connor:** Is my time up already?

**Deputy Timmy Dooley:** Did the Deputy get to mention Tallaght?

**Deputy Charlie O'Connor:** I mentioned Tallaght. I try to bring to my politics——

**Deputy James Bannon:** The Deputy did not mention Tallaght.

**Deputy Charlie O'Connor:** I did.

**Deputy John Perry:** He mentioned it four times.

**Deputy Charlie O'Connor:** I mentioned Deputy Brian Hayes and Deputy Pat Breen, so the Deputies opposite might tell them that. I also mentioned the Labour Party. I am doing my best to take a positive approach.

**Acting Chairman (Deputy Jan O'Sullivan):** I am going to have to call the Green Party, so I ask Deputy O'Connor to conclude.

**Deputy Charlie O'Connor:** I was going to finish on the Green Party because I have made my views on the Minister, Deputy Eamon Ryan, known. I hope my admiration for his work does not do him any harm politically. I look forward to the Minister tying together the points made in this debate. I suspect that my colleagues opposite will be constructive in that regard.

**Deputy James Bannon:** Does Deputy O'Connor not think he has contaminated the Green Party?

**Deputy Trevor Sargent:** I definitely welcome this motion on energy security and am very happy to have an opportunity to speak on it. I thank Deputy Coveney and Fine Gael for giving

us that opportunity. From listening to the debate, there is clearly an awareness that we will have a problem to deal with if we expect to continue to consume energy at the current levels. That must be the starting point if we are to come to grips with the challenges we face.

We are currently enjoying — if that is the right word — an oil and gas bonanza which began approximately 150 years ago but which will finish a lot more suddenly than it began. Effectively, it was a windfall which allowed society to become quite complex. We have long supply chains. When I was Minister of State responsible for food and horticulture, an issue I dealt with all the time was the long distances our food travels before it reaches us. That is also the case for manufactured goods. They are just two of the many examples of this high energy consuming complexity.

Added to that is the very inconvenient truth, as Al Gore described it, of climate change which requires us resist the temptation to use every last drop of oil and gas, which is difficult for any human being, even if it was easily available and at an affordable price because that will send us over the edge in climate change terms and result in problems we have not even started to contemplate in terms of food security, emigration, immigration and general mass dislocation of society throughout the world, in particular in the poorest areas which is the greatest injustice.

Many measures have been taken for which the Government must be given credit. The Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan, compared the position in Ireland with that pertaining in other countries, including the United States. Despite the recession, the evidence stacks up that we have taken this issue as seriously as the country's finances allow us. Home insulation schemes have been introduced, for example, and policies have been adopted on combined heat and power, micro-generation and renewable energies. While more needs to be done, a myriad of companies and research projects regard these initiatives as an opportunity to create employment and to improve our balance of payments. Work is being done on this issue and many projects are in the pipeline. Electric vehicles, which featured recently in news reports, is one such example.

It is important, in referring to good ideas and initiatives, that we also inject into this debate an overview of the current position. Industrial society is rapidly consuming the necessary physical prerequisites for its existence. If this process is not arrested, changed or adapted to, difficulties will inevitably arise and we will be asked to explain the reason we did not see them coming. The evidence is available and all of us, as representatives of communities, must take it seriously. Managing the predicted collapse, one for which there is good evidence, which will be a consequence of demand for energy suddenly outstripping supply, is a major responsibility.

In recent days, Conor Pope and others in *The Irish Times* have been trying to explain and rationalise the increase in the price of energy. The inevitable tension between demand and supply is growing apace. It is, therefore, imperative that before this tension overwhelms us and becomes impossible to manage, we have in place incentives to live more simply and reasons to be satisfied with a manageable and sustainable level of energy use. Rather than worrying about this requirement, we need to embrace it in the same way we embraced decimalisation and the euro. What we did in those cases was woke up in the morning, faced the reality and made the best of it. As a result, we had the Celtic tiger and so forth. In other words, we can take advantage of this change. To do otherwise would be to try to resist the inevitable.

I was pleased to have been present for part of last night's debate when I heard Deputies propose some good ideas. Deputy Doyle reported on the important progress made by the Joint Committee on Climate Change and Energy Security and referred to transport and energy generation. I would like the joint committee to place greater emphasis on food. The empty shelves caused by the aviation crisis serve as a warning that energy and food go together. Deputy Deenihan referred to Tarbert, while Deputy McHugh focused on space heating, Chan-

[Deputy Trevor Sargent.]

cellor Angela Merkel's hydrogen ideas, an interconnector and the export of energy. While all these issues are important, contributions to this debate should include an overview.

I am sorry I did not have the opportunity to listen to Deputy Coveney's contribution, as I am sure he addressed the issue in a comprehensive manner. When I listened to the Minister, Deputy Ryan, I thanked God for the level of energy at the Cabinet table. The Minister pointed out that three tablespoons of oil is the equivalent of eight human hours of work and we are consuming ten pints of oil per person per day. The use of these figures and this imagery suddenly makes the position very stark.

It has been worked out that the energy lifestyle that is considered normal, a basic right and part of the American dream is equivalent to having approximately 150 slaves working 24 hours per day, seven days per week. Slavery may have been abolished 200 years ago but we must thank God we have oil as some people could be otherwise tempted to argue that slavery is preferable to the alternative. We are living in a bubble as regards energy use and a transition, to use a mild term, is required.

While I am pleased to note some people are present in the Gallery, this debate is of such importance that one would expect the Gallery to be packed. One of the challenges Deputies face is to make proceedings in the House gripping. The transition to which I refer is a little like a game of football. We are in half time and once the second half commences, everything will change. For this reason, we must put in place the necessary tools and mechanisms to play the second half and support those who are providing the essential services that will help us to play the second half. I refer, in particular, to those in the food industry who are trying to introduce combined heat and power to allow them to stay in business because their Dutch competitors are already using this technology as well as those who are trying to secure connections to the grid. Something of a catch-22 scenario has arisen because the popularity of wind technology has caused a backlog. As with the queues at the sea ports caused by people trying to get ferries in recent days, we need to tackle the queue for connections to the grid.

Under the current price structure, organic food is considered to be more expensive than non-organic food. When energy prices catch up on us, as they did in 2008 when prices peaked, I predict organic food will be cheaper than energy intensive, industrial production. We must be ready for this eventuality and open our minds sufficiently to anticipate a new price structure, a new energy reality and a new way of life. The challenge for all of us, to use the words of Mahatma Gandhi, is to live simply so that others can simply live.

**Deputy Timmy Dooley:** I welcome the opportunity to contribute to this debate and thank Deputy Coveney and others for tabling a comprehensive motion on which an amendment has been tabled. As Deputies will have noted, there is little divergence between the contributions being made on all sides.

I recognise the role played by the Minister for Communications, Energy and Natural Resources, Deputy Eamon Ryan, in his time at Cabinet. The Minister has brought to this area a particular focus, one which is clearly necessary to face the challenges of the decades ahead.

**Deputy Ulick Burke:** The Deputy does not say that in his constituency.

**Deputy Timmy Dooley:** Deputy Sargent outlined the position regarding oil. We are all concerned that reserves will not be able to provide for the future. This makes it incumbent on us to ensure security of supply of the energy we require. In that respect, I welcome the initiatives taken by Shannon Development and other State agencies. Shannon Development has focused attention on the idea of having a green energy park around the Shannon estuary. The objective

is to develop technologies which will provide for future electricity generation through the harnessing of wind, wave and tidal power and the spin-off from such development. If these pilot projects can be developed into the next layer of technology in terms of energy generation, it will create potential for the country and region. Much work is being done on which we must build.

Discussion on the development of all-island gas security through support from the European framework for security in gas supply is helpful. An LNG plant has been proposed for Ballylongford. As well as providing for the storage of gas in the region, such a facility would add to our strategic gas reserve capacity. It would also provide considerable jobs in its construction phase. When trying to bring in a large project, we have to look at the road-blocks along the way. I understand there is a delay in the delivery of the foreshore licence, so there are issues we need to resolve as part of the delivery of critical infrastructure and we need to keep a focus on them.

There has been much talk about other elements of renewable technologies that need to be examined, especially in bio-energy areas such as oceanic energy. There is a considerable role for the Government to develop the micro-enterprises by assisting them in research and using the results to develop the companies.

The Government has also played a positive role in the conservation of energy. The various schemes that have been introduced such as efficiency programmes, home insulation schemes and the national retrofit programme are clearly designed to minimise the use of energy and thereby allow us to evolve as a society, using what we need rather than what we might have wanted in the past. That is a considerable challenge for society. We have to do our business in a different way.

I commend the Minister's efforts and I look forward to his continued direction of the various projects that have been identified. I commend his efforts to continue the debate on the necessity to conserve, reduce and eliminate where possible the waste of a very scarce resource, in order to ensure that we have the capacity to provide for future generations.

**Deputy Peter Kelly:** Ireland has come a long way on energy security and energy reform in a few short years. Fianna Fáil in Government, together with our partners in the Green Party, has introduced a wide range of initiatives aimed at enhancing conservation, supporting renewable resources and developing proper infrastructure. Faced with a peak in global oil production, it is not possible to sustain our national consumption of 165,000 barrels of oil per day. We must act now in order to ensure that we have a sustainable energy future, so what do we do?

We must ensure that we have enough oil in stock. That is why we have given the new National Oil Reserves Agency extra resources to create greater storage facilities. These will come on stream in the next three years.

**Deputy James Bannon:** When we change the Government.

**Deputy Peter Kelly:** It will come on-stream in the next three years, one way or another. I am sure that the policy we are promoting tonight will be continued by the Opposition if it gets into Government, because we know we have its full support.

**Deputy James Bannon:** I am glad the Deputy has admitted defeat.

**Deputy Peter Kelly:** As well as oil, Ireland is highly dependent on imported gas, especially for electricity. The Russia-Ukraine gas crisis, although it did not affect us directly at the time, provided a stark reminder of the potentially precarious position in which our dependence on imported gas puts us. The EU is currently developing a strategy to ensure that Europe is more

[Deputy Peter Kelly.]

united on the issue of gas provision. It is set to introduce statutory regulations for gas storage by this summer.

While it is imperative we develop proper facilities and methods for energy storage, energy conservation and the development of renewable energy are equally important. A number of concrete steps have been taken on this front.

**Deputy James Bannon:** Will the Government put up Longford Barracks for storage?

**Deputy Peter Kelly:** New energy ratings for buildings have been introduced. We have provided unprecedented funding for energy efficiency programmes such as the home energy saving scheme and the warmer homes scheme. I must compliment Longford Warmer Homes Limited on the outstanding job it is doing. I am sure Deputy Bannon is well aware of it. In December's budget, we extended the national insulation programme to include a €50 million national retrofit programme. This should enable 50-60,000 houses to update their insulation systems.

There are also a number of schemes aimed at encouraging energy efficiency in businesses. In December's budget, the existing tax incentive scheme for businesses purchasing energy efficient equipment was extended into three new categories. This will lower energy costs for industry, give them a cash flow boost and help them to make the right purchasing decisions in the coming year. In developing our renewable energy sources, we are positioning Ireland as a future exporter of energy.

To achieve this we have committed to an accelerated development and deployment of renewable energy technologies including offshore and onshore wind, bioenergy and ocean. In order to have an efficient and effective energy sector here, we must ensure that we have the proper infrastructure to go with it. There has been substantial investment in infrastructure by the State's energy companies. EirGrid is investing €4 billion in Grid 25 by 2025 in developing Ireland's high voltage transmission grid. The ESB is investing €22 billion to decarbonise the national energy system. Bord Gais Éireann is also substantially investing in gas networks and energy supply. To get the best results from our energy sector, we must first understand what we are dealing with. In line with this, the Government is investing €12.9 million in energy research in 2010.

To help guide our actions we have set a number of ambitious but achievable targets. Ireland has committed to sourcing 40% of its electricity needs from renewable sources by 2020. We have also set a challenging target of delivering 20% of energy efficiency savings by 2020. A higher target of 33% of has been set for the public sector. We have decided that 10% of our car fleet should be electric by 2020.

While I welcome the opportunity created by Fine Gael to discuss these important issues, there are flaws in its "New Era" strategy. Chief among these is its proposal to sell off ESB and Bord Gáis. Ireland's electricity and gas infrastructure. These are of strategic national importance and should not be privatised.

**Deputy Simon Coveney:** The Deputy should read the document and stop relying on ignorance.

**Deputy Peter Kelly:** Divesting ourselves of these strategic assets at this time would compromise the security of Ireland's gas and electricity supplies.

**Deputy Noel J. Coonan:** I wish to share time with Deputies Bannon, Breen, Perry, Burke, Crawford and Neville.

**Acting Chairman (Deputy Jan O’Sullivan):** Is that agreed? Agreed.

**Deputy Noel J. Coonan:** I welcome the discussion tonight. I am bewildered by the comments from the Government Deputies who state that they welcome the debate and that there is not much between, yet they will not agree to the motion. We have just heard what Deputy Kelly had to say. We are debating an immediate set of proposals and policies to deal with what could soon become an energy crisis here.

If I stood up here two weeks ago and said that an unknown volcano with an unpronounceable name was to erupt and bring down air traffic from the skies of Europe, stranding thousands of Irish people far from home, then the Minister and the Acting Chairman would probably think I was mad. Unfortunately, this can happen and it did happen. The Venezuelan President declared a state of emergency two months ago, after the country had experienced its worst drought in 50 years and all the water in the dams dried up, leaving Venezuela without electricity. These are two examples of what can happen. Tonight we are encouraging and cajoling the Minister to take immediate action so that such occurrences cannot occur in Ireland.

I welcome the motion as proposed yesterday by my colleague, Deputy Coveney, who gave a comprehensive review. He covered a range of items that I do not wish to go back over, apart from mentioning two of them. One is that 95% of all our oil resources are imported and, second — which is most worrying — that we have 11 days’ storage of gas supplies. However, as the chief executive of Bord Gáis has said, in reality that is seven days’ supply. Some 60% of our electricity is generated through gas, which is worrying to say the least. If anything were to happen to those supplies, not only would jobs be affected but lives could equally be affected. We must take action and the first thing to do is protect the resources we already have. We must also increase those resources as well as increasing storage. We must also examine alternative energy sources with a view to developing them.

The smart, green economy seems to be the Minister’s focus, but I am concerned that he is not dwelling enough on what we have already. The seas around our shores are reputedly rich in oil and gas reserves, but are we doing enough to get companies to explore and tap into those resources? If we struck oil or gas in our national waters, it would have a profound and positive effect on the economy.

The farming community has provided leadership on alternative energy and every piece of land in Ireland could be utilised to produce energy crops. For example, some weeks ago, Duggan Brothers in conjunction with young, modern farmers in the cattle and pig sectors, and Professor Gerry Murphy of University College, Cork, presented a proposal to the Committee on Agriculture, Fisheries and Food. It was entitled “Anaerobic Digestion in Ireland: the Problems and the Potential”. The net benefit of this proposal would be to create 15,000 jobs in the construction, service and implementation phases. There would be no decrease in agricultural production. In addition, no capital injection would be required by the Government, while there would be a major reduction in greenhouse gases. That is an example of the entrepreneurship involved and the positive approaches that the Minister and his Government colleagues could tap into in order to alleviate our problems.

**Deputy James Bannon:** I wish to congratulate Deputy Simon Coveney for bringing this important motion before the House. While conscious of our national vulnerability to fossil fuel disruptions because of our excessive reliance on imported oil and gas supplies, I would like to highlight the position of the midlands. In particular, Longford, Mullingar and other midland towns have still not been connected to the national gas grid. I am glad that the Minister is heard to listen to this debate. These locations are currently without the advantage of a coherent and co-operative energy infrastructural provision. The gas pipeline must be extended to Mullingar,

[Deputy James Bannon.]

Longford and other midland towns. This is something for which I have campaigned for a number of years and I have discussed the matter personally with the Minister. I have also discussed with him the patchy broadband service in the midlands.

Smart Grid, as proposed by Fine Gael, will be formed from the merger of Eirgrid and the ESB. I am confident it will provide a new energy infrastructure not alone for the midlands but also the entire country. It will take ownership of Ireland's electricity transmission and distribution infrastructure. Smart Grid, a merger of networks, will work on three broad sets of targets. These would include making Ireland a net exporter of energy by 2030. We should be producing 50% of our electricity from renewables by 2020. A nationwide infrastructure would see 50% of cars running on electricity by 2025 and 100% by 2030.

I welcome the recent announcement of a €5,000 grant to purchasers of electric cars. I think Deputy Peter Kelly has one on order.

**Deputy Noel J. Coonan:** It is a hearse.

**Deputy John Perry:** An electric hearse for a funeral director.

**Deputy Noel J. Coonan:** In order to meet the needs of Longford-Westmeath, I want to see Smart Grid efficiency extended to the midlands as a matter of urgency. However, it is extremely important at this point to ensure that all cables are routed underground. This is imperative to protect the rural landscape and avoid unsightly interconnectors above ground, which would impact adversely on tourism and have the potential to affect health negatively. Our local economy depends on such provision and without a gas supply, broadband access and a sustainable source of electric power, we cannot compete on the domestic or world markets.

Renewables and interconnectors are the buzz words for our future energy requirements. However, I am deeply concerned at the intrusion of overhead cables on our rural landscape. As I have stated in the past, I strongly advocate the alternative of putting cables underground. In this case, it would be extremely shortsighted to be penny wise and pound foolish. It would cost more, but the long-term benefits should be a driving force for such an initiative.

About three years ago, the Government established a pilot scheme to grow elephant grass. This crop, however, has failed in many areas. A lot of farmers who ploughed up land to cultivate this product are now out of pocket as a result of the pilot scheme's failure. I met 20 or 30 of them in my constituency and they are devastated by the crop's failure. Those farmers should be compensated by receiving the funds they were promised. I would appreciate it if the Minister for Communications, Energy and Natural Resources could take that matter on board. I know the scheme was launched by the Minister for Agriculture, Fisheries and Food, but the Minister present, Deputy Eamon Ryan, also has a role to play in this regard. He should ensure that while people should be encouraged to get involved in pilot schemes, they need to be compensated if such schemes fail.

**Deputy Pat Breen:** Recent events are a stark reminder to all of us that nature is in control and that we have no power over acts of God. As an island nation on the periphery of Europe, we are dependent on fossil fuels, which are costly to supply and import. They currently make up 96% of our energy demands. If we are to restore the country's competitiveness and end our over-dependence on imports, we must develop indigenous energy sources. Natural gas currently accounts for 35% of primary energy demand in Ireland. As we know, Russia supplies a quarter of Europe's gas, some 80% of which is transited through Europe. In 2008, we all remember that Russia cut off gas supplies through the Ukraine, thus depriving many eastern bloc countries of heating gas during that winter's Arctic conditions. It caused terrible problems.

Ireland's annual requirement for heating oil is nearly 2 billion litres, which is enough to fill Croke Park three times over. The International Energy Agency predicts that by 2020 some 82% of Europe's gas will be imported from Russia and the Caspian Sea basin. Ireland is at the end of that pipeline and if anything happens to disrupt the supply we would be left very exposed. We do have the Corrib gas field, which at maximum output would meet 50% of our national demand, but there are only 16 years left in that.

Deputy Coveney's motion concerns our dependence on fossil fuels. We have the potential to develop renewable energy sources, such as wave and wind energy, particularly in my own mid-west region. I welcome the signing of the memorandum of understanding between the University of Limerick, Shannon Development, NUIG and Silicon Valley's Irish technology leadership group, which led to the development of the Shannon region as a major hub for renewable energy. We have a rich abundance of natural resources in the Shannon area and estuary, including wind, wave, tidal and solar resources. Algae harvesting can also be done off the coast. CO<sub>2</sub> could be filtered through the algae and seaweed as it is very good for the seaweed. The seaweed could then be used as a biofuel. It has been suggested that Kilrush in west Clare would make an ideal location for the establishment of a research facility.

Deputy Coveney visited Moneypoint last year and saw for himself the environmental retrofit project being completed there by the ESB, which will lead to a significant reduction in carbon emissions. However, the lifespan of Moneypoint is short and it is expected to close by 2025. Therefore, we must be ready to harness alternative energy sources that can connect to the grid already in place. Wave and wind energy will come into play in that regard. There are opportunities to develop our marine energy technologies. The experts claim that marine energy could provide approximately 500 MW of power by 2020. The opportunities are there for us to develop our own indigenous energy resource so that by 2020 we can turn the tables around and make Ireland an exporter of energy. We have greater potential than many other countries in terms of developing renewable energy resources because we have ten times as much ocean space as land. What is required now is the necessary investment and technology and a Government commitment to drive this forward and create jobs. I commend Deputy Coveney for introducing this important motion and hope the Government supports it.

**Deputy John Perry:** I congratulate Deputy Coveney on bringing forward this important motion on Ireland's energy resources. The availability and cost of primary energy resources are key factors in our economic prosperity and to the standard of living we can reach. Raising the standard of economic prosperity further will demand more energy resources. Electricity is a key component of the energy sector and of all forms of energy use. Few other industries provide services which are of such widespread national importance as electricity. Without electricity the economy suffers. It is not a form of primary energy, but must be generated from primary energy sources such as coal, oil, natural gas, nuclear energy, bio-energy and wind, etc.

The availability of adequate, reliable and economic primary energy supplies is of crucial importance to our national ability to generate electricity. In Ireland, carbon-based primary energy resources for electricity generation are limited. We had one significant natural gas find off Cork and recently we were lucky to find another natural gas field off the west coast. Perhaps the best we can hope for is that we will find a significant natural gas field every 25 years. The most significant primary energy resource available to us now is the Corrib gas field. It is of the utmost importance that the natural gas from this field be brought ashore as quickly as possible and distributed to as big a region as possible. The world is covered with natural gas pipelines, big and small and high and low pressure. There is nothing exceptional about the onshore gas pipeline from the Corrib gas field. It is time to set aside old-fashioned superstitions about

[Deputy John Perry.]

technical progress and to complete the Corrib project as quickly as possible. It is important too that we get a connection to the north west, to gateway regions such as Sligo.

The part of this Fine Gael motion which calls for investment in an electricity interconnector with mainland Europe is the most important part. I would go as far as to say that a direct electricity interconnector to Europe is one of the most strategic elements of future energy policy. In the future, we must have the option of being able to import a substantial part of our energy requirements in the form of electricity directly from mainland Europe. Our electricity supply must come at a reasonable cost and must be reliable. The insurance cost of having the capability to directly import electricity is justified. It is especially important for businesses that we get value for money when importing electricity. Grounded aeroplanes are not the only pieces of technology that are stationary these days. The massive ash cloud over Ireland and the rest of Europe is not being dispersed quickly enough due to the lack of adequate and consistent winds. Whatever the underlying climatic reason, for the past few months wind generation has only been 20% of the installed wind turbine generation capacity. If a significant portion of our future electricity generation capacity is tied to wind resources and if wind energy disappears, as it seems to have done over the past few months, the only option available to keep our economy and society going would be massive electricity imports. If we do not have a major electricity interconnector directly connected to European grid, we will be in serious danger of grounding our economy, just as has happened with the crisis with flights out of Ireland in the past week.

The environmental and economic benefits of wind energy are not as great as the Minister and other proponents claim. I believe we must have a prudent economic approach to any proposal for further significant national investment in wind farms. Wind does not blow all the time and when it does, it may not be available during the peak electricity demand periods. Wind is an unreliable replacement for more dependable and more cost-effective nuclear and carbon-based energy sources. The implications from the failure of the wind generation capacity to deliver over the past few months must be addressed. I call on the Minister to address this specific point in his response to this debate and to respond to reports that on each of the five coldest days last year, electricity generated from wind was virtually zero.

**Deputy Ulick Burke:** I welcome the opportunity to contribute to this debate and thank Deputy Coonan for sharing his time. There is far greater recognition in 2010 that Ireland is in a very exposed position with regard to energy supply due to its over-dependence on imported fossil fuels for electricity generation. Our 96% dependence on such sources of energy, particularly imported fossil fuels, puts our supply in a precarious position, particularly during periods of high demand. All of our oil and 90% of the gas used in the generation of our electricity is imported. Some 60% of our electricity is generated from gas, but only 8% of that gas need is home produced.

Now is the time, as suggested in the motion, to front load investment in domestic energy as planned in Fine Gael's NewEra policy. We must safeguard our supply and find alternatives. We have many great resources on our doorstep, but our Minister and his predecessors have neglected to develop them. Wind energy can be part of the alternative, but access to the national grid is a serious problem for many in this area and has hindered development, particularly in the west where we have the greatest need and the greatest potential in the area of wind energy. It is wrong that there is so great a delay in providing access for many projects that already sustained high costs in getting planning permission, funding and paying research and consultant costs to establish the viability of the projects. The "gate" system currently operating does not work and adds to the delays. There are currently many projects in gate

three that will never come to fruition. Other projects are ready to go but cannot even gain access to gate three.

It is essential the Minister takes action. He must bring the people and agencies responsible for these unnecessary delays together to release the potential and gain from the investment already incurred so as to generate an alternative source of energy. The current system must be amended if we are serious about meeting the targets set out for the next ten years. Excessive application fees are also being charged for grid connection. The justification for these fees must be examined or are they being put in place to hinder viable projects? EirGrid is making an effort to improve the grid structure, but it is often opposed by objectors.

The carbon tax announced in the budget will increase farm production costs by a staggering €16 million per year. This tax increase is particularly severe on farm diesel, with an increase of 8.7% in comparison to the increase of 4.4% on auto diesel. Farm diesel accounts for 40% of farm energy expenditure, or €128 million per annum. This is a new tax on farm production and will hit tillage farmers in particular and other contractors whose activities peak during summer demand. This carbon tax increase will cost €11 million on farm diesel alone and is a further burden after three bad years of farming, particularly for those involved in tillage and cereal production. It is unacceptable at a time of falling incomes and further high cost inputs. Why has there been a higher increase on agricultural diesel than on other fuels? I hope this increase will be postponed, as was done with home heating oil after the budget, and that the increase will be reduced to 4.4% as is the case with auto-diesel and other fuels.

*8 o'clock*

**Deputy Seymour Crawford:** I appreciate the opportunity to speak on this very important motion and I congratulate Deputy Simon Coveney on tabling it. Deputy Coveney and other colleagues in my party have put a tremendous amount of work into the NewERA project. Tonight we are discussing security of power. Much of our power comes through one source in Scotland and that gas is used for the production of electricity and other purposes. We are extremely vulnerable and we saw what happened because of the volcano in Iceland this week. One never knows what will happen anywhere. The day we totally depend on one source for so much of our power is a very dangerous day.

We depend on the importation of oil and gas at such a level that it is extremely dangerous. We need to re-examine how we encourage the use of alternative energy. For years, I worked at trying to get various sources going, such as a biomass plant in Monaghan which would use poultry and mushroom waste. It was turned into an incinerator by people who were crazy, to put it bluntly. The raw material is now exported in lorry loads to be utilised in Scotland to produce cheaper electricity. After the BSE crisis, meat and bonemeal was stored for a while and was then exported to Germany for the Germans to produce cheaper and cleaner electricity.

Those who say we have come a long way have much to learn. Some people claim we have increased the production of natural electricity from wind farms over the past two years. I look at the wind farm outside Cootehill and think of all the years I spent with others trying to get it off the ground. It did not happen in the past two years; it happened over the past ten years with plenty of obstacles.

There are major pig farm structures in Monaghan, Cork and possibly other places, but in Cavan it is most serious. Not only are the pigs there but there is also a land structure which makes it difficult to use farm waste. There is no doubt this could be utilised by digesters if any thought was put into it by the Government to ensure capital aid was available and the structures whereby the ESB pays for it or allows it through its services were changed. An individual farmer or business person who wants to erect a windmill or another form of energy production must pay VAT. Other permanent structures erected on a farm are VAT refundable.

**Deputy Simon Coveney:** Hear, hear.

**Deputy Seymour Crawford:** We are crazy. We speak much and hear many promises and commitments from the Government but we do not see anything materialising.

This country has an opportunity like never before. People understand and are prepared to take the alternative route. Last Monday night, I opened a seminar at which Deputy Simon Coveney spoke and more than 300 people from County Cavan attended. They were interested in alternative energies and ways of saving energy. The will is there but we need leadership and the sooner we get it the better.

**Deputy Dan Neville:** I welcome this opportunity to contribute to the debate. Ireland is dangerously exposed to oil or gas price hikes or import disruptions. This has serious implications for business projects, company manufacturing and exports from the State and consequently job creation. The economic stability of the country is at risk in the event of electricity disruptions. The Government needs to address this insufficient energy storage capacity and develop indigenous energy supplies. The economic damage that can occur when systems taken for granted break down is extremely dangerous, and this has been highlighted by the current aviation crisis. Will the Minister address this? The amount of revenue lost in the current crisis would pale into insignificance if there were a sudden hike in oil or gas prices or long-term disruption to energy supplies.

We have to accept that 90% of gas and oil used for electricity generation is imported. This is a key statistic. There is no gas storage in Ireland and there is very limited storage of strategic oil supplies. Severe disruptions will occur in electricity supply within days of disruption to the import of fossil fuels. I welcome the fact that energy security is firmly on the agenda of Fine Gael, to pressure the Government into addressing our insufficient energy storage capacity. The Government must also further develop our indigenous energy supplies. We must be prepared to weather a crisis in the event of a sudden price hike. The Government is being reckless with the economic stability of the country by ignoring Ireland's energy security problems.

Between 1990 and 2007 there was an increase of 108% in imported energy. Gas has replaced other fuels such as turf and coal in the generation of electricity. Our indigenous suppliers of gas meet only 8% of our gas needs. Indigenous gas comes through Kinsale while our only gas storage facilities are depleted as part of the Kinsale field. Two connector pipelines from Moffat in Scotland import 95% of our natural gas. These are the only connections to European gas distribution. The interruption of gas supplies at Moffat would cause extreme difficulties for Ireland, with consequences for the economic opportunities of the country and jobs.

**Minister of State at the Department of Community, Rural and Gaeltacht Affairs (Deputy Mary White):** I welcome that Fine Gael has tabled a motion highlighting issues of security of energy supply and I thank all the contributors. I commend the Government amendment, which I believe sets out the significant achievements already made in the area, and the Government's ambition to remove Ireland's dependence on fossil fuels.

Government energy policy provides a comprehensive and integrated approach to security of energy supply. It is inextricably linked to each of the three pillars underpinning policy in this area — sustainability, competitiveness and of course security. With this in mind, I would like to touch on the various energy policy strands, contributing to a better security of supply highlighted in the Government's amendment. As the Minister, Deputy Ryan, stated in the House last night, the first emphasis must be on radically improving the efficiency with which we use energy. The Government is providing financial support of almost €100 million to a range of energy efficiency initiatives from which householders and businesses are now seeing real results.

The critical goal for Ireland in improving energy security is to diversify the sources of our supply. This can be done in a number of ways, and I will come to the actions the Government is taking in this regard to conventional energy sources. However, to be truly sustainable and independent, we must maintain the momentum in renewable energy roll-out. While, as the Minister, Deputy Ryan, acknowledged, there is complexity involved, there is also consensus that it is the way forward.

We must work together to ensure the delivery of local solutions to achieve the grid development so vital to realising the potential of renewable energy, and to delivering economic growth and secure jobs. The Government is also to be commended on the scale and ambition of the investment strategies brought forward by State energy companies such as EirGrid, ESB and Bord Gáis. Despite the economic downturn, we cannot lose ground now and risk potential supply shortfalls and price surges when growth returns.

We all acknowledge there is no room for complacency given our almost total reliance on imported gas. However, our interconnection is with a mature, stable and liquid UK gas market, and we must therefore ensure that our action in this area is proportionate. We must also ensure that action is in line with EU policy on both gas security and the Internal Market. That is why the Government welcomes market interest in a number of commercial gas storage projects on the island and intends bringing forward legislation to provide the necessary regulatory regime for gas storage. That is also why the Government will be supporting forthcoming EU legislation on gas security, which will see a significant stride forward in measures to enhance the energy security of the EU. What is good for EU energy security is good for Ireland.

To highlight again the importance of diversity in our energy supply sources, the Government is to be commended on the progress being made on the east-west interconnector with Great Britain. This vital project has received €110 million in EU funding and is on target to be completed in 2012. The increase in resources available to the National Oil Reserves Agency to increase the oil reserves held on this island is very welcome. Within three years we will have increased the levels of stock held here by 25%.

It is a fundamental responsibility of the Government to ensure that the relevant bodies fulfil their responsibilities in the area of emergency planning and response. As well as the robust plans in place in the gas, electricity and oil sectors, we will also be looking at the potential of strategic oil stocks to provide additional secondary fuelling capacity for gas-fired generation.

It is of course a primary responsibility of Government to ensure that the appropriate legislative framework is in place for all the relevant policy areas. To that end, as already signalled in this debate, we will be working over the coming months to develop legislation for gas storage.

Tomorrow, we will debate the Second Stage of the Energy (Biofuel Obligation and Miscellaneous Provisions) Bill 2010. The Minister hopes to introduce an amendment on Committee Stage of that Bill that will place a levy upon electricity generators. This will recover a substantial proportion of the gain made by them arising from the Single Electricity Market rule, which requires electricity generators to pass on the full opportunity cost of carbon into the wholesale cost of electricity.

**Deputy Seymour Crawford:** Congratulations.

**Deputy Simon Coveney:** When I asked the Taoiseach this morning, he did not even know that was happening.

**Deputy Mary Alexandra White:** This is of course subject to final legal drafting. We will continue our engagement with generators on the implementation of this measure.

[Deputy Mary Alexandra White.]

As clearly set out in the amendment, the Government is already acting to meet the challenge of security of supply in a coherent, structured and sustainable way. It is vital for the future generations of this country, both in terms of Ireland's energy security and climate change, that we end our over-reliance on imported fossil fuels. I commend the amendment to the House.

**Deputy Seán Barrett:** I wish to share time with Deputies D'Arcy, and Coveney.

**Acting Chairman (Deputy Jan O'Sullivan):** Is that agreed? Agreed.

**Deputy Seán Barrett:** We have heard much talk from the Government for the past three years without seeing any action. Again tonight the Minister of State has said that "we must work together". The Fine Gael motion is a simple motion that sets out things that any sensible Government would want to do with the support of the Opposition. What happens? We see old style politics. The Government rushed in with an amendment so that the Opposition would not get any credit for raising this serious issue. We will pass through the lobbies at 8.30 p.m. to have a vote on what? The greatest natural resource we have, our climate in terms of wind and wave, presents opportunities for jobs. We have 427,000 people unemployed and we have endless talk coming from the Green Party Ministers about the potential that exists. What action have we got?

I have the pleasure of chairing the all-party Oireachtas Joint Committee on Climate Change and Energy Security. We are dealing with legislation that is out of date, the Foreshore Act 1933. When that Act was introduced nobody anticipated that one day we would have turbines out in the sea generating power. No preparation has been done.

We have had plenty of talk. We are talking about wave power, but we do not have a grid that is capable of carrying the power. We are talking about interconnection and yet we do not have an upgraded grid or any sign of forward investment that will bring about the grid to carry the new energy we will produce from our natural resource so that it can become an export. Instead of spending €6.5 billion on imported fossil fuels as has been stated by speaker after speaker, we could be exporting power and getting money into the country. We have a great opportunity to create jobs and be the centre for research and development because we are an island nation in the middle of the Atlantic at the west of the European Union, which has a population of 500 million and is crying out for power.

Nobody has shown me a proposal for ongoing infrastructure investment to allow all this development take place. It is not possible to export goods without having rail or roads in order to do so. It is not possible to export power without a grid to do it. Over the years we have seen our road network improve so that we can export the goods we produce here. However, while there is talk about improving our grid there is no sign of a plan for significant investment to enable it to be built in order to export the power we will produce. I am tired of listening to the plea for co-operation because when we try to co-operate we get back to old-style politics.

I shall give another example. The all-party committee went to the trouble of producing our own legislation for the Government, the offshore renewable energy development Bill. This was all-party legislation produced by a committee which I have the pleasure of chairing. We sent it to the Minister for Communications, Energy and Natural Resources and got one visit from him on that subject nearly two years ago, but we have heard no more about it. However, the Government has made no alternative proposal on offshore development.

When Deputy McManus produced a Bill on climate change, we produced the heads on an all-party basis. The Minister for the Environment, Heritage and Local Government told us that he was to produce his own legislation and so that piece of work done by the all-party went into

the dustbin again. There is all of this talk about having co-operation. I would appeal to the commentators who from time to time give us lectures about the need to put away this inter-party rivalry and think about the country. When we do try to think about the country by producing a very sensible motion, we get the same old-style politics — we will march up the stairs and divide on this issue.

I repeat that we have an opportunity in this regard. I have met various business groups and associations, as have my colleagues on the committee. We are talking about a possibility of €16 billion of investment into this country but we do not have the infrastructure. Let us consider the opportunities we have. We are talking about a super-grid throughout Europe. We are an island nation and we need connection not only into Britain but also into the European continent. We should be lobbying and persuading Europe that there should be grants to help us develop our internal grid to carry that power into the interconnectors for export to Europe. All of this potential exists if somebody would do something about it. Let us stop the talking and have action.

**Deputy Michael D’Arcy:** I will begin where Deputy Barrett finished. We find ourselves in a ridiculous position. To add some detail to the points made by Deputy Barrett, I will use my county of Wicklow as an example — it is not too far from the home area of the Minister of State, Deputy Mary White.

The Arklow Bank project is a 500 MW, €1.3 billion project. It began before another Airtricity project which is currently at construction stage off the east coast of the UK yet we have not even got within a whisker of beginning construction on that 200 MW turbine project off the coast of Wicklow and Wexford. At some stage, somebody must say “For God’s sake, stop trying to pull the wool over everybody’s eyes”, because it is not happening in counties Wicklow and Wexford.

Endesa purchased the heavy fuel station at Great Island, County Wexford, and this will be converted to a gas-fired station of 500 MW. At some stage, Airtricity will perhaps get its 500 MW offshore wind farm progressing on the other side of the county. There is 250 MW in wind energy either constructed or about to begin construction. However the Minister of State does her maths, that makes 1,250 MW in County Wexford yet there is just one 220 kV line running through the county. One does not have to be genius to know that does not add up to any version of a benefit for the people.

Bord Gáis is promoting a 500 MW interconnector to the UK via the south of County Wexford, as is another company, Imera Power. Bord Gáis is also promoting a 700 MW interconnector to the Continent. At some stage, somebody must tell the Minister to stop trying to fool the people. What the Government is doing is of no real benefit to Ireland. A previous speaker referred to €6 billion going out of the State with no benefit in return. What we need to do is promote those interconnectors, sell the product and get money into the State. We keep hearing from the Green Party-Fianna Fáil Government about the smart economy. To maintain the Arklow Bank project will benefit north Wexford and south Wicklow with 500 jobs. At some stage, somebody must get up off his or her backside and really get going on this. Some people naively thought the Green Party would do so. This should be up its alley but it is failing badly.

**Deputy Mary Alexandra White:** The Deputy is not listening.

**Deputy Michael D’Arcy:** All that is happening is that the capital and equity from throughout the world is going into other projects. By the time we get ourselves in order, that capital and equity will be gone somewhere else.

**Deputy Simon Coveney:** I thank colleagues on this side of the House as well as colleagues on the other side for their contributions to the motion. This is not the first time I have brought a Private Members' motion to the House in the hope that we could set aside party politics and agree on a motion that was written in an attempt to get agreement from Government, and this is not the first time that effort has been thrown back in my face. I sometimes wonder, as Deputy Barrett said, if it is futile of Opposition parties to attempt to use Private Members' time to try to achieve consensus on major issues.

God knows, it is not difficult to kick the Government these days. We can use all of our time to do that, if we want to, but we have chosen not to do so this week because this party believes we need to issue a warning to this country. Due to a lack of strategic planning by Government over a long period, we need to reduce Ireland's exposure to a complete reliance on importation of fossil fuels to run our economy and our lives. We are over-exposed as a country and we have no control over the price we pay for our fuel or over its security of supply.

We are attempting in this motion to reduce that exposure as a bridging exercise until we can get to the time the Minister, Deputy Eamon Ryan, and others speak about, when Ireland will be producing 40% to 60% of its power at home, with renewable sources and homegrown, indigenous fuels. We will get there. We will help the parties opposite to get there if they are in Government, and I hope they will do the same when we are in Government. However, we are not going to get there tomorrow. Today, we have the risk of exposure to a potential cut-off of supply of gas should something happen to a single pipeline in Scotland or the three interconnectors — one into Northern Ireland and two into the Republic of Ireland — which are filling this country with the gas we need to power our lifestyles.

We had a long and very productive committee meeting today on this issue. Almost everything we discussed at that meeting, we are supporting in the motion we put before the House this evening. We are practically suggesting the exact same thing the Government is suggesting in its amendment — there is a slightly different emphasis in certain areas but it is more or less the same. For example, we need to increase storage, we need to encourage LNG facilities to spread the risk and we need to get gas from Corrib into pipeline infrastructure for security reasons. Let us not get distracted by taxation issues or other dividends for the State out of our own natural resources. Today's debate is about energy security and about ensuring that 60% of the electricity that is generated in our country to heat our homes and turn on the lights continues, that we can stand over this and that people who come to invest in Ireland can be told convincingly there is no risk in terms of security of supply of electricity, power, heat and all the other requirements, today and tomorrow.

What I am interested in is the bridging between where we are today, namely, hugely exposed to a potential price spike, which is less likely for gas but, in my view, a certainty for oil, and where we can get to in 2020 and beyond, when hopefully we will have achieved and exceeded the targets the Government has rightly set. However, for the life of me, I cannot understand why, when an Opposition party attempts to achieve consensus in a responsible way and does not look to point-score, the Government and the Cabinet in particular take the view that they must be seen to be the people who actually put on the table the motion that is finally agreed.

It is as if the Green Party feels it has to have ownership of this issue and it cannot share consensus with other parties who are not in Government with it. That is small mindedness. It is what we heard from the Minister of State, Deputy Cuffe, yesterday, when he chose to use his time to have a go at an Opposition spokesperson about an irrelevant road project and when he tried to punch holes in some of the work we have been doing to promote Green Party ideas on electric transport.

This is a genuine effort from Fine Gael to achieve political consensus on a major issue. We make no apologies for that and will continue to do so. All I can do in my frustration with the Government's response is to appeal to it to take on board the ideas we have set down in the motion and make them happen as soon as possible.

Amendment put.

The Dáil divided: Tá, 78; Níl, 66.

Tá

Ahern, Bertie.  
 Ahern, Dermot.  
 Ahern, Michael.  
 Ahern, Noel.  
 Andrews, Barry.  
 Andrews, Chris.  
 Ardagh, Seán.  
 Aylward, Bobby.  
 Behan, Joe.  
 Brady, Áine.  
 Brady, Cyprian.  
 Browne, John.  
 Byrne, Thomas.  
 Calleary, Dara.  
 Carey, Pat.  
 Collins, Niall.  
 Conlon, Margaret.  
 Connick, Seán.  
 Coughlan, Mary.  
 Cowen, Brian.  
 Cregan, John.  
 Cuffe, Ciarán.  
 Curran, John.  
 Dempsey, Noel.  
 Devins, Jimmy.  
 Dooley, Timmy.  
 Fahey, Frank.  
 Fitzpatrick, Michael.  
 Fleming, Seán.  
 Flynn, Beverley.  
 Gogarty, Paul.  
 Gormley, John.  
 Grealish, Noel.  
 Hanafin, Mary.  
 Harney, Mary.  
 Haughey, Seán.  
 Healy-Rae, Jackie.  
 Hoctor, Máire.  
 Kelleher, Billy.

Kelly, Peter.  
 Kenneally, Brendan.  
 Kennedy, Michael.  
 Killeen, Tony.  
 Kitt, Michael P.  
 Kitt, Tom.  
 Lenihan, Brian.  
 McDaid, James.  
 McEllistrim, Thomas.  
 McGrath, Mattie.  
 McGrath, Michael.  
 McGuinness, John.  
 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'Flynn, Noel.  
 O'Hanlon, Rory.  
 O'Keeffe, Batt.  
 O'Keeffe, Edward.  
 O'Rourke, Mary.  
 O'Sullivan, Christy.  
 O'Sullivan, Maureen.  
 Power, Peter.  
 Power, Seán.  
 Roche, Dick.  
 Ryan, Eamon.  
 Sargent, Trevor.  
 Smith, Brendan.  
 Treacy, Noel.  
 Wallace, Mary.  
 White, Mary Alexandra.  
 Woods, Michael.

Níl

Bannon, James.  
 Barrett, Seán.  
 Breen, Pat.  
 Broughan, Thomas P.  
 Bruton, Richard.  
 Burke, Ulick.  
 Burton, Joan.  
 Byrne, Catherine.  
 Carey, Joe.  
 Clune, Deirdre.  
 Coonan, Noel J.  
 Costello, Joe.  
 Coveney, Simon.

Crawford, Seymour.  
 Creed, Michael.  
 Creighton, Lucinda.  
 D'Arcy, Michael.  
 Deasy, John.  
 Deenihan, Jimmy.  
 Doyle, Andrew.  
 Durkan, Bernard J.  
 English, Damien.  
 Enright, Olwyn.  
 Feighan, Frank.  
 Ferris, Martin.  
 Flanagan, Terence.

Níl—*continued*

Gilmore, Eamon.	O'Dowd, Fergus.
Hayes, Brian.	O'Mahony, John.
Hayes, Tom.	O'Shea, Brian.
Higgins, Michael D.	O'Sullivan, Jan.
Hogan, Phil.	Penrose, Willie.
Kehoe, Paul.	Perry, John.
Kenny, Enda.	Quinn, Ruairí.
Lynch, Ciarán.	Rabbitte, Pat.
Lynch, Kathleen.	Ring, Michael.
McCormack, Pádraic.	Shatter, Alan.
McEntee, Shane.	Sheahan, Tom.
McGinley, Dinny.	Sheehan, P.J.
McGrath, Finian.	Sherlock, Seán.
McHugh, Joe.	Stagg, Emmet.
McManus, Liz.	Stanton, David.
Naughten, Denis.	Timmins, Billy.
Neville, Dan.	Tuffy, Joanna.
Noonan, Michael.	Upton, Mary.
Ó Caoláin, Caoimhghín.	Varadkar, Leo.
O'Donnell, Kieran.	Wall, Jack.

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

Amendment declared carried.

Motion, as amended, agreed to.

### Adjournment Debate.

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#### House Prices.

**Deputy Terence Flanagan:** I thank the Ceann Comhairle and his office for the opportunity to raise this important issue, namely, the urgent need for the Minister for Finance to introduce supports for first-time buyers who have entered into contracts to buy property based on prices during the property peak. These home owners bought properties based on plans and are now being forced, through contractual obligations, to honour these exorbitant prices. The reality, however, is that they are in great financial difficulty. Some are insolvent and are not in a position to honour these contracts. The Minister must look urgently at this issue.

Measures have been taken to date by the Government to help protect home owners in mortgage arrears. That is a separate piece of work currently being conducted. The Minister of State, Deputy Ciarán Cuffe, has been involved in this on a first-hand basis and he is to be congratulated for that. The sooner that group comes up with solutions to the difficult situation in which people themselves regarding mortgage arrears, the better.

The issue of these contracts was brought to my attention by several buyers in my constituency who have been made redundant. They were informed subsequently by developers that they must complete their contracts even though they are unable to pay for them. In many such cases, mortgage approval had expired already due to construction delays but developers continue to send letters demanding payment and imposing enormous interest penalties, despite having been told these buyers have no incomes or assets.

I am aware that these people entered willingly into these contracts but through unforeseen circumstances, such as job losses, they cannot honour them. Many of those affected have been

forced into rental accommodation and are unable to apply for other forms of housing such as affordable housing. That is an important point. They cannot put themselves on the housing list while these debts hang over them. They must be released from their contracts.

I ask the Minister of State to look seriously at this issue. It is possible that up to a few hundred individuals may have been caught in this trap and it is important that the Government protect that group of buyers. Is any legislation pending in the area? NAMA has been introduced and will help certain developers but this group has been ignored and not even discussed in any communication to date. One of the possible solutions is for the Government to buy out some of these contracts at a discount to help these people.

With regard to the general housing policy, the Government has not delivered on promises in the programme for Government, particularly on the national development plan elements relating to affordable housing units. It is terrible that 1,100 properties are currently vacant and unoccupied, mainly because local authorities have not been in a position to sell them; if they sell the properties they do so at a loss because they were purchased at the peak of the property boom.

Over 100,000 people find themselves on lists for social housing in this country and cannot get into a property, which is bad. There is a glut of property, with over 345,000 empty units in the country, so there must be some kind of reconciliation between housing lists and the number of empty housing units. If the Government is serious about the issue it has a golden opportunity to name the price at which developers will sell the houses. It should avail of that opportunity.

I hope the Minister of State will take on board the points raised this evening, specifically those concerning the home owners who find themselves trapped having to honour contracts when they are not in a financial position to do so.

**Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Ciarán Cuffe):** I thank the Deputy for the opportunity to speak on this important matter. We are all aware that many Irish people place a high value on owning their own home and of the significant efforts they make to secure and retain their home. This Government is conscious of the high value placed on owning a home and it is our objective from both an economic and social policy point of view to assist those home owners who are in difficulty with mortgage arrears.

There have been a number of developments relating to the Government's commitments in the renewed programme for Government dealing with protecting the family home and helping those in debt. The Deputy will be aware that in February this year, the Minister for Finance informed the Government of his proposals regarding expanding the membership of the inter-departmental mortgage arrears group, under the chairmanship of Mr. Hugh Cooney. The revamped mortgage arrears and personal debt group's terms of reference, which were approved by the Minister, were incorporated into the supplementary documentation for the Minister's statement on banking delivered to this House on 30 March 2010.

In general, the terms of reference reflect the commitments made by the Government both in the renewed programme for Government and in subsequent Government decisions relating to the issues of mortgage arrears and personal debt. The group has met on a number of occasions and will focus initially on bringing forward recommendations in dealing with mortgage arrears problems while later addressing the personal debt issue. The group will report and make recommendations to the Minister on a rolling basis and submit a final report to the Minister on the mortgage arrears issue by the end of June 2010.

The House will be familiar with the other supports available to protect home owners in difficulty. The Financial Regulator's code of conduct on mortgage arrears, which the Minister

[Deputy Ciarán Cuffe.]

has spoken about extensively, requires lenders to wait at least 12 months from the time arrears first arise before applying to the courts to commence enforcement of any legal action on repossessions. The code applies to all regulated lenders on a statutory basis and applies only to mortgage lending activities to consumers in respect of their principal private residence. The main features of the code are early recognition of problems, active management of arrears problems, examination of alternative solutions and repossession as a last resort.

It is important to point out that historically, repossessions in Ireland have been low and a comparison of repossession figures for Irish Banking Federation members who are the mainstream lenders — not including sub-prime lenders — with figures from the UK Council of Mortgage Lenders indicates UK repossession rates per 100,000 mortgages at 30 times those in Ireland. For 2009, total repossessions of homes by legal process for those institutions covered under the bank guarantee scheme was only 28.

In addition to the code, a number of additional measures are in place. In the Minister's Budget Statement in December he refocused mortgage interest relief on those who bought their homes at the peak of the market. Where a home owner's entitlement to mortgage interest relief would expire in 2010 or after, he or she will continue to receive it up to the end of 2017. The mortgage interest subsidy scheme under the supplementary welfare allowance system provides money, subject to a means test, towards the interest payments on a home mortgage. This scheme, which is administered by the community welfare service of the HSE on behalf of the Department of Social and Family Affairs, provides short-term support to help pay mortgage interest repayments where the mortgage relates to a person's principal private residence. The number of people now benefiting from the scheme stands at over 15,000. The scheme is currently under review by the Department of Social and Family Affairs in order to examine ways of improving its operation.

The Government funds the Money Advice and Budgeting Service, which is providing valuable support for those in difficulty. MABS is the main Government-funded service which provides assistance to people who are over-indebted and need help and advice in coping with debt problems. People with debt-related problems should take early action and approach MABS for help and guidance. This can be the first positive step for people in addressing debt difficulties. A new debt protocol agreement has been finalised with MABS and the Irish Bankers Federation, IBF, which provides added reassurance for borrowers with the most difficult issues.

The Irish Bankers Federation, representing the mainstream lenders, published a statement of intent in November 2009 which provides further reassurance to home owners who find themselves genuinely unable to maintain repayments on their principal private residence. The statement of intent has been agreed and supported by all IBF members and is a welcome development. It is also welcome that the IBF oversight committee on the implementation of the statement of intent will also include a representation from the Money Advice and Budgeting Service.

It is also very important to remember that mortgage lending forms a very large part of the balance sheets of Irish financial institutions and mortgage-backed securities are a vital part of their funding activities. For these reasons, the quality of mortgage loans is highly important to the banks commercially. Markets and rating agencies are very sensitive to anything that might appear to damage the quality of the bank mortgage portfolios and this factor must be a prime concern as we consider how best we can assist mortgage borrowers.

We have gone through a very difficult correction in the property market and the Government is fully aware that this has proved hard for many home owners. The Government is confident that the recent measures taken by it, along with the existing supports I referred to, will assist

those who are in difficulty with mortgage arrears as a result of unemployment and the economic downturn.

### **National Monuments.**

**Deputy Joe Costello:** Like many people in the country, I have welcomed the decision to designate Nos. 14 to 18 Moore Street as a national monument. This happened after a long campaign initiated by the National Graves Association and which has been carried on since by the Save 16 Moore Street group. The intention was to save the last headquarters of the leaders of the 1916 Rising. That was No.16 Moore Street but the adjoining buildings were deemed to be equally important, and Nos. 14 to 17 all played a significant part in the foundation of this State.

In March this year property developer Joe O'Reilly, who headed up a development consortium called the Carlton consortium, secured planning permission for the development of the Carlton cinema site in the heart of Dublin. He now has seven years to carry out the development but as many of us know, a number of Mr. O'Reilly's business loans with Irish banks have recently been scheduled for NAMA. I presume they will be transferred in the near future so there is a question over the capability of Mr. O'Reilly to carry out the development as approved.

The site for which the Carlton consortium has obtained planning permission includes most of the block at the upper half of O'Connell Street as it fronts to Henry Street, including Moore Street and O'Rahilly Parade, and then as it fronts to Parnell Street. It includes the national monument at Nos. 14 to 17 Moore Street, with permission granted for development subject to 31 conditions, some of which relate to the conversion of No. 16 Moore Street.

Others relate to the demolition of some of the surrounding buildings and to some of the fabric of No.16 and Nos. 14 to 17 Moore Street. I find myself in agreement with the great-grandson of James Connolly, Jim Connolly Heron, who is a mainstay of the campaign to save Nos. 14 to 17 Moore Street and who stated that the planning application proposed the partial demolition of Nos. 14 to 17 Moore Street. The developer has been asked to include the 1916 elements in the development, which would highlight the retreat route from the GPO back to the houses in Moore Street. However, it appears as though the only part of the planning permission granted that relates to the commemoration of the 1916 Rising is the planned museum in No. 16 Moore Street, which the developer was originally obliged to provide anyway prior to the planning permission. Consequently, it appears as though the developer now plans to demolish the entire original fabric of the building, thereby leaving only the shell of Nos. 14 to 17 Moore Street, with the exception of No. 16. It appears as though we could end up with the shell of a national monument with the other surrounding yard areas totally demolished.

I believe the site from Nos. 14 to 17 should be developed by, or under the direct supervision of, bodies such as the National Museum, the Office of Public Works or the Heritage Council and in accordance with the recommendations of the Shaffrey report, which was commissioned by Dublin City Council and paid for by the people of Dublin. I ask the Minister of State to study the aforementioned report.

Approximately 30 years ago, we buried the Viking and medieval history of Dublin at Wood Quay. I hope we do not do the same with this site, which was pivotal to our own recent history and the foundation of the State. The centenary of the 1916 Rising is only six years away and it is time for the Minister for the Environment, Heritage and Local Government, Deputy Gormley, who has responsibility for national monuments to produce his plans for the two national monuments that are associated with the rising in the centre of Dublin, namely, the

[Deputy Joe Costello.]

GPO and Moore Street. I hope to hear his plans for at least one of the aforementioned national monuments this evening.

**Deputy Ciarán Cuffe:** I thank Deputy Costello for raising this matter. As the Deputy is aware, in January 2007 the then Minister for the Environment, Heritage and Local Government placed a preservation order on Nos. 14 to 17 Moore Street under section 8 of the National Monuments Act 1930, as amended. The preservation order was made on the grounds that the buildings are a monument, the preservation of which is of national importance by reason of their historical importance as the final headquarters of the leaders of the 1916 Easter Rising. The objective of the preservation order is to protect the monument from any danger of being destroyed, injured or removed. The effect of a preservation order is that any works affecting these properties, including any excavation or ground disturbance within, around or in proximity to them, require the prior written consent of the Minister for the Environment, Heritage and Local Government under the National Monuments Acts. The Minister is statutorily obliged to consult with the director of the National Museum as part of the consent process. It is an offence for anyone to damage, injure, remove or carry out, or cause or permit, work affecting the monument without the Minister's written consent.

I am aware that An Bord Pleanála has made a decision to grant permission, with conditions, for a mixed development on this site that includes the national monument. This permission in no way supersedes the preservation order already in place and the consent of the Minister still will be required, in accordance with section 14 of the National Monuments Act 1930, for any works affecting the area covered by the order. While my Department currently is dealing with a consent application for minor works to protect and maintain the fabric of these buildings, to date no application for consent related to the proposed major development has been received.

The position is that notwithstanding the granting of planning permission, the protection in respect of Nos. 14 to 17 Moore Street as a national monument remains in place and unchanged. I fully appreciate the historical significance of these buildings as the site of the last military actions of the 1916 Rising leaders, namely, Pearse, Connolly, Plunkett and MacDermott and I took the opportunity to look at the exterior and rear of the buildings last St. Patrick's Day. The leaders' actions and self-sacrifice, the centenary of which will be upon us in less than six years, laid the foundations for the establishment of the Irish State. I assure the Deputy that the appropriateness of any proposed works will be examined carefully against that historical background if and when a development-related consent application is submitted to my Department.

### **Urban Renewal Projects.**

**Deputy Kieran O'Donnell:** I thank the Ceann Comhairle for allowing me to raise this matter on the Adjournment this evening. It is of critical importance to Limerick and in particular to the regeneration areas of Limerick, namely, Moyross, Southill, St. Mary's Park and Ballinacurra Weston, and to the people who reside therein. The original plan for Limerick's regeneration was drawn up by John Fitzgerald three years ago in April 2007. Since then, from a physical perspective, nothing has been built. All that has happened is that more than 400 houses have been demolished in the regeneration areas. To date, people have lost faith in the process and it is critical for faith to be restored to bring back credibility.

A revised first phase implementation submission has been made to the Government in the past two weeks. The Minister of State should indicate whether it has been presented to the Cabinet and when it will be approved. It envisages a revised Government input of €924 million, rather than €1.6 billion, due to savings over a 15-year period, which equates to €60 million per

year. The Government contributed €25 million towards annual running costs last year and is committed to so doing again this year. However, additional funding is needed to ensure the capital projects can get under way in the four regeneration areas.

Furthermore, this has enormous employment creation potential. The first phase implementation plan that has been submitted to the Cabinet demonstrates that 4,500 jobs can be created out of the regeneration process. In other words, more than 2,800 jobs can be created directly and 1,680 jobs indirectly. Such job creation is needed as a matter of urgency in Limerick, where nearly 22,000 people are on the live register and which has an unemployment rate of 14.2%, which is well above the national average. Moreover, the regeneration areas have an unemployment rate that is five times the national average. People are entitled to have the Government honour its commitment to the regeneration project.

In addition to funding the first phase, which comes to €337 million, the Government's approval of the overall master plan that was submitted to the Cabinet 18 months ago in October 2008 is critical. People in the regeneration areas are entitled to more and a point has been reached whereby the Government must, in the words of the new Financial Regulator, Mr. Matthew Elderfield, show us the money for regeneration. Furthermore, I tabled an amendment to the most recent Finance Bill to the effect that tax designation incentives specific to the Limerick regeneration project would be considered. I understand this is being considered by the Department of Finance and I urge that it be allowed to proceed because Limerick requires the physical side of the regeneration projects to get under way in the four regeneration areas. Many elderly people live in these areas and I note that three pillars underscore regeneration. The physical pillar, which I have dealt with, pertains to houses and infrastructure being built, for which we need funding urgently. The economic pillar obviously would be the spin-off in terms of employment as it would provide a job stimulus to Limerick. Many people work in the construction sector. Ironically, the Limerick regeneration project will see houses being built that need to be built as distinct from houses built during the latter days of the Celtic tiger which were surplus to requirements and are ending up in NAMA at a cost to the taxpayer that will be a burden for generations to come.

Furthermore, there is the social aspect. Will the Minister of State consider a multi-agency approach to regeneration areas whereby the regeneration agencies, local authorities, Garda Síochána, HSE and the Departments of Education and Science and Social and Family Affairs work on an integrated approach to all of the issues that present?

I am looking for good news from the Minister of State. We need money as a matter of urgency. The first phase needs to be approved and the money extended. The overall Limerick regeneration master plan, which has been sitting on the Cabinet's table for more than 18 months, must be approved if certainty is to be given to those living in the regeneration areas to the effect that the project will go ahead in its entirety and the Government will honour its promise.

**Deputy Ciarán Cuffe:** I thank the Deputy for once again bringing the matter of the regeneration of Limerick city to the attention of the House. It continues to be an issue that the Government and, in particular, my ministerial colleagues at the Department of the Environment, Heritage and Local Government have been driving forward across all relevant Departments, State agencies and local authorities.

The Government endorsed the vision for the overall programme prepared by the regeneration agencies and requested that they prepare a detailed, fully costed plan for the first phase by the end of the first quarter of this year. The process was led by the agencies board and its staff, which engaged the professional services of the National Building Agency's specialist regeneration team. A number of steering groups were established, with expert input from

[Deputy Ciarán Cuffe.]

managers, planners, architects and engineers from across the local authorities and the relevant Departments, to develop the phase 1 plan. Last February, to ensure that the momentum for completion of the plans was maintained, the Minister of State, Deputy Michael Finneran, made a further trip to Limerick to visit the regeneration areas of Moyross, Southill, Ballinacurra Weston and St. Mary's Park and to support the co-operative efforts of all involved in developing the phase 1 plan.

I am pleased to say that the Limerick Regeneration Agencies board adopted a proposed phase 1 implementation plan on 7 April and, last week, the agencies formally presented their submission to the Department of the Environment, Heritage and Local Government. A memorandum for Government is being prepared with the intention that this plan will be presented for Government consideration in the coming weeks.

The phase 1 plan presents us with a useful roadmap for, in particular, the physical as well as the social and economic regeneration of these communities for the period to December 2014, with a total estimated cost of projects amounting to some €337 million. It proposes strategic infrastructure projects of benefit to the wider Limerick region, including a number of new roads, sporting and recreational facilities and a major civic hub centred in Moyross. The plan identifies a range of new housing projects for each of the four areas as well as refurbishment and infill projects to retain certain areas of existing good quality housing. The plan also notes the importance of delivering mixed tenure housing as well as the clustering of projects in the various phases to deliver new communities within the wider strategic planning context. Key community facilities, including a south side integrated youth centre, an education campus at Southill and a community crèche at St. Mary's Park among others, are also identified. The long-term plan also takes account of the new value in the construction market and revises down the total public sector investment envisaged in the original master plans from €1.7 billion to €924 million.

### **School Placement.**

**Deputy David Stanton:** May I share one minute with Deputy Michael Ahern?

**Acting Chairman (Deputy Jack Wall):** Is that agreed? Agreed.

**Deputy David Stanton:** The Acting Chairman might stop me when I am close to the time.

Last year, a number of parents approached me and told me that their children were on waiting lists for second level schools. When I inquired, I found that virtually every second level school in our area was full. According to my projection of the future, I discovered that there will be 1,480 extra secondary students looking for school places in six years time. Where are those children to go? I am aware of no plans to build new schools or to extend existing schools. As the Minister of State knows, getting a school up and running takes time. Further figures contained in projections made by the Department of Education and Science and the local authority are even more frightening.

Due to the rail link in Midleton, the way in which the county development plan was put together and so forth, there has been an explosion of housing, but there has been no provision for secondary schools. Primary schools are also under ferocious pressure, but it is just not good enough to add extra classrooms to secondary schools. Specialist rooms like woodwork rooms, science labs and so forth are required and must be properly planned and co-ordinated.

I contend that the Department must extend CBS Midleton this summer. It should also start planning immediately to build a new second level school in Midleton and another in Carrigtwohill. The local authority has done its bit by zoning the land, but the Department has

not. We have been trying to get information and I have raised this issue in the House time out of number. My colleagues have also raised it in their own ways. However, nothing is happening. What are Deputy Michael Ahern and I to say to parents who, in two years time, approach us about there being no second level places for 20, 40 or 50 children? The situation will get much worse. If my figures are right, the relevant number will be almost 1,500 children in six years time. I have visited the schools and got numbers from all of them bar one. These numbers are frightening.

Glanmire, which is on the edge of the area, is also full and Cobh is under pressure. The Department has produced maps using the latest technology. East County Cork is one of the few areas in the country that are marked in bright red, which shows that the situation is serious. It is an emergency. The Department's maps indicate there will be a requirement for up to 64 classrooms in the east County Cork area, including Midleton, Carrigtwohill and Cobh.

I hope that the Minister of State will come up with something and tell us that someone is at least examining this matter and that there are some plans. As an experienced planner, he knows that drawing up plans, getting planning permission, the tendering process and then getting the building up and running take a number of years, but the situation cannot wait any longer. My colleague across the floor wants to speak, so I will allow him in.

**Deputy Michael Ahern:** I thank my colleague, Deputy Stanton, for giving me a minute to support him in his plea for immediate and urgent works with regard to schools in the east County Cork area of Midleton, Carrigtwohill and Castlemartyr. The population in our area has doubled in recent years. Come next September, there will be a shortage of places, particularly for boys, in Midleton's secondary schools, which take in Carrigtwohill. In fact, 48 students will come from Carrigtwohill national school, almost double the figure of recent years. The situation is urgent.

The Minister, Deputy Batt O'Keeffe, as the then Minister for Education and Science, produced a list in which our area was a priority, as verified tonight by Deputy Stanton. I hope that the Minister of State has received some information that will recognise the urgency of carrying out secondary schools works in our area.

**Deputy Ciarán Cuffe:** I am taking this matter on behalf of my colleague, the Tánaiste and Minister for Education and Science, Deputy Coughlan. I thank Deputy Stanton for raising the matter as it affords me the opportunity to outline the process being utilised to ensure that there will be adequate accommodation in schools at primary and post-primary level in all parts of the country.

The forward planning section of the Department utilises the latest in geographical information system, GIS, technology to assist in planning school requirements into the future. The GIS contains information on all schools — both primary and post-primary — which is geocoded to their locations. This information is then linked to the relevant demographic information relating to those locations. Typically, such demographic information will be obtained from the Central Statistics Office's census data, the General Registrar of Births, the Department of Social and Family Affairs, An Post's geodirectory and information supplied by local authorities through development plans.

Growth projection figures are applied to existing population statistics with a view to assessing future requirements and identifying the areas experiencing highest growth at primary and post-primary level. In addition, and as a matter of course, there is ongoing liaison between the Department and local authorities to establish the location, scale and pace of any major developments and their possible implications for school provision.

[Deputy Ciarán Cuffe.]

The forward planning section is in the process of carrying out detailed analysis of over 40 identified locations of highest population growth in order to identify the school accommodation requirements up to and including the 2014-2015 school year. In light of the increase in the birth rate in recent years, the initial focus of this analysis is on primary school accommodation requirements. A more detailed analysis of post-primary accommodation requirements will follow.

**Deputy David Stanton:** Dear God, this is terrible stuff.

**Deputy Ciarán Cuffe:** When the required reports have been completed for these initial identified areas, the forward planning section will continue to work on preparing reports on a priority basis for the remainder of the country.

**Deputy David Stanton:** How can the Minister of State read that script into the record?

**Deputy Ciarán Cuffe:** Overall school accommodation requirements in Midleton, including any requirement for additional post-primary accommodation, will be considered in this regard.

**Deputy David Stanton:** This is unbelievable.

**Acting Chairman (Deputy Jack Wall):** Deputy Stanton should allow the Minister of State to conclude.

**Deputy Ciarán Cuffe:** In addition to the detailed analysis of accommodation needs currently being carried out by forward planning section, the Department is also examining a number of broad policy issues regarding the establishment of new post-primary schools. As part of this, consideration is being given to the setting up of a new framework in respect of the establishment of new second level schools and their patronage.

Any proposed building projects required arising from the forward planning section's analysis will be considered in the context of the Department's multi-annual school building and modernisation programme for 2010 and subsequent years. However, in light of current competing demands on the capital budget of the Department, it is not possible to give a more indicative timeframe for the delivery of projects at this time. I again thank Deputy Stanton for raising this issue.

The Dáil adjourned at 9.25 p.m. until 10.30 a.m. on Thursday, 22 April 2010.

## Written Answers.

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**The following are questions tabled by Members for written response and the ministerial replies as received on the day from the Departments [unrevised].**

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*Questions Nos. 1 to 11, inclusive, answered orally.*

*Questions Nos. 12 to 48, inclusive, resubmitted.*

*Questions Nos. 49 to 56, inclusive, answered orally.*

### **Naval Service Vessels.**

57. **Deputy Willie Penrose** asked the Minister for Defence his plans for vessel replacement in the Naval Service; and if he will make a statement on the matter. [15623/10]

**Minister for Defence (Deputy Tony Killeen):** A vessel replacement strategy for the Naval Service is currently in progress following the commencement of a tender competition in 2007. The competition sought tenders for the purchase of two Offshore Patrol Vessels (OPVs), with an option for a third, and one Extended Patrol Vessel (EPV), with an option for a second. The process comprised two stages — Stage 1, a Request for Proposals and Stage 2, an Invitation to Tender.

During 2008, Stage 1 of the tender process was completed and, insofar as the OPVs are concerned, tenders were received in response to Stage 2. Following tender evaluation, a preferred bidder was selected last year and detailed and extensive contract negotiations are now very close to conclusion. The decision to proceed with the final award of contract to purchase the OPVs will be subject to Government approval and agreement on funding. Subject to such approval, delivery of the new vessels would be expected to commence on a phased basis from 2014.

This strategy combined with a continuous process of refurbishment and repair will ensure that the operational capability of the Naval Service is maintained at a satisfactory level. The acquisition of modern new vessels will ensure that the Service will be fully equipped to carry out its day to day roles in enforcing the State's sovereign rights over our waters and our fisheries and meeting Ireland's obligations in the area of maritime safety and security and fisheries protection.

### **Overseas Missions.**

58. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Defence if the Defence Forces are

[Deputy Caoimhghín Ó Caoláin.]

likely to be redeployed to Chad in the foreseeable future; and if there are any requests from the United Nations for their deployment elsewhere. [15598/10]

69. **Deputy Frank Feighan** asked the Minister for Defence the number of contracts received by his Department or other Departments requesting Ireland to maintain its membership of MINURCAT beyond the withdrawal timetable announced; the number of requests suggesting a stay on the decision to withdraw; the nature and frequency of the contacts by the United Nations and or its office holders and personnel requesting either a maintenance of the mission or a stay on the decision to withdraw; if, within those contacts, criticisms were made of the manner and or timing of the announcement; and if he will make a statement on the matter. [15676/10]

82. **Deputy Joe McHugh** asked the Minister for Defence if he is liaising with the United Nations and or the European Union to enable participation at battalion level in peace support missions; if his attention has been drawn to the importance of such missions for the maintenance and development of the Defence Forces and its experience and skillsets; and if he will make a statement on the matter. [15698/10]

91. **Deputy Jim O’Keeffe** asked the Minister for Defence his plans for the deployment of Irish troops to overseas missions; and if he will make a statement on the matter. [15594/10]

180. **Deputy Bernard J. Durkan** asked the Minister for Defence the number of overseas locations to which Irish peacekeeping troops are currently deployed; the extent to which such deployments continue to remain of sufficient strength to enable such deployments to be independent, self-supporting and self-sufficient in all eventualities; and if he will make a statement on the matter. [16092/10]

181. **Deputy Bernard J. Durkan** asked the Minister for Defence the extent, if any, to which further requests have been received through the EU and UN for Irish troop deployments and peacekeeping or other missions overseas; and if he will make a statement on the matter. [16093/10]

**Minister for Defence (Deputy Tony Killeen):** I propose to take Questions Nos. 58, 69, 82, 91, 180 and 181 together.

In reply to earlier Priority Questions, I have dealt comprehensively with the decision by the Government on 30 March 2010 to withdraw the Irish contingent from the United Nations Mission in the Central African Republic and Chad (MINURCAT) and the reasons for that decision. I can assure the House that it was not a decision the Government wanted to have to make and I personally regret that the situation for MINURCAT in Chad has come to this. Ireland has a long and well-regarded history of participation in UN Peacekeeping missions and we continue to fully support the UN in its peacekeeping efforts. Ireland’s absolute preference would have been to continue to fully participate with the MINURCAT mission. However, the current lack of certainty regarding the continuation of the mission mandate, and the approach of the rainy season forced the decision on Government to withdraw the Irish contingent.

Following the withdrawal of the MINURCAT contingent, the Defence Forces will undertake the essential and extensive maintenance of equipment. We will also start the process of examining further options for Defence Forces overseas operations. I would like to assure the House that I am aware that participation in overseas operations over the years has given Defence Forces personnel the opportunity to develop skills and competencies through practice in actual operational situations. Indeed, over the years Ireland has built up a fine reputation in the field of international peacekeeping and a considerable volume of international goodwill has resulted.

Ireland has offered, through the UN Standby Arrangements System (UNSAS), to provide up to 850 military personnel for overseas service at any one time. This figure equates to some 10% of Ireland's standing Army (excluding Reserves) and demonstrates Ireland's commitment to the cause of international peace. This is the maximum sustainable commitment that Ireland can make to overseas peacekeeping operations. Ireland is currently (as of 1 April 2010) contributing 754 Defence Forces personnel to 11 different missions throughout the world. Full details of all personnel currently serving overseas are listed in the tabular statement below.

As outlined in the budget in December 2009, it had been decided that the Defence Forces commitments to overseas peace support operations would be scaled back in 2010 as one of the budgetary expenditure reductions. This month sees the draw-down of Irish personnel from NATO-led International Security presence (KFOR) in Kosovo from the current 232 personnel to 40 (approximately) in line with the budgetary expenditure reductions in 2010. However, I have decided, at the request of the Operation Commander and in the light of the early and unexpected withdrawal from MINURCAT, to defer until the end of 2010 the drawdown of the Defence Forces contingent serving with Operation ALTHEA, which had been scheduled for July 2010.

The strength of all overseas deployments are assessed in line with the prevailing security situation in the mission area. The Defence Forces conduct a threat assessment on mission areas and all deployments meet the requirements of security and force protection for all personnel.

With regard to future deployments, Ireland receives requests, from time to time, in relation to participation in various missions and these are considered on a case-by-case basis. When considering any particular request, the existence of realistic objectives and a clear mandate, which has the potential to contribute to a political solution, consideration of how the mission relates to the priorities of Irish foreign policy and the degree of risk involved are amongst the factors considered.

Apart from a recent EU request to despatch members of the Permanent Defence Force for service with the EU Common Security and Defence Policy (CSDP) military mission to contribute to the training of Somali Security Forces (EUTM Somalia) being carried out in Uganda, no other deployments are planned or envisaged at this time. In response to the EU request, the Government decided, on 23 February 2010, to despatch five (5) members of the Permanent Defence Force for service with the EU training mission, which was launched on 7 April 2010. The Irish personnel are due to take up duty shortly with the mission. No requests have been received from the UN for deployment of personnel to other UN missions.

Members of the Permanent Defence Force Serving Overseas as of 1st April 2010

1.	<i>UN Missions</i>	
(i)	UNIFIL (United Nations Interim Force in Lebanon) HQ	8
(ii)	UNTSO (United Nations Truce Supervision Organisation) – Israel, Syria and Lebanon	12
(iii)	MINURSO (United Nations Mission for the Referendum in Western Sahara)	3
(iv)	MONUC (United Nations Mission in Democratic Republic of Congo)	3
(v)	UNOCI (United Nations Mission in Ivory Coast)	2
(vi)	MINURCAT (United Nations Mission in the Central African Republic and Chad) — HQ	13
	MINURCAT (United Nations Mission in the Central African Republic and Chad) — 102nd Infantry Battalion	406
	<b>TOTAL</b>	<b>447</b>

[Deputy Tony Killeen.]

Members of the Permanent Defence Force Serving Overseas as of 1st April 2010		
	<i>UN Mandated Missions</i>	
(vii)	EUFOR (EU-led Operation in Bosnia and Herzegovina)	44
(viii)	KFOR (International Security Presence in Kosovo) — HQ	20
	KFOR (International Security Presence in Kosovo) 41st Inf Group	212
(ix)	ISAF (International Security Assistance Force in Afghanistan)	7
	TOTAL NUMBER OF PERSONNEL SERVING WITH UN MISSIONS	730
2.	<i>Organisation for Security and Co-operation in Europe (OSCE)</i>	
(i)	OSCE Mission to Bosnia & Herzegovina	2
(ii)	OSCE Mission in Belgrade — Serbia	1
(iii)	Staff Officer, Higher Level Planning Group, Vienna	1
	TOTAL NUMBER OF PERSONNEL SERVING OSCE	4
3.	<i>EU Military Staff</i> Brussels	7
4.	<i>Nordic Battlegroup HQ Staff — Sweden</i>	4
5.	<i>Military Representatives/Advisers/Staff</i>	
(i)	Military Adviser, Permanent Mission to UN, New York	1
(ii)	Military Adviser, Irish Delegation to OSCE, Vienna	1
(iii)	Military Representative to EU (Brussels)	4
(iv)	Liaison Office of Ireland, NATO/PfP (Brussels)	2
(v)	Military Representative to NATO/PfP Co-ordination Cell/Supreme Headquarters Allied Powers Europe (SHAPE), Mons, Belgium	1
	TOTAL NUMBER OF DEFENCE FORCES PERSONNEL SERVING OVERSEAS	754

### Defence Forces Recruitment.

59. **Deputy Brian O'Shea** asked the Minister for Defence if he will consider raising the age limit for recruitment in 2010 by one year in view of the fact that there was no recruitment to the Defence Forces in 2009. [15603/10]

**Minister for Defence (Deputy Tony Killeen):** The 2000 White Paper on Defence and the earlier Defence Force Review Implementation Plan both identified the requirement to address the age profile in the Defence Forces. The key element in military life is the need for personnel to maintain a level of fitness for combat readiness. This requirement must be balanced with the need to retain experience and expertise, particularly at managerial level in the Defence Forces.

The upper age limit for enlistment in the Army is under 25 years of age on the date of enlistment and for the Naval Service it is under 27 years of age on the date of enlistment. These limits are determined on the basis that the essential functions of the Permanent Defence Force requires that its members be composed of able-bodied personnel of an age which is commensurate with the functional requirements of the organisation. I am satisfied that the existing age requirements for recruitment to the Permanent Defence Force are appropriate and I do not propose to make any changes in this area at this time.

### Commemorative Events.

60. **Deputy Liz McManus** asked the Minister for Defence the progress reported regarding

the projects relating to the 2016 commemoration of the 1916 rising; and if he will make a statement on the matter. [15618/10]

**Minister for Defence (Deputy Tony Killeen):** The All Party Oireachtas Consultation Group on the Centenary of the 1916 Rising met on Wednesday, 2 December, 2009 for discussions and site visits to Glasnevin Cemetery and the National Museum of Ireland Collins Barracks to view projects relating to the 2016 commemoration of the 1916 Rising. In the discussion, the Group were informed of recent developments and events including:— Arbour Hill renewal works including restoration and extension of the existing church car park, repair and restoration of all existing cemetery graves, repair of cemetery pathways and the planting of new trees. The future location of the Abbey Theatre and possible redevelopment at the GPO with reference also to the protection of 16 Moore Street. Recent acquisition for the national collections of items of interest relating to the independence period, amongst which were the 964 items of the Stanley Collection at a cost of €3.5 million. Other items purchased/donated include a letter from P.H. Pearse to General Maxwell and General Maxwell's brief reply and a copy of the Proclamation. Assistance towards themed publication i.e. the Royal Irish Academy's recent publication on Seán Lemass, and the SIPTU sponsored publication on James Connolly. The Military Archives Project which envisages that files, being the service records of personnel involved in the struggle for independence, would be released into the public domain on a phased basis in the years leading to the Centenary of the Rising.

The Group were informed that an Advisory Board of historians had accepted invitations to assist with this project. At Glasnevin Cemetery, the Group inspected progress on the significant programme of ongoing restoration works underway for which €6.4m of NDP funding has been provided to date. I am pleased to report that the new Glasnevin museum was officially opened by an Taoiseach, Mr. Brian Cowen, T.D., on 8 April, this year. The Group also visited the ongoing restoration work being conducted on Erskine Childers' yacht *Asgard*. This project is scheduled to be completed by the end of June 2010.

The suggested relocation to the GPO complex of the Abbey Theatre is currently being examined by the Office of Public Works. The decision on future use will have regard to all advice and suggestions received. This year's commemorative event to mark the Easter Rising of 1916 was held at the GPO, Dublin on Sunday 4 April 2010. The ceremony included prayers of remembrance, a reading of the Proclamation and the laying of a wreath by the President. Preparations are ongoing for the National Day of Commemoration to be held in Kilmainham in July.

A programme of events is being compiled to commemorate a whole series of centenaries across this island in the next 10 to 12 years, as we recall the key events in our history. I am confident that all significant anniversaries occurring within the period of the multi-annual programme now being prepared will be commemorated. The details of the commemorative programme will be discussed with Group members in due course. I am currently engaged in the preparation for a meeting of the All Party Oireachtas Consultation Group, which I hope to convene in the coming weeks.

### **Defence Forces Equipment.**

61. **Deputy Michael D. Higgins** asked the Minister for Defence the total value of goods or equipment purchased by the Defence Forces from Israeli companies; the steps taken before such contracts are awarded to ensure that such companies are not involved in unethical conduct or in activities that might be illegal under international law; and if he will make a statement on the matter. [15627/10]

75. **Deputy Aengus Ó Snodaigh** asked the Minister for Defence his views on whether the European Defence Agency Code of Conduct is a voluntary, non-binding agreement which involves no legal commitment and that in all cases of defence procurement final authority for contract award remains with the member state; if he will stop using the code as a justification for awarding Defence Forces contracts to Israeli-based companies; if, in the interest of the protection and enhancement of human rights he will direct that Israeli companies be excluded from all Defence force tendering processes. [15600/10]

**Minister for Defence (Deputy Tony Killeen):** I propose to take Questions Nos. 61 and 75 together.

A number of Israeli companies have won orders for defensive equipment in recent years as a result of tender competitions. Since 2005, the Department has purchased small arms ammunition, X-Ray equipment for Explosive Ordnance Disposal duties (EOD), helmets for personal protection, an Artillery Fire Control System, Unmanned Aerial Vehicles, commonly referred to as UAVs and a Surveillance and Target Acquisition Suite from Israeli suppliers. The total value of defensive equipment acquired or being acquired from Israeli companies since 2005 is in the region of €13.9m, inclusive of VAT. In each case, the main contract was awarded by tender competition, conducted impartially on the basis that the company concerned had submitted the best tender.

Tender competitions for defensive equipment for the Defence Forces are conducted by the Department of Defence in accordance with EU procurement guidelines. For procurements of defensive equipment in excess of €1million, the European Defence Agency (EDA) Code of Conduct on Defence Procurement is observed and competitions are advertised on the EDA's Electronic Bulletin Board. Tender competitions are held in accordance with the EU Code of Conduct on Export Controls. Accordingly, competitions are open to any individual or country in accordance with the terms of all UN, OSCE and EU arms embargos or restrictions. To properly follow these guidelines and codes, the Department of Defence must deal impartially with all companies that are entitled to enter its procurement competitions and must evaluate tenders on the basis of objective criteria.

The European Defence Agency's Code of Conduct for defence procurement in the Supply Chain was developed to ensure transparency in procurement and security of supply of defence equipment. Ireland is a subscribing member to the Code of Conduct and accordingly must follow the EDA's procurement rules. The Electronic Bulletin Board in the EDA acts as a single portal for defence contract opportunities. This enables wider advertising of defence force contracts so as to achieve better value for money for Ireland's expenditure on defensive equipment.

The principle of competitive tendering for Government contracts has to be used by the Department of Defence for the acquisition of defensive equipment for the Defence Forces. Central to those procedures is the requirement to allow fair competition between suppliers through the submission of tenders. Such tender competitions are open to any individual company or country in accordance with the terms of all UN, OSCE and EU arms embargos or restrictions. There are no such restrictions or embargos in place on Israeli companies.

The matter of a general trade embargo on Israel raises implications for foreign policy. The Irish Government has consistently been opposed to proposals for trade, diplomatic, cultural, academic, sporting or other boycotts of Israel. In the absence of a general trade embargo of Israel, the Department of Defence cannot unilaterally preclude Israeli companies from participating in tender competitions.

### **Army Barracks.**

62. **Deputy Tom Hayes** asked the Minister for Defence the number of barracks in use by the Defence Forces, Reserve Defence Force and Permanent Defence Force in April 2010; the number of unused barracks; the alternatives to sale that have been considered for barracks no longer in use; if he has consulted with cultural or heritage organisations and local authorities as to alternative uses for these barracks; and if he will make a statement on the matter. [15685/10]

**Minister for Defence (Deputy Tony Killeen):** The Defence property portfolio consists of a diverse range of facilities from conventional military barracks to forts, camps, dwelling houses and training lands. The principal assets are 23 permanently occupied barracks. The Department also owns 26 premises that are used by the Reserve Defence Forces. A further 51 properties are rented for use by the Reserve. At present there are 4 barracks that have been vacated and negotiations in relation to their disposal is ongoing.

The property portfolio also includes a total of 150 married quarters that are mainly located within the Curragh Camp. The policy is that these should be phased out in a managed and orderly way. The Department and the Defence Forces continually review Defence Forces requirements in relation to barracks, infrastructure and other military installations. A total of ten barracks have been closed over the past 10 years.

The funding realised from the disposal of surplus military barracks together with pay savings has provided resources for the modernisation of the Defence Forces and has been invested in new infrastructure, equipment and training area development. Any further properties which are deemed to be surplus to military requirements will continue to be disposed of and the funding invested to meet the current and future equipment and infrastructure needs of the Defence Forces. That said, the question of disposal in the current market is an issue which will require detailed and prudent consideration to ensure that we maximise the return to the Defence Forces for properties sold. My Department has had discussions on the disposal of properties with a number of local authorities, heritage and community based groups.

### **Army Operations.**

63. **Deputy Liz McManus** asked the Minister for Defence the number of occasions on which the Army Ordnance Corps has been called out to deal with suspicious devices during 2009 and to date in 2010; the number of cases which were actual explosive devices; the number of occasions on which these devices were hoaxes; and if he will make a statement on the matter. [15619/10]

**Minister for Defence (Deputy Tony Killeen):** The primary responsibility for the maintenance of law and order rests with an Garda Síochána. The Defence Forces, pursuant to their role of rendering aid to the civil power, assist the Gardaí as required. Requests for aid to the civil power are normally made by a member of an Garda Síochána not below the rank of Inspector. Requests made by an Garda Síochána for assistance in dealing with a suspect device or for the removal of old ordnance are responded to by the Explosive Ordnance Disposal (EOD) Team in the relevant Brigade. The number of call outs made by EOD teams in 2009 was 196. This figure includes 84 hoaxes. The total number of call outs from 1 January 2010 to 17 April 2010 is 52. This figure includes 13 hoaxes.

64. **Deputy James Bannon** asked the Minister for Defence if his Department has completed its calculation as to the amount owed by banks in respect of the provision of cash escorts in 2009; the sum owed; if that sum has been paid; if not, the deadline by which the payment must

[Deputy James Bannon.]

be received, the amounts owed per bank; the banks who have paid and the banks who have not paid to date; and if he will make a statement on the matter. [15635/10]

72. **Deputy Joan Burton** asked the Minister for Defence if agreement has been reached with An Post and other organisations regarding payment for security services on the same basis as the commercial banks. [15609/10]

**Minister for Defence (Deputy Tony Killeen):** I propose to take Questions Nos. 64 and 72 together.

The formal five-year agreement made between the IBF, its member Banks and the Department of Defence which was signed by the Minister for Defence in 2005, provides that the banks pay the total actual costs incurred by the Defence Forces in the provision of cash escorts. Costs in respect of each 12-month period to end-December are paid the following year on or before the 1st June. This is to allow for the compilation of returns from the brigades and allocation of costs following the year-end.

The calculations are being finalised by the Department at the moment. The IBF will be notified of the total due within the next couple of weeks. Payment of the amount due is made through the IBF on behalf of the member banks. I do not have details of the contribution made by each bank. This is a matter for the IBF who co-ordinate the payment.

The existing agreement with banks was for an initial five-year period. Officials in the Department will shortly begin negotiations with the IBF on a new agreement. In the policy changes outlined in the Budget for 2010, it was indicated that Appropriations-in-Aid will be increased, including through charging of An Post, the Central Bank and other organisations for services on the same basis as the banks. The Central Bank has agreed to pay for costs incurred by the Defence Forces in providing security services. Similar to the agreement with the banks, the amount due in respect of 2009 will be paid on or before 1st June 2010.

Officials from the Department met recently with officials from An Post. An Post has sought clarification on some issues, in particular the number and location of post offices covered by the service provided by the Defence Forces. Further discussions with an Post will take place when these matters have been clarified. Discussions with another commercial organisation are at an early stage. There has been some initial correspondence which is receiving consideration within the Department. It is planned to follow up with a meeting of the relevant parties so as to progress the matter.

#### **Departmental Investigations.**

65. **Deputy Catherine Byrne** asked the Minister for Defence if he has received the Marine Casualty Investigation Board's draft report on the loss of *Asgard II*; if so, when his Department will submit its observations on the draft; and if he will make a statement on the matter. [15653/10]

**Minister for Defence (Deputy Tony Killeen):** I wish to confirm that I have recently received a copy of the Marine Casualty Investigation Board's Draft Report into the sinking of the sail training vessel, *Asgard II*. The report is currently being considered in the Department and my Department will submit any observations it may have by the due date of 27 April 2010.

#### **Search and Rescue Service.**

66. **Deputy Emmet Stagg** asked the Minister for Defence the role he envisages for the Air Corps regarding the Search and Rescue Helicopter Service. [15604/10]

**Minister for Defence (Deputy Tony Killeen):** The Irish Coast Guard has overall responsibility for the provision of Search and Rescue, (SAR) services within the Irish Search and Rescue region. In accordance with the roles assigned to them by Government in the White Paper on Defence, the Defence Forces are committed to providing support to the civil authorities including in relation to Search and Rescue. In this regard, the Air Corps provide support to the Coast Guard as the need arises and within its available capability.

The Air Corps was withdrawn from Maritime SAR in 2004 following operational difficulties in the provision of a consistent and satisfactory level of service. The current Air Corps helicopter assets are not configured for maritime search and rescue nor does it have pilots or winchmen with the required training and experience to support such operations. There are no plans to restore the Air Corps Maritime SAR capacity, which would also require very significant investment in equipment and training over many years before it could be operational again.

The Air Corps has a 24/7 general helicopter capability which is available in support of government approved missions. Its roles include support to the Garda Síochána, air ambulance, transport roles in support of civil authorities and response to emergencies and natural disasters on land. The Air Corps has a range of Service Level Agreements with State bodies and agencies including the Coast Guard. The SLA which was signed in December, 2008 sets out the SAR assistance that the Air Corps provides to the Coast Guard. The provision of assistance during mountain rescue operations and fixed wing top cover by the Air Corps Casa aircraft to Coast Guard helicopters are included in this agreement. The Air Corps has offered assistance to the Coast Guard in their deliberations on the new SAR helicopter contract.

*Question No. 67 answered with Question No. 56.*

#### **Defence Forces Reserve.**

68. **Deputy Eamon Gilmore** asked the Minister for Defence the 2010 programme for the Reserve Defence Force. [15613/10]

**Minister for Defence (Deputy Tony Killeen):** I have been informed by the military authorities that, within the current budget, the Reserve Defence Force (RDF) programme of training for 2010 will include Unit nightly parades, weekend training field days, annual summer camps and career courses for reservists.

The provision in the current year for Reserve Defence Force Pay etc. is €4.7 million. This amount includes €2.478 million for paid training for reservists. It is anticipated that this level of funding will provide for approximately 31,000 paid training man-days for reservists.

Training in the Reserve is comprised of both voluntary and paid training. In light of the reduced paid training day provision for 2010, it is anticipated that there will be an increased emphasis on voluntary unpaid training and the allocation of paid training to individual reservists will take account of voluntary unpaid training undertaken.

The aim is to ensure that reservists who complete specified voluntary unpaid training will be afforded the opportunity to avail of a minimum of 7 days paid training and that there be an allocation of training man-days to be used to deliver enhanced training to selected members of the Reserve, through full time courses of instruction in addition to their annual training.

*Question No. 69 answered with Question No. 58.*

*Question No. 70 answered with Question No. 56.*

71. **Deputy Pádraic McCormack** asked the Minister for Defence the size of the Reserve Defence Force in 2007, 2008, 2009 and to date in 2010 inclusive; the percentage decline from its peak to its lowest point; if he is satisfied with the size of the Reserve Defence Force at present; and if he will make a statement on the matter. [15693/10]

**Minister for Defence (Deputy Tony Killeen):** The size of the Reserve Defence Force in 2007, 2008, 2009 and 2010 (as at 31 March 2010, the latest date for which figures are available), as advised by the Military Authorities, is set out in the tabular statement below.

The percentage decline during that period, a total of 2,014 personnel, equates to just under 24%.

Year	Total RDF Strength
2007	8,408
2008	7,671
2009	6,644
2010 (as at 31 March)	6,394

As with the broader public service, the Defence Organisation is required to operate with reduced funding in 2010. Limited recruitment in order to replace existing members who leave the RDF was sanctioned last May. This is subject to the overall strength figure that existed at 1 January 2009 (7,671) not being exceeded. This ongoing limited recruitment is being closely monitored and will be kept under review in the light of the future budgetary provision available to the Department of Defence.

In addition, last November sanction was given for the advancement of Privates from 2\* to 3\* for those members who have achieved the necessary qualifications, along with promotions from Private to Corporal for those currently qualified and the promotion of one Commandant to Lt. Colonel. These promotions were made on phased basis to March 2010.

The Reserve Defence Force Review Implementation Plan, which was developed following broad stakeholder consultation, has provided the framework for the development of the Reserve over recent years. The Plan has informed the development of the Reserve up to the end of 2009. There is now a requirement to examine the progress that has been made and to chart the future direction of the Reserve. Work has commenced on a Value for Money Review of the Reserve and the findings of this Review, together with the lessons learned from the Implementation Plan to date, will inform future plans for the Reserve.

I am advised by the Military Authorities that the Reserve Defence Force retain the capacity to fulfil its duties and, accordingly, I am satisfied that its numbers are adequate at this time.

*Question No. 72 answered with Question No. 64.*

### **Air Corps Operations.**

73. **Deputy Emmet Stagg** asked the Minister for Defence the role he envisages for the Air Corps regarding the servicing of the Garda helicopters. [15605/10]

**Minister for Defence (Deputy Tony Killeen):** The Garda Air Support Unit (GASU) currently comprises two EC 135 helicopters and one Defender 4000 fixed-wing aircraft. Air Corps personnel have responsibility for all matters relating to the servicing and maintenance of the Defender 4000.

The servicing and maintenance of the two GASU helicopters are contracted to a private company. All issues in relation to this contract are a matter for An Garda Síochána and the Department of Justice, Equality and Law Reform.

Under the current arrangements, I do not envisage a role for the Air Corps in the servicing of the GASU helicopters.

### **Defence Forces Strength.**

74. **Deputy Willie Penrose** asked the Minister for Defence further to the recent decision to approve 50 promotions at senior level within the Defence Forces the number of such appointments that have been filled to date; when the outstanding posts will be filled; and if he will make a statement on the matter. [15622/10]

**Minister for Defence (Deputy Tony Killeen):** Resulting from the Government Decision regarding the reduction of public service numbers and the reduced budgetary provision available for 2009, recruitment, promotions and acting up appointments in the Permanent Defence Forces were suspended.

However, in order to maintain the ongoing operational capability of the Defence Forces, a limited number of exceptions to the application of the measures to the Permanent Defence Force were sought in a submission to the Minister for Finance, in June 2009. The need for limited recruitment, promotions and acting appointments for the Defence Forces was outlined.

As was announced on the 24 November 2009, the Minister for Finance approved an allocation of 50 promotions, for the Permanent Defence Force. These promotions were approved to address priority operational and command requirements of the Permanent Defence Force.

In order that these promotions were allocated in a manner that gives protection to the operational capacity of the Defence Forces, Military Management reviewed existing vacancies in all ranks across the organisation as a whole, so as to prioritise those to be filled from the approved promotions.

Following on from the Military review and the identification of priority posts, a total of 10 Officer promotions and 26 Enlisted promotions have been completed to date.

A further 5 Enlisted promotions will be completed as soon as the administrative procedures relating to them have been completed.

Competitions are currently underway to fill 3 Senior Technical Officer positions. The residual 6 approved promotions will be used to fill priority posts arising in the next few months.

*Question No. 75 answered with Question No. 61.*

### **Naval Service Patrols.**

76. **Deputy Aengus Ó Snodaigh** asked the Minister for Defence his views on whether the cuts to the number of patrolling days available to the Naval Service undermines the objective of reducing the inflow of illegal drugs here; if he will seek additional funding from the Department of Finance in order that the patrolling cuts may be reversed; and if he will request the Naval Service to focus more of its resources on operations that target criminal drug smugglers as opposed to its current prioritisation of Irish fishers. [15599/10]

89. **Deputy Ruairí Quinn** asked the Minister for Defence the number of patrolling days undertaken by Naval Service vessels in each year from 2005 to 2009 and the planned number for 2010; if he has had discussions with the fishing industry or the customs authority regarding

[Deputy Ruairí Quinn.]

the implications for fishery protection and drug smuggling preventative measures for the planned reduction in patrolling days; and if he will make a statement on the matter. [15624/10]

**Minister for Defence (Deputy Tony Killeen):** I propose to take Questions Nos. 76 and 89 together.

As part of the Estimates process for 2010, the Department sought to implement measures which would bring about the savings or the equivalent thereof as identified in the Report of the Special Group on Public Service Numbers and Expenditure Programme. As part of this process and to achieve a reduction in current expenditure, the Minister for Defence proposed a cut to the Naval Service patrol days in 2010. The planned number of patrol days for 2010 is 1,480.

The Naval Service provides the maritime element of the Defence Forces and has a general responsibility to meet contingent and actual maritime defence requirements. The Naval Service operates eight general purpose patrol ships. All eight ships are involved in coastal and offshore patrolling and surveillance for the State in that part of the seas where State jurisdiction applies.

The primary day-to-day tasking of the Naval Service is to provide a fishery protection service in accordance with the State's obligations as a member of the European Union. However, as the need arises, Naval Service vessels are deployed to other duties such as aid to the civil power, search and rescue or recovery, and drug interdiction operations.

The current Exclusive Fishery Limits extend to 200 miles offshore and cover an area of 132,000 nautical square miles. The Naval Service currently patrols the entire 200 mile limit and periodically patrols beyond these limits to protect specific fisheries. These patrols are carried out on a regular and frequent basis and are directed to all areas of Irish waters as necessary. The number of Patrol Vessels on patrol in Irish waters at any one time varies between three and eight. The Naval Service is committed to having at least three vessels on patrol within the Irish Exclusive Economic Zone at any one time. All vessels are multi-tasked in the sense that they also undertake general surveillance, security and other duties while on patrol. On any given patrol day, the Naval Service can carry out a number of taskings on behalf of other state agencies such as the Sea Fisheries Protection Agency (SFPA), an Garda Síochána and the Customs Service of the Revenue Commissioners.

The SFPA is Ireland's competent authority for seafood safety and sea fisheries protection. Officials from the Department and the Naval Service have met recently with the SFPA to discuss its priorities and how to optimise fishery patrol days to achieve those priorities having regard to the reduction in the over all number of patrol days.

The number of patrol days undertaken by the Naval Service in the past five years are as follows:

Year	Patrol Days
2005	1,681
2006	1,658
2007	1,661
2008	1,658
2009	1,588

Naval Service patrols at sea undoubtedly act as a deterrent in combating drug trafficking and illegal fishing. However, increasingly these roles are governed by intelligence led operations and greater cooperation between both national and international agencies.

I am therefore fully confident that the Naval Service will continue to meet all taskings assigned to them within the revised patrol pattern for 2010.

### **Courts-Martial.**

77. **Deputy Ruairí Quinn** asked the Minister for Defence the position regarding the investigation being carried out into an allegation that a member of the Naval Service was supplying information on patrol vessel movements to drug smugglers; and if he will make a statement on the matter. [15625/10]

**Minister for Defence (Deputy Tony Killeen):** I am advised by the Military Authorities that the matter referred to was the subject of a comprehensive Military Police investigation, following which a Limited Court-Martial was convened by the Director of Military Prosecutions. The Limited Court-Martial was heard by the Military Judge on 14 and 15 April last at the Military Justice Centre, McKee Barracks.

The Naval Service, as the State's principal seagoing agency, remains vigilant in ensuring that its internal security is not compromised in any manner that could jeopardise any maritime law enforcement operations at sea. Accordingly, it will continue to monitor and review security within the Naval Service to ensure that persons not authorised do not receive information that could disclose the locations or operations of State ships.

### **Defence Forces Property.**

78. **Deputy Joe McHugh** asked the Minister for Defence his plans to review the restriction on any new development around Casement Aerodrome, Baldonnell, County Dublin, in view of the fact that several hundred acres of land fully serviced at a significant cost to the taxpayer and which has considerable employment generating potential is now sterilised due to this restriction; and if he will make a statement on the matter. [15703/10]

**Minister for Defence (Deputy Tony Killeen):** Section 36 of the Defence Act 1954 provides the Minister of Defence with the authority to introduce protected area orders in respect of the vicinity of Casement Aerodrome or other military aerodrome. These zones were first introduced in 1955. Since the introduction of the Planning and Development Act the details of these restrictions have been incorporated into the various Development Plans for South Dublin County Council.

The zones, which address both flight safety and security issues, have been reviewed on a number of occasions, the most recent having been carried out late last year. The findings of this review have been submitted to South Dublin County Council as part of the Department's submission in respect of the Draft County Development Plan 2010-2016.

The rationale behind the presence of the exclusion zone is one of flight safety and the safeguarding of members of the public in the vicinity of the only Military Aerodrome in the State. This policy is in line with international practice at all airports.

The security zone provides a level of protection for operations within and from the aerodrome.

### **Overseas Missions.**

79. **Deputy Ciarán Lynch** asked the Minister for Defence his plans for members of the Reserve Defence Force to serve overseas with the Permanent Defence Force in 2010. [15614/10]

**Minister for Defence (Deputy Tony Killeen):** The Reserve Defence Force Review Implementation Plan provided for a phased development of Reserve capabilities over the period to end 2009. In line with the plan to provide opportunities for overseas service for members of the Reserve, the intention was to recruit suitably qualified members of the RDF to the Permanent Defence Force (PDF) for the express purpose of contributing to overseas peace support operations.

In March 2009 the Government introduced a moratorium on recruitment to the Public Service. This moratorium prevented the planned recruitment of members of the Reserve to the PDF for the purpose of overseas service, as intended. Reductions in the Defence payroll budget at that time also limited the scope for payment of additional personnel. Accordingly, plans to send members of the Reserve overseas are suspended for the foreseeable future.

As outlined in the budget in December 2009, Defence Forces commitments to overseas peace support operations are being scaled back in 2010.

The Reserve Defence Force is currently the subject of a Value for Money Review and it is anticipated that the findings of this review, coupled with the lessons learned from the Implementation Plan will inform future plans for the development of the Reserve.

### **Defence Forces Strength.**

80. **Deputy Bernard J. Durkan** asked the Minister for Defence his plans regarding the future strength of the Defence Forces; his further plans to increase the numbers over the foreseeable future; and if he will make a statement on the matter. [15628/10]

**Minister for Defence (Deputy Tony Killeen):** The White Paper on Defence of February 2000 sets out a figure of 10,500 personnel for the Permanent Defence Force comprising 930 for the Air Corps, 1,144 for the Naval Service and 8,426 for the Army.

I am advised by the military authorities that the strength of the Permanent Defence Force as at 31 March 2010, the latest date for which figures are available was 9,877 broken down as follows; 800 for the Air Corps, 1,026 for the Naval Service and 8,051 for the Army.

I am acutely aware of the impact of the moratorium on the Permanent Defence Force particularly in light of the very high turnover rate that is part of any military organisation. Within the available resources, the Government is committed to maintaining the strength of the Defence Forces at a level of 10,000 all ranks, for which Government approval has been secured in the context of Budget 2010. This reflects the reductions in personnel recommended in the Report of the Special Group on Public Service Numbers and Expenditure Programmes.

Officials from the Department are continuing to engage with the Military Authorities in relation to the review of structures and posts required to meet the operational requirements of the Defence Forces in light of the Government decision to maintain a complement of 10,000 personnel.

As the numbers in the Permanent Defence Force have now dropped below 10,000, recruitment will be carried out in 2010 in order to bring the numbers back to this level. Details of the recruitment campaign for 2010 in relation to the numbers of general service recruits and the commencement of any such recruitment campaigns are not yet available. Planning for this process is underway.

I am advised that at this time the Defence Forces retain the capacity to undertake the tasks laid down by Government both at home and overseas.

**Defence Forces Property.**

81. **Deputy David Stanton** asked the Minister for Defence the progress made regarding the new military courthouse in the Curragh, County Kildare; the cost of same; and if he will make a statement on the matter. [15596/10]

**Minister for Defence (Deputy Tony Killeen):** A new Military Justice Centre in McKee Barracks, Dublin was completed in early 2009 at a cost of €5m. This Centre provides court facilities for the Defence Forces and is adequate in meeting those needs.

There are no plans to provide additional court facilities at the Curragh.

*Question No. 82 answered with Question No. 58.*

83. **Deputy Joan Burton** asked the Minister for Defence the additional Defence Forces property sales that are planned for 2010. [15608/10]

**Minister for Defence (Deputy Tony Killeen):** As the Deputy will be aware, a programme of rationalising and disposing of property which is surplus to the requirements of the Defence Forces has been on-going for a number of years. In that regard the Report of the Special Group on Public Service Numbers and Expenditure Programme noted that my Department has identified 33 properties for disposal.

A number of sales are currently being processed and as these are completed other properties will be prepared for disposal. Due to the diverse nature and location of the properties concerned it is difficult to give an indication of when further properties will be offered for sale.

Any properties to be disposed of will take account of the market conditions, so as to maximise the return to the Defence Forces and generate funding for reinvestment in Defence Forces equipment and infrastructure. Significant progress has been achieved over the past decade in re-equipping and developing Defence Forces capabilities, using the proceeds from the sales of surplus properties and we need to ensure that this progress is continued. Having regard to the investment needs of the Defence Forces and given the current economic circumstances, it is important that my Department realises the full commercial value of the properties being sold.

**Departmental Expenditure.**

84. **Deputy Seán Sherlock** asked the Minister for Defence his Department's Estimate for 2010; and if he will make a statement on the matter. [15621/10]

**Minister for Defence (Deputy Tony Killeen):** Like other areas of the public service, the Defence Organisation is operating on a reduced budget for 2010, the details of which are set out in the Revised Estimates Volume for 2010. The gross total allocation for Defence in 2010 is €964m, comprising €755m in the Defence Estimate and €209m in the Army Pensions Estimate.

As the numbers in the Permanent Defence Force have dropped below 10,000, recruitment will be carried out in 2010. The Defence Forces will continue to operate across all of the roles assigned by Government.

The investment in improved equipment and training made over the past few years means that the Defence Forces are in a healthy state, both in terms of personnel and equipment, to meet the challenges that lie ahead. They have improved in every respect since 2000 and comprehensive reform of structure and human resources, together with major investment in infrastructure and equipment, has been achieved during the past ten years.

[Deputy Tony Killeen.]

In addition to savings of some €34m arising from the reductions in public service pay provided for in the Financial Emergency Measures in the Public Interest (No. 2) Act 2009, further payroll savings of the order of €14m will be achieved by reduced Permanent Defence Force personnel numbers, reduced civilian employee numbers and lower levels of paid training days for the Reserve Defence Force.

Reductions in the number of Permanent Defence Force personnel deployed overseas to Kosovo and Bosnia-Herzegovina will achieve savings of up to €7m, while reduced Naval Service patrol days and the optimisation of Air Corps flying hours will deliver savings of €2.2m. The implications of the decision to withdraw the Irish contingent from the United Nations Mission in the Central African Republic and Chad (MINURCAT) are being examined.

The Coiste an Asgard sail training scheme has been discontinued, resulting in a saving of €0.8m.

Provision has been made for additional Appropriations in Aid of up to €13m, mainly in respect of UN receipts, property sales, cash escorts and military guards. It is envisaged that the scheme of full recovery of costs for security services will be extended to An Post, the Central Bank and other organisations. The Central Bank has agreed to pay such costs while discussions with the other organisations have been initiated.

The 2010 capital expenditure allocation of €16m is focused on new building works to improve the accommodation and facilities of the Defence Forces.

I am satisfied that priority programmes of investment in equipment and infrastructure can be maintained within the approved allocation.

### **Defence Forces Strength.**

85. **Deputy Brian O'Shea** asked the Minister for Defence the total number of personnel who have left the Permanent Defence Force in the first quarter of 2010; the total strength of the Defence Forces. [15602/10]

169. **Deputy Brian O'Shea** asked the Minister for Defence the number of personnel who have left the Permanent Defence Force in the first quarter of 2010; the total strength of the Defence Forces. [15851/10]

**Minister for Defence (Deputy Tony Killeen):** I propose to take Questions Nos. 85 and 169 together.

I am advised by the Military Authorities that as at 31 March, 2010, the latest date for which figures are available, the strength of the 87 Defence Forces amounts to 9,877, comprising 8,051 Army, 800 Air Corps and 1,026 Naval Service.

I am further advised by the Military Authorities that the total number of personnel who have left the Permanent Defence Force during the first quarter of 2010 amounts to 56.

I am also advised that at this time the Defence Forces retain the capacity to undertake the tasks laid down by Government both at home and overseas.

### **Overseas Missions.**

86. **Deputy Michael D. Higgins** asked the Minister for Defence if he will clarify the roles of the seven Irish soldiers currently reported to be in Afghanistan. [13340/10]

**Minister for Defence (Deputy Tony Killeen):** On 20 December 2001, the UN Security Council unanimously adopted Resolution 1386 under Chapter VII of the UN Charter, authorising the establishment of an International Security Assistance Force (ISAF) in Afghanistan. Ireland has participated in the NATO-led UN mandated mission since 5 July 2002, following the Government Decision of 2 July 2002, authorising the provision of seven (7) members of the Permanent Defence Force for service with the force. Since 2002, the Government has reviewed and approved, on an annual basis, the continued participation by seven (7) members of the Permanent Defence Force in ISAF.

The seven Irish personnel currently participating in ISAF, comprising 4 Officers and 3 Non-Commissioned Officers, are located in ISAF Headquarters in Kabul. The Irish personnel work in staff appointments in planning and administrative roles. Irish personnel are rotated every 6 months.

*Question No. 87 answered with Question No. 56.*

*Question No. 88 answered with Question No. 54.*

*Question No. 89 answered with Question No. 76.*

### **Industrial Relations.**

90. **Deputy Eamon Gilmore** asked the Minister for Defence the number of meetings he and his Department have had with the Representative Association for Commissioned Officers and the Permanent Defence Forces Other Ranks Representative Association in the past 12 months. [15612/10]

**Minister for Defence (Deputy Tony Killeen):** Since my appointment as Minister for Defence I have had one meeting with PDFORRA and have also met RACO on one occasion. In the past twelve months my predecessor met with each of the Associations once and addressed both their Annual Delegate Conferences.

The Conciliation and Arbitration Scheme provides the mechanism for addressing issues, which come within the Association's remit. This scheme provides a range of fora for engagement with the Associations, from Council and subcommittee meetings to less formal meeting and contacts.

The number of meetings held with each association under the scheme depends on the particular issues on hands, the complexity of those issues and how the associations choose to deal with them, either formally or informally. In the past 12 months officials from the Department of Defence have met with PDFORRA formally on 12 occasions and RACO formally on 22 occasions. In addition, there has been many informal meetings with both Associations, in particular PDFORRA.

*Question No. 91 answered with Question No. 58.*

### **Defence Forces Recruitment.**

92. **Deputy Jim O'Keefe** asked the Minister for Defence the details of the 2010 recruitment process for personnel to bring the numbers in the Defence Forces to the required figure of 10,000 as provided for in the 2010 Budget; when such recruitment will take place; and if he will make a statement on the matter. [15595/10]

**Minister for Defence (Deputy Tony Killeen):** Within the available resources, the Government is committed to maintaining the strength of the Defence Forces at a level of 10,000 all

[Deputy Tony Killeen.]

ranks, for which Government approval has been secured in the context of Budget 2010. This reflects the reductions in personnel recommended in the Report of the Special Group on Public Service Numbers and Expenditure Programmes. I am advised by the Military authorities that the strength of the Permanent Defence Force as at 31 March, 2010 was 9,877 comprising 8,051 Army, 800 Air Corps and 1,026 Naval Service personnel.

As the numbers in the Permanent Defence Force have dropped below 10,000, recruitment will be carried out in 2010. Detailed planning on the number general service personnel to be recruited and the timing of such recruitment in 2010 is currently ongoing within the Department and the Defence Forces in the context of the available resources and operational priorities.

I intend, with the support of the Chief of Staff and within the resources available, to retain the capacity of the organisation to operate effectively across all roles while contributing to the necessary public service economies. I am advised that at this time the Defence Forces retain the capacity to undertake the tasks laid down by Government at home and overseas.

### **Court of Inquiry Report.**

93. **Deputy Seán Sherlock** asked the Minister for Defence if the director of legal services has concluded his consideration of the report of the court of inquiry into the accident at Kilworth Camp, County Cork, in June 2009 when an officer was seriously injured in a training incident; the action he will take arising from this report; and if he will make a statement on the matter. [15620/10]

**Minister for Defence (Deputy Tony Killeen):** The report is still being considered by the Director of the Defence Forces Legal Services. The matter is the subject of ongoing correspondence between the Director and the General Officer Commanding (GOC) 1st Southern Brigade.

### **Army Equitation School.**

94. **Deputy Joe Costello** asked the Minister for Defence the 2010 programme for the Army equitation school. [15610/10]

**Minister for Defence (Deputy Tony Killeen):** The mission of Army Equitation School, as assigned to it on its establishment in 1926, is to promote the Irish horse abroad through participation in international competition. In 2010, the Equitation School will continue to discharge this task, competing in national and international events in showjumping and three day eventing.

Army Equitation School horses and riders will campaign on the National and International show jumping circuit in the coming months, with the aim of being selected for the Irish teams participating at the Meydan Super League Nations Cup series which will be held at venues across Europe, culminating in the Dublin Horse Show in August. The School will also compete on the National Grand Prix show jumping circuit this year. Building on its previous success in Three Day Eventing, the School will compete on the National, UK and International circuit with the aim of being selected for the Irish team competing at the 2010 World Equestrian Games in Kentucky.

In addition to its competition activity in 2010, the Army Equitation School will continue to support the Irish horse industry. The School is represented on several committees of the national governing body, Horse Sport Ireland. In February and March of this year the School,

in conjunction with Teagasc, hosted information seminars for breeders of sport horses. To provide support to young rider development, the School will accommodate three training bursaries to young riders competing in the disciplines of show jumping and eventing. The School also accommodates applications for work experience from Transition Year students and requests from interested groups and individuals to visit the premises. In 2010, the Army Equitation School Horse Purchase Board will continue to source high quality horses for purchase and lease for competition at home and abroad and maintain the proud tradition of the Army Equitation School.

### **Naval Service Vessels.**

95. **Deputy Pat Rabbitte** asked the Minister for Defence if his attention has been drawn to the fact that the posting of detailed information on the Internet about the movements of Naval Service vessels could be used by drug importers or others involved in illegal activities to avoid detection; his plans to review this procedure; and if he will make a statement on the matter. [15626/10]

**Minister for Defence (Deputy Tony Killeen):** The Naval Service does not post ship movements on the internet. However, when a Naval vessel passes close to land or enters a port, on occasion its presence may be posted on the port's internet website or on that of ship enthusiasts.

There are other websites which display the movement of ships using data from the Automatic Identification System (AIS). AIS is a short range coastal tracking system, used onboard ships and by Vessel Traffic Services (VTS), for identifying and locating vessels by electronically exchanging data with other nearby ships and VTS stations. The Naval Service carries AIS but it is strictly controlled. Naval Service policy is that a Naval vessel will transmit its AIS data when leaving a controlled port, when transiting outside Irish waters or on any other occasion when the ship's Captain deems it appropriate. As a result, Irish Naval vessels will appear on the AIS tracking systems from time to time. At all other times, the AIS equipment operates passively, in that it can receive data but will not transmit data. This ensures that the location of a Naval vessel cannot be tracked, thereby preserving operational security. There is no risk that any information available on the internet regarding Naval vessel movement could be used by drug importers or others involved in illegal activities to avoid detection.

*Question No. 96 answered with Question No. 56.*

### **Courts-Martial.**

97. **Deputy David Stanton** asked the Minister for Defence the number of courts-martial that took place during 2006, 2007, 2008, 2009 and 2010, respectively; the number ongoing at present; and if he will make a statement on the matter. [15597/10]

**Minister for Defence (Deputy Tony Killeen):** Courts-Martial were not held between December 2005 and September 2008 as the principal piece of legislation governing the Defence Forces court martial system, the Defence Act 1954, was being amended to comply with the European Convention on Human Rights. Cases that arose during this period were not heard until the relevant sections of the amending legislation, the Defence (Amendment) Act 2007, were commenced on 1 September 2008.

The number of courts-martial that have been completed since 1 September 2008 to date, along with those which are ongoing, as advised by the Military Authorities, are detailed in the following tabular statement:

[Deputy Tony Killeen.]

Class of Court Martial	Completed 2008	Completed 2009	Completed 2010	Ongoing
Summary Court-Martial	6	15	9	2
Limited Court-Martial	1	3	1	3
General Court-Martial	0	0	0	1

### Departmental Funding.

98. **Deputy Joe Costello** asked the Minister for Defence the level of funding by the State of the Representative Association for Commissioned Officers, RACO, and the Permanent Defence Forces Other Ranks Representative Association, PDFORRA; the number of staff that they both employ; and the numbers they represent. [15611/10]

**Minister for Defence (Deputy Tony Killeen):** PDFORRA receive an annual subvention of €68,568. The figure can be broken down as follows — Accommodation €43,172, Postage and Telephone expenses €25,396. RACO are provided with serviced office accommodation without charge and have access to the Department's telephone network without charge. The payments to both Associations are made in accordance with Agreed Arrangements under the Conciliation and Arbitration Scheme. The General Secretary and the Assistant General Secretary of both PDFORRA and RACO are serving personnel and are seconded to their Associations without recovery of remuneration.

There are 8,442 enlisted personnel and 1,435 officers in the Permanent Defence Forces. Figures as to the percentage of enlisted personnel and officers represented by PDFORRA and RACO are not available. Details of the numbers of staff employed by the Representative Associations are not available.

### Military Archives.

99. **Deputy Kathleen Lynch** asked the Minister for Defence the progress made regarding the location of a more suitable premises for the military archives; and if he will make a statement on the matter. [15617/10]

**Minister for Defence (Deputy Tony Killeen):** The Military Archives, located at Cathal Brugha Barracks, Rathmines, Dublin 6, is the place of deposit for the records of the Department of Defence, the Defence Forces and the Army Pensions Board under the terms of Section 14 of the National Archives Act 1986. Military archive files are held there and, because of storage space constraints, in other locations.

A Military Pensions Archive project, covering the 1916 Rising and the War of Independence, is underway. The purpose of the project is to make the records for this period available to the public and to historians in good time for the 100th anniversary of the 1916 Rising in 2016. The requirement for a more suitable home for the Military Archives has been recognised for some time and has been the subject of significant research. The long-term accommodation for the Military Archive will be reviewed in the context of the military pension archive project.

### Navigation Systems.

100. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Defence his views on whether jammers available for purchase via the Internet pose a security threat to global positioning system navigation systems at sea; his further views on the potential scale of this threat; and the steps he will take to address it. [15601/10]

**Minister for Defence (Deputy Tony Killeen):** I would like to advise the Deputy that as Minister for Defence, the issue of jammers and their potential threat to Global Positioning System, (GPS), navigation systems at sea does not come under my remit. The Naval Service is aware of the issue and I have been informed that in the event of such a threat to one of its ships, the Naval Service could revert to a terrestrial navigation system.

#### **Naval Service Patrols.**

101. **Deputy Kathleen Lynch** asked the Minister for Defence the tasks carried out by the Naval Service within the revised patrol patterns for the first quarter of 2010. [15616/10]

**Minister for Defence (Deputy Tony Killeen):** As part of the Estimates process for 2010, the Department sought to implement measures which would bring about the savings or the equivalent thereof as identified in the Report of the Special Group on Public Service Numbers and Expenditure Programme. As part of this process and to achieve a reduction in current expenditure, the Minister for Defence proposed a cut to the Naval Service patrol days in 2010. The planned number of patrol days for 2010 is 1,480.

The Naval Service has a concurrent multi functional role as the State's primary sea going agency. On any given patrol day the Naval Service can carry out a number of taskings on behalf of other state agencies such as the Sea Fisheries Protection Agency (SFPA), an Garda Síochána and the Customs Service of the Revenue Commissioners.

Actual patrol days for the first quarter of 2010 totalled 353 days. Within this, 21 patrols were commenced, and a range of taskings were undertaken and services provided. Fishery protection operations included the inspection and boarding of 408 fishing vessels, and the detention of 2 fishing vessels. The Naval Service provided aid to the civil authorities for 2 Search and Rescue operations during the first quarter of 2010, and was involved in 4 military exercises in conjunction with the Army. A Naval Service ship was also involved in a collaborative research project with University College Cork Coastal Marine Research Centre while on patrol.

The taskings undertaken by the Naval Service in any given period of time are dependent on a number of factors, including the number and type of ship available, the prevailing weather conditions, the time of year, and the demand for non fishery protection services. I am fully confident that the Naval Service will continue to meet all taskings assigned to them within the revised patrol pattern for 2010.

#### **Overseas Missions.**

102. **Deputy Bernard J. Durkan** asked the Minister for Defence the advice available to him, his Department and the international community prior to withdrawal of peacekeeping forces from the western Balkans; if due regard has been given to the ongoing needs in this area; and if he will make a statement on the matter. [15629/10]

**Minister for Defence (Deputy Tony Killeen):** Since the late 1990's, the Defence Forces have participated in peace support operations in the Western Balkans through their troop presence in the UN mandated NATO-led KFOR mission in Kosovo and in the UN mandated EU-led Operation ALTHEA (formerly SFOR) in Bosnia and Herzegovina.

As the security situation has continued to improve in Kosovo in recent years, on 11 June 2009 NATO Defence Ministers approved the forces's move to that of a "deterrent presence" and this was endorsed by partner nations. Since then the move to a "deterrent presence" has been implemented in a gradual and phased manner moving from its troop level of approximately 15,400 (June 2009) to its current level (26 February 2010) of 9,923. The KFOR mission will continue to downsize over the coming months, subject to a continuation of the improved security situation on the ground. A downsized KFOR will continue to contribute to the safe

[Deputy Tony Killeen.]

and secure environment, in cooperation with the international civil presence and institutions in Kosovo. In addition, the Kosovo authorities are able to maintain the rule of law and the EU-led mission, EULEX Kosovo, has declared full operating capability since April 2009.

As outlined in the budget in December 2009, it had been decided that the Defence Forces commitments to overseas peace support operations would be scaled back in 2010 as one of the budgetary expenditure reductions. This month sees the drawdown of Irish personnel from NATO-led International Security presence (KFOR) in Kosovo from the current 232 personnel to 40 (approximately) in line with the budgetary decision.

It had also been decided to drawdown in July 2010 the Defence Forces contingent serving with EUFOR's Operation ALTHEA in Bosnia and Herzegovina. This was based on an expectation that the transition of the EUFOR mission to a training and support mission would be well in train by that time. However, the transition to a smaller training and support mission is now expected to be completed in December 2010. Following a request by EUFOR's Operation Commander to maintain the Irish contingent with the mission until year end, I have decided to defer the drawdown of the Irish contingent from EU-led mission until the end of 2010.

### Job Creation.

103. **Deputy Pat Breen** asked the Minister for Enterprise, Trade and Employment if he will report on the number of foreign direct investment greenfield projects assisted by the Industrial Development Authority which have been set up here over the past five years; the location of these projects; the percentage of new jobs created; and if he will make a statement on the matter. [15855/10]

**Minister for Enterprise, Trade and Employment (Deputy Batt O'Keeffe):** In the 5-year period 2005 to 2009, there have been 42 announcements of greenfield investments by IDA supported companies, with the potential to create over 4,000 jobs. Details of the location, activity and number of jobs associated with each announcement are set out in the tabular statement. It should be noted, however, that jobs announced are typically created over a period of up to three to five years. In the same 5 year period a total of 48,569 jobs were created in IDA supported companies.

It should also be remembered that many projects commence without being announced publicly.

Tabular Statement showing IDA Ireland Greenfield Company Announcements 2005-2009

2005

Date Announced	Company	Location	Product / Activity	No. Jobs Announced
03-Feb-05	Hartford Financial Services	Dublin	Financial Services	130
03-Feb-05	AutoEurpoe	Dublin	Car rental Call Centre	60
03-Feb-05	MarketBoomer	Dublin	eProcurement Service Provider	35
15-Feb-05	Yahoo!	Dublin	Online product & service providers	400
12-Apr-05	DC Studios	Dublin	Video game development	50
07-Jun-05	Qlogic Corporation	Dublin	Storage Area Network Infrastructure Component Providers	100
28-Oct-05	Palm	Dublin	Mobile computing & provider of smartphones	35

## 2006

Date Announced	Company	Location	Product / Activity	No. Jobs Announced
22-Feb-06	Sage Technologies	Dublin	Software	40
20-Mar-06	Actel	Dublin	European IC Development Centre	20
25-Apr-06	Sandisk Intl	Dublin	EMEA HQ	125

## 2007

Date Announced	Company	Location	Product / Activity	No. Jobs Announced
12 Apr 07	Paragon Global Resources	Dublin	International Services	100
17 Apr 07	Gala Inc	Dublin	On-Line Games	32
27 Nov 07	FINCAD	Dublin	EMEA HQ	30

## 2008

Date Announced	Company	Location	Product / Activity	No. Jobs Announced
05-Feb-08	Zimmer	Shannon	Medical Technologies	250
08-Feb-08	Unum	Carlow	Software Services Centre	200
12-Feb-08	Channel Advisor	Limerick	Business Development Centre	15
25-Mar-08	EyeWonder	Dublin	European Sales & Customer Support Centre	31
21-May-08	Satir	Louth	European HQ	40
16-Jun-08	Solaris Mobile	Dublin	Coporate HQ	50
05-Aug-08	Abiomed	Westmeath	Establishing a Global Manufacturing Faciltiy	250
04-Sep-08	Freightquote	Dublin	European HQ	100
23-Sep-08	Netezza	Dundalk	European Operations Centre	65
02-Oct-08	Facebook	Dublin	Social Networking	74
23-Oct-08	Goa	Dublin	European Headquarters	474
20-Nov-08	DTS	Limerick	European Headquarters	50
01-Dec-08	CSN Stores	Galway	EMEA Headquarters	200
11-Dec-08	Hovione	Cork	Bulk Pharmaceuticals	80
18-Dec-08	PPD	Westmeath	Contract Research Facility	250

## 2009

Date Announced	Company	Location	Product / Activity	No. Jobs Announced
22-Jan-09	Gerson Lehrman Group	Dublin	New Operations Hub	50
09-Apr-09	Big Fish Games Inc	Cork	European Headquarters	100
21-Apr-09	CIRS	Louth	EU Headquarters	26
28-Jul-09	Success Factors	Dublin	European Multilingual Business Centre	40
04-Aug-09	Kenexa	Louth	Web based Recruitment	30

[Deputy Batt O’Keeffe.]

Date Announced	Company	Location	Product / Activity	No. Jobs Announced
12-Aug-09	Lumension	Galway	Global R&D Centre	30
02-Sep-09	BSB	Dublin	Operations Hub	20
20-Sep-09	Everest	Dublin	Reinsurance Operation	10
29-Sep-09	Butterfield Fulcrum	Dublin	Establishment of Fund Administration Operation	40
19-Oct-09	Vattenfall/Tonn Energy	Mayo	R&D Initiative in Clean-tech Energy	0
21-Oct-09	Sajan	Dublin	European Headquarters	35
30-Oct-09	Buy.com	Galway	European Operations Centre	40
18-Nov-09	Bently Systems Incorporated	Dublin	International Shared Services, Sales & Marketing Centre	150
17-Dec-09	Maxim Integrated Products	Dublin	International Business Centre	100

104. **Deputy Finian McGrath** asked the Minister for Enterprise, Trade and Employment if he will support the staff of a company (details supplied) during this current period. [15884/10]

**Minister for Enterprise, Trade and Employment (Deputy Batt O’Keeffe):** The company is a major employer in Ireland and Northern Ireland employing over 2,500 people. Enterprise Ireland, over the past 4 years, has provided grant support towards the creation of new jobs in Ireland to service the company’s international growth. The Chairman and Chief Executive of Enterprise Ireland met with the senior management of the Group on 4 April 2010. Enterprise Ireland stands ready to provide all possible support to the company with a view to maintaining the maximum number of jobs, when the company’s position is clarified.

#### **Redundancy Payments.**

105. **Deputy Tom Hayes** asked the Minister for Enterprise, Trade and Employment when redundancy payment will issue to a person (details supplied) in County Tipperary; and if he will make a statement on the matter. [15893/10]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** I wish to advise the Deputy that on the basis of the records in the Redundancy Payments Section of my Department, there is no record of a claim for a redundancy payment in respect of the individual in question.

#### **Job Creation.**

106. **Deputy Billy Timmins** asked the Minister for Enterprise, Trade and Employment the position in respect of State assisted jobs created in County Wicklow and in County Carlow in each of the years 2005 and to date in 2010 broken down by year and by county; and if he will make a statement on the matter. [15913/10]

107. **Deputy Billy Timmins** asked the Minister for Enterprise, Trade and Employment the number of site visits made by agencies under the aegis of his Department with a view to creating employment in County Wicklow and in County Carlow in the years 2007 to date in 2010; the location of these visits; and if he will make a statement on the matter. [15917/10]

**Minister for Enterprise, Trade and Employment (Deputy Batt O’Keeffe):** I propose to take Questions Nos. 106 and 107 together.

Details of jobs created with the assistance of the State in each of the years 2005 to 2009 inclusive, in respect of Enterprise Ireland and IDA Ireland supported companies, are set out in the tables.

Details of jobs existing in companies supported by Wicklow and Carlow County Enterprise Boards at the end of each year in question are also tabulated.

As this data is compiled on an annualised basis, figures in respect of 2010 will not be available until early in 2011.

I have been informed by IDA Ireland that, in the period from January 2007 to date in 2010, there have been 14 site visits to Carlow — all to Carlow town and two site visits to Wicklow — one to Bray and one to Arklow.

Numbers of State-assisted Jobs Created in Co. Wicklow

Wicklow	2005	2006	2007	2008	2009
Enterprise Ireland Supported Companies	438	167	276	260	80
IDA Ireland Supported Companies	374	140	190	53	28

Wicklow	2005	2006	2007	2008	2009
*Wicklow CEB Supported Companies	813	794.5	804	789	707.5

Numbers of State-assisted Jobs Created in Co. Carlow

Carlow	2005	2006	2007	2008	2009
Enterprise Ireland Supported Companies	160	267	194	228	24
IDA Ireland Supported Companies	44	20	3	74	49

Carlow	2005	2006	2007	2008	2009
*Carlow CEB Supported Companies	801	887.5	920	924	843

\*These figures represent jobs existing in CEB supported companies at year-end.

### FÁS Training Programmes.

108. **Deputy Terence Flanagan** asked the Minister for Enterprise, Trade and Employment the action he will take on a matter (details supplied); and if he will make a statement on the matter. [15920/10]

**Minister of State at the Department of Enterprise, Trade and Employment (Deputy Dara Calleary):** Statutory Apprenticeship in Ireland is organised by FÁS in co-operation with the Department of Education and Skills, employers and unions. Apprenticeship is a demand-driven educational and training programme for employed people aimed at developing the skills of the apprentice to meet the needs of industry and the labour market. The Apprenticeship system is a modular standards-based system generally comprising 7 alternating phases of on-the-job and off-the-job training and development. These alternating phases consist of 3 off-the-job and 4 on-the-job training phases.

[Deputy Dara Calleary.]

FAS already operates a number of measures in support of redundant apprentices including a new Redundant Apprentice Placement Scheme. These measures are detailed in the reply to Parliamentary Questions No. 12629-12633 of 2010.

However, should a Local Authority be considering a scheme to refurbish local authority housing and to engage redundant apprentices to do so, it would be necessary for the Local Authority to:

- Directly employ and fund the apprentices to undertake the relevant on-the-job training and assessments.
- Directly employ suitably qualified craftpersons to train, supervise and carry out the necessary assessments for the apprentices.
- Provide a range of work and access to materials, tools and equipment for the apprentices in order to complete the specific on-the-job assessments for the relevant trade
- Ensure that relevant project management and professional expertise is provided to ensure that relevant standards, building regulations and health and safety requirements are met.

These are matters to be considered by individual local authorities in the first instance.

#### **Tax Code.**

109. **Deputy Thomas Byrne** asked the Minister for Finance if a person can claim tax relief for medical expenses on a Med 1 form in respect of private tuition for an autistic child in circumstances in which such tuition has been recommended by a clinical psychologist and is not available from the Department of Education and Science due to the young age of the child. [15853/10]

**Minister for Finance (Deputy Brian Lenihan):** The position is that income tax relief in respect of health expenses is allowable in accordance with Section 469 of the Taxes Consolidated Act 1997. The section provides for tax relief for health expenses incurred in the provision of health care. “Health care” is defined as “the prevention, diagnosis, alleviation or treatment of an ailment, injury, infirmity, defect or disability, and includes care received by a woman in respect of a pregnancy, but does not include routine ophthalmic treatment or routine dental treatment”.

Income tax relief would not be due in respect of the provision of private tuition, whether recommended by a clinical psychologist or not, as tuition does not come within the meaning of “health care” for the purposes of Section 469 of the Taxes Consolidated Act 1997.

#### **Indebtedness Report.**

110. **Deputy Thomas Byrne** asked the Minister for Finance his views on the report on indebtedness of the Joint Committee on Social and Family Affairs and in particular its key recommendations. [15854/10]

**Minister for Finance (Deputy Brian Lenihan):** I welcome the Report on Indebtedness of the Joint Committee on Social and Family Affairs and its recommendations which were published earlier this year.

The Deputy will be aware that on the 25th February 2010 I informed the Government of my proposals regarding expanding the membership of the Interdepartmental Mortgage Arrears

Group, under the Chairmanship of Mr. Hugh Cooney, an insolvency accountant. The terms of reference of the Group which were incorporated into the supplementary documentation for my Statement on Banking which I delivered to this House on 30 March 2010, include a commitment to take account of the Joint Committee's Report.

I am satisfied that the recommendations contained in the Joint Committee's Report will be given full consideration by the Mortgage Arrears Group.

### **Departmental Expenditure.**

111. **Deputy Mary Upton** asked the Minister for Finance if he will provide a list of art works purchased by the OPW over the past ten years; the cost of each individual work of art; the locations at which these art works are on display; if they are all available to public viewing; and if he will make a statement on the matter. [15862/10]

**Minister of State at the Department of Finance (Deputy Martin Mansergh):** In the past decade, the majority of art works commissioned and purchased by the OPW have been funded under the Government's per cent for art scheme. These include paintings, limited edition original prints, sculpture, mixed media installations, lens based and multi-disciplinary art, music and poetry.

The per cent for art scheme has been Government policy since 1997 and the publication "Public Art: Per Cent for Art Scheme, General National Guidelines — 2004", encourages every public body delivering capital construction projects to implement the scheme. Limits apply to funding available under the per cent for art scheme, with the maximum art budget for projects in excess of €12.7 million, being €64,000. The OPW has been committed to implementing this policy and adheres to the practices set out in the National Guidelines.

The majority of commissioned art works are on public view, and these are located in public offices throughout the country. OPW works in co-operation with the Arts Council and local arts officers in implementing the scheme. Art projects have been commissioned for such diverse locations as Dublin Zoo, Nenagh Courthouse, the Broadcasting Commission, the National Library, Northside Civic Centre, Oranmore Garda Station, Tralee Ship Canal, amongst many others. There are over 70 commissioned works listed on the OPW art database currently, ranging in cost from €10,000 to the maximum amount of €64,000.

The OPW Art Management Office is currently engaged in a major inventory project, due for completion in December 2010. There are currently over 12,000 art works and decorative objects listed on the OPW art database. These range from historic painted portrait series in locations such as the Royal Hospital Kilmainham and Kilkenny Castle to art works purchased from graduate shows in recent years under the per cent for art scheme. The OPW has currently catalogued almost 5,000 art works and art projects for the period 2000 to 2009. It is planned to publish an up-to-date catalogue of works commissioned and purchased between 2006 and 2010 in the autumn next year. This catalogue will be the latest in the series 'Art in State Buildings' that currently documents the collection from 1922 to 2005. Copies of the 'Art in State Buildings' catalogue are available from the OPW Art Management Office and they have been made widely available, free of charge, to researchers, public libraries, schools and colleges.

The Art Management Office also organises a touring exhibition of art works annually in co-operation with the Department of Finance and Personnel of Northern Ireland. These exhibitions bring art works, both historical and contemporary, from both collections to a wider audience. A catalogue is also published to accompany this exhibition that provides information on the artists and their work which is distributed free of charge to visitors to the exhibition.

[Deputy Martin Mansergh.]

Since 1991, these OPW-managed exhibitions have visited numerous arts centres, colleges and heritage properties in almost every county on the island of Ireland.

The OPW also lends art works to exhibitions organised by other arts organisations. For example, both IMMA and the RHA have borrowed works in recent times. Artists and their galleries also request the loan of their works for retrospective exhibitions, and the OPW facilitates these requests on a regular basis.

The nature of the overall collection, including art works purchased, is that it is mobile. Art works move from location to location as buildings are refurbished. An art work purchased for the collection can have had numerous homes over the years, and many pieces have moved several times since acquisition. At any given time, a couple of hundred pieces are in the OPW art store, and these works are generally awaiting conservation, reframing, or are between moves from one building to another. Apart from the large-scale commissioned projects and the art works on permanent exhibition in the heritage properties, the location of art works is generally not published for two specific reasons; the security of the art works, and the fact that the collection is mobile. While few of the art works acquired under the per cent for art scheme are currently of major financial value, the fact that they are so easily accessible makes them vulnerable to damage, loss and theft, unlike those in the collection of a cultural institution with constant invigilation. It is also the case that the location of a work can change within a short period of time, making any published location record obsolete quite quickly.

#### **Codes of Conduct.**

112. **Deputy Aengus Ó Snodaigh** asked the Minister for Finance if he will take steps to amend the statutory code of conduct on mortgage arrears to rectify the shortcoming by which the moratorium period commences from the point at which arrears first arose but does not involve any requirement for cumulative arrears. [15872/10]

115. **Deputy Aengus Ó Snodaigh** asked the Minister for Finance if he will take steps to amend the code of conduct on mortgage arrears to make specific provisions for homes in negative equity including steps required to ensure best value for borrowers on the disposal of any such properties for which repossession is sought or achieved. [15875/10]

**Minister for Finance (Deputy Brian Lenihan):** I propose to take Questions Nos. 112 and 115 together.

As the Deputy is aware, the Financial Regulator first published its Code of Conduct on Mortgage Arrears (the Code) on 13 February 2009 which was updated on 17 February 2010. The Code is mandatory for all regulated lenders and includes provisions on matters relating to a moratorium and mortgage repossessions. In addition, of course, both lender and borrower are bound by the conditions of their mortgage contract, which imposes obligations on both sides.

After my Budget speech in December, I wrote to the Financial Regulatory requesting that consideration be given to extending the then 6 month moratorium out to 12 months to ease the burden on mortgage borrowers in arrears. The Financial Regulator after careful consideration and consultations decided to extend the moratorium to 12 months in line with my request. Any change to the Code of Conduct on Mortgage Arrears is a matter for the Financial Regulator.

The Deputy will be aware that on the 25th February 2010, I informed the Government of my proposals to broaden the membership of the then Interdepartmental Mortgage Arrears Group, to include external experts alongside senior civil servants under the Chairmanship of

Mr. Hugh Cooney an insolvency accountant. The external members of the Group were selected on the basis of their individual expertise in areas relating to mortgage arrears and personal debt and include the Financial Regulator.

The revamped Group will focus initially on bringing forward recommendations in dealing with the mortgage arrears problem and will later address the personal debt issue. I expect that these recommendations will be made to me on a rolling basis as the Group progresses with its review with a final report on the mortgage arrears issues completed by end June 2010. I will then consider the merits of each of the recommendations before deciding on whether to submit to Government for decision. The Deputy will appreciate that all proposals will need to be fully costed before being recommended to Government and will also have to represent value for money from the point of view of the Government and taxpayers.

113. **Deputy Aengus Ó Snodaigh** asked the Minister for Finance if he will take steps to implement the recommendation of the Joint Committee on Social and Family Affairs that the moratorium period under the statutory code of conduct on mortgage arrears be extended to 24 months. [15873/10]

**Minister for Finance (Deputy Brian Lenihan):** The Deputy will be aware that I wrote to the Financial Regulator after my Budget 2010 speech, requesting that consideration be given to extending the moratorium from 6 months to 12 months. The Financial Regulator decided after consultation that it would be possible to extend the moratorium in line with my request and the new limit of 12 months now applies to all regulated lenders and is reflected in the updated Code of Conduct on Mortgage Arrears which came into effect on 17 February 2010.

As the Deputy is aware, on 25th February 2010, I informed the Government of my proposals to extend the membership of the then Interdepartmental Mortgage Arrears Group to include external experts under the Chairmanship of Mr. Hugh Cooney an insolvency accountant. The external members of the Group were selected on the basis of their individual expertise in areas relating to mortgage arrears and personal debt and include the Financial Regulator.

The Group has since commenced its work and is meeting regularly. Its Terms of Reference which I have approved were incorporated into the supplementary documentation for my Statement on Banking which I delivered to this House on 30 March 2010. In general, the Terms of Reference reflect the commitments made by the Government both in the Renewed Programme for Government and in subsequent Government decisions relating to the issues of mortgage arrears and personal debt and specifically include a commitment to take account of the Report on indebtedness by the Joint Committee on Social and Family Affairs.

The revamped Group will focus initially on bringing forward recommendations in dealing with the mortgage arrears problem and will later address the personal debt issue. I expect that these recommendations will be made to me on a rolling basis as the Group progresses with its review with a final report on the mortgage arrears issues completed by end June 2010. I will then consider the merits of each of the recommendations before deciding on whether to submit to Government for decision. The Deputy will appreciate that all proposals will need to be fully costed before being recommended to Government and will also have to represent value for money from the point of view of the Government and taxpayers.

The proposal to further extend the moratorium on mortgage repossessions out to 24 months as suggested by the Deputy has the potential to cause serious funding problems for Irish banks, and ultimately for the State itself. It must be emphasised that Irish banks continue to rely to a significant extent on international credit markets for funding. Those markets are aware that Irish banks are heavily exposed to the residential mortgage market. Because mortgage default

[Deputy Brian Lenihan.]

rates are much higher in some other countries than here, there is already a perception of risk in connection with the Irish banks mortgage loan books that is higher than is justified. When the 12 month moratorium by AIB and BOI was announced as part of the recapitalisation, Moody's rating agency were quite critical and the Fitch rating agency published comment with some negative material about mortgage lending in Ireland. While the banks funding position has improved in recent months, it is still quite difficult, even with the benefit of the State Guarantees. It is essential therefore that nothing is done to raise further fears about the quality of mortgage loan books.

### **Mortgage Arrears.**

114. **Deputy Aengus Ó Snodaigh** asked the Minister for Finance his views on the fact that borrowers remain liable for any outstanding debts and related costs following the repossession of their homes in a context of growing mortgage arrears, negative equity, pay cuts and unemployment; and if he will take legislative or other steps to address this matter. [15874/10]

116. **Deputy Aengus Ó Snodaigh** asked the Minister for Finance if he will take the legislative or other steps necessary to oblige banks availing of NAMA to write off the difference between the purchase price of the dwelling and its current market value for those households with mortgages taken out on primary residences since 2004 up to €500,000 in view of the growing negative equity problems in conjunction with mortgage arrears. [15876/10]

**Minister for Finance (Deputy Brian Lenihan):** I propose to take Questions Nos. 114 and 116 together.

There have been a number of developments relating to the Government's commitments in the Renewed Programme for Government dealing with *Protecting the Family Home and Helping Those in Debt*. In particular I refer to the recent establishment of the expert group on Mortgage Arrears and Personal Debt (Group) under the Chairmanship of Mr. Hugh Cooney.

The Group's Terms of Reference which I approved were incorporated into the supplementary documentation for my Statement on Banking which I delivered to this House on 30 March 2010. This expert Group has commenced its work, and will focus initially on bringing forward recommendations in dealing with the mortgage arrears problem and will later address the personal debt issue.

I expect that the Group's recommendations will be made to me on a rolling basis as the Group progresses with its review with a final report on the mortgage arrears issues completed by end June 2010. I will then consider the merits of each of the recommendations before deciding on whether to submit to Government for decision. The Deputy will appreciate that all proposals will need to be fully costed before being recommended to Government and will also have to represent value for money from the point of view of the Government and taxpayers.

I am confident that the Group will, as part of its important work, examine all realistic options available to assist mortgage holders and those who are in debt during this difficult economic period, without raising concerns in the international markets about the quality of the mortgage loan books.

The Deputy will be aware that mortgage financing is typically a long-term contract, which involves a balance of obligations between lender and borrower. Home buyers are able to obtain mortgage finance at a price far below that of other lending largely because the loan is secured on the property. Major alterations to the nature of mortgage contracts would mean that mortgages would become much more expensive to buyers.

*Question No. 115 answered with Question No. 112.*

*Question No. 116 answered with Question No. 114.*

117. **Deputy Aengus Ó Snodaigh** asked the Minister for Finance if he will consider banning the charging of penalty interest on mortgage arrears. [15877/10]

**Minister for Finance (Deputy Brian Lenihan):** The Financial Regulator has statutory responsibility for the regulation of non-interest related banking charges under Section 149 of the Consumer Credit Act 1995. Credit institutions are obliged to seek the prior approval of the Regulator before any increase in such fees. I, as Minister for Finance have no role in the matter. For the purposes of Section 149 a charge includes a penalty interest in respect of arrears on a loan.

My Department has however been advised by the Financial Regulator that it is concerned that mortgage lenders treat their customers fairly.

In December 2009, the Financial Regulator wrote to mortgage lenders about the charges they impose in respect of mortgage arrears. In that letter the Financial Regulator said that while such charges may have been approved under Section 149 it was requesting lenders to impose charges only where they could be justified, having considered the individual consumer's circumstances. Also in that letter the Financial Regulator reminded lenders of the requirement of the Financial Regulator's "Code of Conduct on Mortgage Arrears" to handle arrears cases sympathetically and positively with the objective of assisting consumers to meet their obligations. The Financial Regulator also indicated that any charges that are applied must be based only on the costs incurred by the institution in managing the arrears case. It requested institutions to consider not applying arrears charges where the consumer is unable to make repayments in the immediate term due, for example, to job loss.

118. **Deputy Aengus Ó Snodaigh** asked the Minister for Finance if the expert group set up to investigate the issue of increasing mortgage arrears has reported any interim findings or recommendations; and if so, if he will give details of same; and if not, when such a report is expected. [15878/10]

**Minister for Finance (Deputy Brian Lenihan):** As the Deputy is aware, on 25th February 2010, I informed the Government of my proposals to extend the membership of the then Interdepartmental Mortgage Arrears Group to include external experts under the Chairmanship of Mr. Hugh Cooney an insolvency accountant. The external members of this expert group (Group) were selected on the basis of their individual expertise in areas relating to mortgage arrears and personal debt.

As of today's date (21st April 2010) I have not received any interim findings or recommendations from the Group. The revamped Group has commenced its work, and is meeting regularly. I understand that the emphasis will initially be on exploring the feasibility of a range of possible options for improving the level of mortgage support to homeowners in difficulty. Proposals will be based on factual information gathered by the Group and will take into account the findings of existing reports and mortgage support schemes in operation in other jurisdictions. I expect that these recommendations will be made to me on a rolling basis as the Group progresses with its findings and that a final report on this phase of the review will be ready by end June 2010.

#### **Tax Collection.**

119. **Deputy Jack Wall** asked the Minister for Finance if a person (details supplied) in County

[Deputy Jack Wall.]

Kildare can receive a P21 Balancing Statement in respect of 2008; and if he will make a statement on the matter. [15889/10]

**Minister for Finance (Deputy Brian Lenihan):** I have been advised by the Revenue Commissioners that a PAYE Balancing Statement P21 for the year 2008 issued to the person concerned on 15th January 2010. In addition copies of the balancing statement were issued on the 18th and 24th March 2010.

120. **Deputy Leo Varadkar** asked the Minister for Finance the estimated tax receipts received from small and medium sized enterprises in 2009; and if he will make a statement on the matter. [15895/10]

**Minister for Finance (Deputy Brian Lenihan):** I am informed by the Revenue Commissioners that identifying figures of tax receipts from small and medium enterprises would depend on how these enterprises are defined and whether the details of such a definition could be associated with the appropriate data on Revenue tax records.

The relevant figures in this area that are currently available to Revenue are as contained in Table CTS 1 in the Statistical Report of the Revenue Commissioners for 2008 in respect of 2007, the latest year for which such figures are available. This information can be found on the Revenue website at *www.revenue.ie*. Table CTS 1 shows that for accounting periods ended in 2007 companies with a net trading income of €500,000 or under, which represented approximately 54,000 taxpaying companies out of a total of 59,000 cases, contributed approximately €700 million of the total Corporation Tax liability of €6.3 billion. By contrast, 574 firms with a net trading income of over €10 million contributed approximately €4.5 billion.

#### **Flood Relief.**

121. **Deputy Billy Timmins** asked the Minister for Finance the position regarding the provision of funding in respect of flood relief works following a request from Wicklow County Council; the details of these applications; and if he will make a statement on the matter. [15912/10]

**Minister of State at the Department of Finance (Deputy Martin Mansergh):** Wicklow County Council have submitted a number of applications for funding under the minor works scheme initiated by the Office of Public Works in 2009. Following a qualitative assessment of these applications, funding totalling €283,500 has been allocated to the Council in 2010 for works at two locations at Boghall Road, Bray involving the upgrading and installation of pipes, and for a coastal protection study at Arklow. Other applications are still being assessed in conjunction with the Council, and a decision will be made shortly in respect of these. It will be open to Wicklow County Council to submit further applications for funding during the remainder of the year.

#### **Tax Collection.**

122. **Deputy Finian McGrath** asked the Minister for Finance if he will support a matter (details supplied). [15921/10]

**Minister for Finance (Deputy Brian Lenihan):** I have been advised by the Revenue Commissioners that, following consideration of the circumstances of the case, they indicated to the parties involved on 27 October 2009 that they were prepared to mitigate the interest on late payment of Stamp Duty to the amount chargeable on 31 May 2007, which was the date at which the individuals put their former solicitor in funds to pay the Duty on their behalf. The mitigation amounted to a reduction from €24,760 to €8,810.

On 25 February 2010, Revenue wrote to the current solicitor representing the parties to advise that it would consider further mitigation if more evidence were provided. Specifically, the solicitor was requested to forward copies of all correspondence with the Law Society in this matter, to include specific details of their claim for compensation from the Law Society. The matter cannot be considered further until this information is received.

Revenue regrets that the Deputy did not yet receive a further reply to his Parliamentary Question to which Revenue issued an interim reply on 4 March 2010. This delay has occurred as a result of industrial action in the Office of the Revenue Commissioners.

### **Financial Services Regulation.**

123. **Deputy Richard Bruton** asked the Minister for Finance if his attention has been drawn to the fact that many mortgage protection policies are written in such a way that a redundant person covered by the policy will sacrifice their rights under the policy if they take up short term work and will be debarred from receiving the policy having once made a claim; and if he will make a statement on the matter. [15973/10]

**Minister for Finance (Deputy Brian Lenihan):** The Financial Regulator has informed me that it is aware that conditions such as the one referred to in the Parliamentary Question can be a part of a mortgage protection policy. However as the make-up and content of products is a commercial decision for an insurer on the basis of their risk analysis, the Financial Regulator has no influence over such matters.

The Financial Regulator does have a role in ensuring that the statutory Consumer Protection Code (“the Code”) is being complied with. The General Principles of the Code govern the sale of products and require that a regulated entity “acts honestly, fairly and professionally in the best interest of its customers and the integrity of the market.” In particular the Code requires that a regulated entity must ensure that key items are brought to the attention of the consumer and that the method of presentation must not disguise, diminish or obscure important information.

In addition to the above, responsibility also rests with the consumer for making sure that he/she understands the terms and conditions of a policy before purchasing it.

### **Flood Relief.**

124. **Deputy Michael Noonan** asked the Minister for Finance when permanent levees to replace the temporary levees which were erected by the Office of Public Works at Shannon Banks, Corbally, County Limerick will be put in place; the nature of the permanent levees; their height and location; and if he will make a statement on the matter. [15974/10]

**Minister of State at the Department of Finance (Deputy Martin Mansergh):** Subject to agreement with Clare County Council, and following further consultation with local residents, the Office of Public Works proposes to carry out works on the existing embankments at Shannon Banks during the Summer. Following an assessment of recent water levels, it is proposed to reduce the height of the embankments by 300-500 mm in order to reduce visual impact and to decrease their side slopes. It is proposed to establish grass cover on the embankments. It is also proposed to re-locate part of the embankments further away from a number of properties in the Hampstead Park area.

### **Tax Code.**

125. **Deputy Finian McGrath** asked the Minister for Finance if he will consider a submission (details supplied). [15976/10]

**Minister for Finance (Deputy Brian Lenihan):** As the Deputy is aware, all taxes and potential taxation measures continue to be reviewed on an ongoing basis, particularly in the context of the annual Budget and Finance Bill process. The submission on a new property tax will be considered on this basis.

### **Social Welfare Benefits.**

126. **Deputy Róisín Shortall** asked the Minister for Health and Children if an agreement is in place to administer the back to school clothing and footwear allowance in 2010; if not, the deadline to finalise arrangements. [16095/10]

**Minister for Health and Children (Deputy Mary Harney):** I wish to advise the Deputy that due to industrial action affecting the Health Service Executive it is not possible for the Executive to supply the information requested. If this matter remains of continuing concern to you, however, I would invite you to raise it with me again in due course.

### **Hospital Services.**

127. **Deputy Pat Breen** asked the Minister for Health and Children if her attention has been drawn to reports that the intensive care unit and associated anaesthetic cover is to be removed from the Mid Western Region Hospital, Ennis, County Clare as and from July 2010; her views regarding same; and if she will make a statement on the matter. [15858/10]

128. **Deputy Pat Breen** asked the Minister for Health and Children the status of the planned upgrade of the Mid Western Regional Hospital, Ennis, County Clare; when she expects this project to commence; and if she will make a statement on the matter. [15859/10]

129. **Deputy Pat Breen** asked the Minister for Health and Children her views in relation to the future of the Mid Western Regional Hospital, Ennis, County Clare; if this hospital will continue as an acute medical hospital into the future; and if she will make a statement on the matter. [15860/10]

**Minister for Health and Children (Deputy Mary Harney):** I propose to take Questions Nos. 127 to 129, inclusive, together.

The HSE has made significant progress on reconfiguring acute hospital and related services in the Mid West region informed by the Teamwork/Horwath Report and the Health Information and Quality Authority Report on Ennis, which was published in April 2009. These Reports highlighted the need for changes to be made in the organisation and provision of acute hospital services across the Mid West region as they found services there to be too fragmented, to carry increased risks for patients and staff and to be unsustainable in their present form.

The reconfiguration of services in the Mid-West Region began in early April, 2009. This involved the cessation of 24-hour Accident and Emergency services at Ennis and Nenagh. These hospitals now provide an urgent care/minor injuries service for 12 hours a day as part of a regional Accident and Emergency structure.

The level of staffing of the ambulance services in Clare and North Tipperary has been enhanced and an advanced 24-hour paramedic service is also now in operation. Protocols are in place to ensure that all trauma, paediatric and obstetric emergency cases are brought directly to the major tertiary centre at Limerick Regional Hospital.

All planned and emergency in-patient surgery has been moved from Ennis and Nenagh to Limerick Regional Hospital since early October, 2009. Ennis and Nenagh Hospitals are however undertaking an expanded range of day case surgery and diagnostic work.

As part of its regional reconfiguration plan the HSE is centralising all critical care services at Limerick Regional Hospital in the interests of promoting patient safety and improving the quality of patient care. These services are currently provided across four hospitals. In this context a new critical care block is planned for Limerick Regional Hospital. The HSE's draft capital plan is currently under consideration and details of capital projects will be made available when the plan has been approved.

I am satisfied that the measures being taken by the HSE are necessary and appropriate in order to ensure the provision of safe and effective health services to the people of the Mid West region.

#### **Medical Cards.**

130. **Deputy Mary Upton** asked the Minister for Health and Children the progress that has been made on resolving the issue of chiropody charges to medical card holders; and if she will make a statement on the matter. [15869/10]

**Minister for Health and Children (Deputy Mary Harney):** I wish to advise the Deputy that due to industrial action affecting the Health Service Executive it is not possible for the Executive to supply the information requested. If this matter remains of continuing concern to you, however, I would invite you to raise it with me again in due course.

131. **Deputy Michael Creed** asked the Minister for Health and Children when a person (details supplied) in County Cork will receive a decision on their application for a medical card; and if she will make a statement on the matter. [15870/10]

**Minister for Health and Children (Deputy Mary Harney):** I wish to advise the Deputy that due to industrial action affecting the Health Service Executive it is not possible for the Executive to supply the information requested. If this matter remains of continuing concern to you, however, I would invite you to raise it with me again in due course.

#### **Hospital Staff.**

132. **Deputy Michael Creed** asked the Minister for Health and Children when an operator will be appointed to a new community hospital facility (details supplied) in County Cork; and if she will make a statement on the matter. [15871/10]

**Minister of State at the Department of the Health and Children (Deputy Áine Brady):** I regret that due to industrial action I am not in a position to provide a substantive response to your Parliamentary Question. If this matter remains of continuing concern to you, however, I would invite you to raise it with me again in due course.

#### **Health Services.**

133. **Deputy Michael Creed** asked the Minister for Health and Children if she has received a request from an organisation (details supplied) for permission to extend the nursing support and care service which they provide to children; and if she will make a statement on the matter. [15880/10]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** I have received a number of representations regarding the report referred to in the Deputy's question. The issues raised in the report are similar to some of the issues under consideration by the Value for Money Policy Review i.e. the model of service for children with disabilities and the appropriate setting for their care and support. My Department asked the Health Service Executive to discuss the report with the Jack and Jill Foundation as part of its on-going engagement

[Deputy John Moloney.]

with the Foundation and the HSE have now made arrangements for a meeting with the Foundation.

134. **Deputy Finian McGrath** asked the Minister for Health and Children if she will support a matter (details supplied). [15882/10]

**Minister for Health and Children (Deputy Mary Harney):** I wish to advise the Deputy that due to industrial action affecting the Health Service Executive it is not possible for the Executive to supply the information requested. If this matter remains of continuing concern to you, however, I would invite you to raise it with me again in due course.

135. **Deputy Finian McGrath** asked the Minister for Health and Children if she will support persons (details supplied). [15883/10]

**Minister of State at the Department of Health and Children (Deputy John Moloney):** I wish to advise the Deputy that due to industrial action affecting the Health Service Executive it is not possible for the Executive to supply the information requested. If this matter remains of continuing concern to you, however, I would invite you to raise it with me again in due course.

136. **Deputy Pat Breen** asked the Minister for Health and Children when a person (details supplied) in County Clare will be facilitated; and if she will make a statement on the matter. [15886/10]

**Minister for Health and Children (Deputy Mary Harney):** I wish to advise the Deputy that due to industrial action affecting the Health Service Executive it is not possible for the Executive to supply the information requested. If this matter remains of continuing concern to you, however, I would invite you to raise it with me again in due course.

#### **Hospital Services.**

137. **Deputy Michael Creed** asked the Minister for Health and Children if she will expedite a surgical appointment in respect of a person (details supplied) in County Cork; and if she will make a statement on the matter. [15891/10]

**Minister for Health and Children (Deputy Mary Harney):** I regret that due to industrial action I am not in a position to provide a substantive response to your Parliamentary Question. The scheduling of patients for hospital treatment is a matter for the consultant concerned in each case and is determined on the basis of clinical need. Should the patient's general practitioner consider that the patient's condition warrants an earlier appointment, he/she would be in the best position to take the matter up with the consultant involved.

#### **Health Services.**

138. **Deputy Jan O'Sullivan** asked the Minister for Health and Children if she will provide an update on the proposed primary health care centre at Corduff, Dublin 15, specifically identifying the proposed site; and if she will make a statement on the matter. [15902/10]

**Minister for Health and Children (Deputy Mary Harney):** I wish to advise the Deputy that due to industrial action affecting the Health Service Executive it is not possible for the Executive to supply the information requested. If this matter remains of continuing concern to you, however, I would invite you to raise it with me again in due course.

139. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if she will consider correspondence in respect of a person (details supplied) in County Kildare; and if she will make a statement on the matter. [15904/10]

**Minister for Health and Children (Deputy Mary Harney):** This is a matter between the patient and her general practitioner and my Department has been informed by the Public Health Department at the HSE that this patient is continuing under the care of her GP. If the GP is concerned about a possible adverse reaction to a vaccination, he should contact the Irish Medicines Board in this regard.

#### **Land Usage.**

140. **Deputy Jan O'Sullivan** asked the Minister for Health and Children if she will confirm the proposed use of lands (details supplied) owned by the Health Service Executive; and if she will make a statement on the matter. [15905/10]

**Minister for Health and Children (Deputy Mary Harney):** I wish to advise the Deputy that due to industrial action affecting the Health Service Executive it is not possible for the Executive to supply the information requested. If this matter remains of continuing concern to you, however, I would invite you to raise it with me again in due course.

#### **Organ Transplants.**

141. **Deputy Mary Upton** asked the Minister for Health and Children the number of double lung transplants carried out to date in the specialised unit at the Mater Hospital, Dublin; and if she will make a statement on the matter. [15922/10]

**Minister for Health and Children (Deputy Mary Harney):** As this is a service issue, I wish to advise the Deputy that, due to industrial action affecting the Health Service Executive, it is not possible for the Executive to supply current information in relation to the number of double lung transplants carried out to date in the Mater Hospital.

142. **Deputy Mary Upton** asked the Minister for Health and Children the number of Cystic Fibrosis patients who have received double lung transplants at the Mater Hospital, Dublin; and if she will make a statement on the matter. [15923/10]

**Minister for Health and Children (Deputy Mary Harney):** As this is a service issue, I wish to advise the Deputy that, due to industrial action affecting the Health Service Executive, it is not possible for the Executive to supply current information in relation to the number of Cystic Fibrosis patients who have received double lung transplants at the Mater Hospital.

#### **Hospital Accommodation.**

143. **Deputy Mary Upton** asked the Minister for Health and Children the progress made in relation to the promised Cystic Fibrosis Unit at St. Vincent's Hospital, Dublin; and if she will make a statement on the matter. [15924/10]

**Minister for Health and Children (Deputy Mary Harney):** A new ward block to replace existing accommodation is being developed at the hospital. This facility will provide single room en-suite in-patient accommodation (100 rooms) and a dedicated day unit for people with CF, including 10 single day treatment rooms with en-suite sanitary facilities. Tenders for this development are currently under consideration. It is estimated that the construction, equipping and commissioning of this block will take approximately 18 months. The aim is to have this new facility operational as soon as possible in 2011.

### Hospital Waiting Lists.

144. **Deputy Mary Upton** asked the Minister for Health and Children the number of Irish patients on the waiting list for lung transplants at the Mater Hospital Dublin and at hospitals outside of Ireland; and if she will make a statement on the matter. [15925/10]

**Minister for Health and Children (Deputy Mary Harney):** As this is a service issue, I wish to advise the Deputy that, due to industrial action affecting the Health Service Executive, it is not possible for the Executive to supply current information in relation to the number of Irish patients on the waiting list for lung transplants at the Mater Hospital and at hospitals outside of Ireland.

### Hospital Services.

145. **Deputy Bernard J. Durkan** asked the Minister for Health and Children when a surgical procedure will be arranged in respect of a person (details supplied) in County Kildare; and if she will make a statement on the matter. [16094/10]

**Minister for Health and Children (Deputy Mary Harney):** I wish to advise the Deputy that due to industrial action affecting the Health Service Executive it is not possible for the Executive to supply the information requested. If this matter remains of continuing concern to you, however, I would invite you to raise it with me again in due course.

### Medical Cards.

146. **Deputy Jack Wall** asked the Minister for Health and Children the position regarding a medical card application in respect of a person (details supplied) in County Kildare; and if she will make a statement on the matter. [16105/10]

**Minister for Health and Children (Deputy Mary Harney):** I wish to advise the Deputy that due to industrial action affecting the Health Service Executive it is not possible for the Executive to supply the information requested. If this matter remains of continuing concern to you, however, I would invite you to raise it with me again in due course.

### Search and Rescue Service.

147. **Deputy Jimmy Deenihan** asked the Minister for Transport the reason he chose to hire private contractors to provide search and rescue facilities when the Air Corps possesses six helicopters suitable to fill the role and has the staff capable for being trained for such a role; if he will in future, prior to the signing of contracts, assess whether the Defence Forces have the capability to fulfil part or all of a role required; and if he will make a statement on the matter. [15995/10]

**Minister for Transport (Deputy Noel Dempsey):** Both the Department of Transport and the Department of Defence considered the possibility of the Department of Defence taking over responsibility for maritime Search and Rescue operations. The Department of Defence consulted with the Aer Corps at that time. However the potential for the Air Corps to re-enter this area of operations is not feasible.

Contract search and rescue helicopter services have been provided in Ireland since 1991. The entire delivery of our national aeronautical search and rescue service fully transferred to contract delivery since 2004. The Aer Corps has not been involved in helicopter search and rescue in the maritime domain since then and could not re-enter this role except through significant investment and training over a long period of time.

The Air Corps was fully withdrawn from Maritime SAR in 2004 after a considered assessment of the capacity of the Air Corps following operational difficulties. The Air Corps was not

in a position to provide the level of service that was required on a consistent and continuous basis. The current Air Corps helicopter assets are not configured for maritime search and rescue nor does it have pilots or winchmen with the required training and experience to support such operations. Indeed it should be noted that the smaller Aer Corps EC135 or AW139 helicopters do not provide the maritime search and rescue capacity and capability of the Sikorsky S92A's that will be provided on the new contract.

Using the Air Corps helicopter fleet for Maritime SAR would require large capital and current investment. Additional helicopters would have to be purchased, existing helicopters would have to be converted into SAR aircraft, additional helicopter crews and support staff would have to be recruited and trained.

The new contract with CHC will run for 10 years and will represent a stepped improvement in the safety, range, speed, and capability of Ireland's SAR service, using modern medium-load helicopters. CHC Ireland is also the current service provider.

### **Road Network.**

148. **Deputy Fergus O'Dowd** asked the Minister for Transport his views on the Leinster orbital route; if he has examined the feasibility study produced by the National Roads Authority; and if he will make a statement on the matter. [15867/10]

**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 road projects, including the Leinster Orbital Route, is a matter for the National Roads Authority under the Roads Acts 1993 to 2007 in conjunction with the local authorities concerned.

In April 2007, the NRA presented to me a completed feasibility study, which built on an earlier 2001 study. This study 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 provides 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 targeted improvement of certain national secondary routes.

Under the Renewed Programme for Government a review of the national road programme is underway at present which is scheduled for completion by late Summer.

Irrespective of the above, progress on projects such as the Leinster Orbital Route will only be possible as and when financial resources become available.

### **Garda Stations.**

149. **Deputy Jimmy Deenihan** asked the Minister for Justice, Equality and Law Reform if a contractor has been appointed to build a new Garda Station in Castleisland, County Kerry; when work will commence; and if he will make a statement on the matter. [15975/10]

**Minister for Justice, Equality and Law Reform (Deputy Dermot Ahern):** I am advised by the Office of Public Works that tenders for the provision of a new Garda station at Castleisland are currently being evaluated. Upon completion of this process a contract will be put in place and works will commence thereafter.

**Organisation for Economic Co-operation and Development.**

150. **Deputy Aengus Ó Snodaigh** asked the Minister for Foreign Affairs if he will use his veto to prevent the admission of Israel as a member of the Organisation for Economic Co-operation and Development until such time as Israel ends its occupation of Palestinian territory, ends the systemic and institutionalised racism and discrimination against all Palestinians living in Israel which amounts to an apartheid system and second class citizenship and recognises the right of all Palestinian refugees to return and acts accordingly. [16000/10]

**Minister for Foreign Affairs (Deputy Micheál Martin):** The Organisation for Economic Co-operation and Development (OECD) has periodically enlarged its membership since its foundation with 20 Members, including Ireland, in 1961. It currently has 30 members, with the Slovak Republic the most recent to accede, in 2000.

In 2007, the OECD Ministerial Council Meeting decided, by consensus, to open accession discussions with Chile, Estonia, Israel, the Russian Federation and Slovenia.

The OECD accession process involves submission of an initial memorandum (which sets out the country's position on more than 200 OECD legal instruments), technical accession reviews by 22 OECD committees assessing the country's compliance with the OECD *acquis* (obligations include liberalisation commitments under the OECD investment instruments, adoption of national laws which comply with the requirements of the OECD Anti-Bribery Convention as well as commitments related to environmental policy), and a final decision by the Council of the OECD to invite the candidate country to accede.

An invitation to accede to the OECD is based upon the applicant country's compliance with the Organisation's *acquis* and does not relate to or imply approval for other actions or policies of that State.

An accession agreement with Chile was signed on 11 January of this year and it will accede formally to the Organisation once ratification procedures are completed.

It is expected that Slovenia, Estonia and Israel will complete their accession procedures this year. The accession process for Russia is moving at a slower pace and there is no predicted date for completion.

In the case of Israel, on the basis of formal opinions and all other relevant technical information, the Secretary-General of the OECD has recommended to the OECD Council that Israel be invited to accede to the Organisation. It is expected that the OECD Council will address this matter over the period ahead.

During the Israeli accession negotiations, the EU has adopted a cohesive approach and plans to issue a common statement at the OECD Council when a decision to formally invite Israel to become a member is taken in the coming weeks. It is anticipated that the EU will note that Israel has taken a number of important steps through the adoption of new legislation, regulations and policy directions in many areas, including anti-corruption, the environment, competition and intellectual property rights.

It is expected that the EU statement will also state that Israel is expected to demonstrate readiness for compliance with the recommendations made by OECD bodies in the accession process and to pursue reforms, especially in areas where implementation periods were granted or where commitments have been undertaken.

Taking all requirements of the accession process into consideration it is expected that Ireland will join with the other 29 members of the OECD to formally invite Israel to become a member. We will work with partners in ensuring that Israel fully complies with all the obligations arising from OECD membership.

### Human Rights Issues.

151. **Deputy Aengus Ó Snodaigh** asked the Minister for Foreign Affairs if he will advocate a policy of boycott, divestment and sanction against Israel by Ireland and the EU in protest against the institutionalised and systemic racism and discrimination against Arabs living in Israel which amounts to a system of apartheid; his views on whether it is untenable to reward a country with preferential trade whose basic law prohibits non-Jews from purchasing 93% of the land and provides that nationals have many more rights than citizens while excluding non-Jewish citizens from being nationals and for which it has been condemned by a US State Department Report. [16001/10]

**Minister for Foreign Affairs (Deputy Micheál Martin):** I have been frank and open in criticising aspects of Israeli policies in relation to both political and human rights issues, and in raising these bilaterally and at EU level.

However, as I have made clear on many occasions, including most recently at the ICTU Conference on Palestine held on 16 April 2010, the Government does not support proposals for trade, academic, cultural or other boycotts against Israel. This has been the consistent policy of successive Irish Governments.

Similarly, and as I have stated on many occasions, I do not believe it would be either helpful or feasible to seek the suspension of the operation of the EU-Israel Association Agreement or the trade benefits it confers, despite our many and clear differences with Israel on issues relating to their continuing occupation of Palestinian Territories. Such an approach would not increase our influence on Israeli policy or public opinion, nor among our EU colleagues. Nor is there any possibility of reaching agreement on such a policy at EU level, which would in fact require a consensus in favour of such sanctions.

### Cultural Institutions.

152. **Deputy Mary Upton** asked the Minister for Arts, Sports and Tourism her views on the storage conditions for works of art owned by the State; her views on the storage facilities for works of art in the State galleries; and if she will make a statement on the matter. [15864/10]

**Minister for Arts, Sports and Tourism (Deputy Mary Hanafin):** The majority of the State's National Collecting Cultural Institutions operate as autonomous statutory bodies in accordance with the provisions of the relevant legislation which includes, inter alia, the National Cultural Institutions Act 1997; the National Gallery of Ireland Act 1928, as amended and the National Archives Act 1986. The Crawford Art Gallery Cork and the Irish Museum of Modern Art are both incorporated as companies limited by Guarantee in accordance with the provisions of the Companies Act 1963-2005. The Chester Beatty Library is a public charitable trust.

The Board of each Institution is responsible for all operational matters relating to the institution, including storage, and I, as Minister for Arts, Sports and Tourism, do not have a statutory function in respect of operational matters.

However, I can confirm that my Department has worked and continues to work in collaboration with the Office of Public Works to improve storage facilities at our National Cultural Institutions. This work includes the recent provision of suitable off site storage facilities for the National Museum of Ireland and the provision of both on and off site storage facilities for the Irish Museum of Modern Art. Storage facilities in the National Library and the National Archives need to be improved and my Department has requested these organisations to work with the Office of Public Works in order to provide both medium term solutions for collections storage and to plan for permanent solutions as the availability of resources permits.

### Social Welfare Benefits.

153. **Deputy Michael Creed** asked the Minister for Social and Family Affairs the reason a person (details supplied) in County Cork did not qualify for supplementary welfare allowance; and if he will make a statement on the matter. [15906/10]

**Minister for Social and Family Affairs (Deputy Éamon Ó Cuív):** Due to staff action currently being taken in the HSE, I regret that I am unable to provide the information sought by the Deputy.

154. **Deputy Andrew Doyle** asked the Minister for Social and Family Affairs the number of farmers who applied for farm assist in 2005, 2006, 2007, 2008 and 2009; the amount paid under farm assist in 2005, 2006, 2007, 2008 and 2009; and if he will make a statement on the matter. [15986/10]

**Minister for Social and Family Affairs (Deputy Éamon Ó Cuív):** The following table outlines the number of applications for farm assist received in each year from 2005 to 2009 and the annual expenditure in the same period:

	Applications	Expenditure
		€
2005	1,493	67,284,000
2006	1,290	71,085,000
2007	783	76,686,000
2008	1,001	84,881,000
2009	2,829	93,297,000

The farm assist scheme which was introduced in the Social Welfare Act, 1999 is a response by the Department to the situation of low-income farmers and it represents a long-term safety net for them. It benefits farm families with children and also provides increased payments to farming couples without children and to single farmers on low income.

While this means-tested payment is broadly similar to the jobseeker's allowance scheme, it has a more generous means test, which takes account of the specific nature of farming and, unlike jobseeker's allowance, farmers claiming this payment do not need to be available for work outside of the farm in order to qualify.

### Pension Provisions.

155. **Deputy Michael Ring** asked the Minister for Social and Family Affairs when a person (details supplied) in County Galway will be approved a State contributory pension. [15866/10]

167. **Deputy Michael Ring** asked the Minister for Social and Family Affairs when a person (details supplied) in County Mayo will be approved and paid disability allowance. [16104/10]

**Minister for Social and Family Affairs (Deputy Éamon Ó Cuív):** I propose to take Questions Nos. 155 and 167 together.

A claim for State Pension (Contributory) submitted by the person concerned is currently being processed. He will be notified of the outcome of a decision on his entitlement in due course. The Department has no record of an application for Disability Allowance for this person.

*Questions Nos. 156 and 157 withdrawn.*

### Social Welfare Appeals.

158. **Deputy Michael Ring** asked the Minister for Social and Family Affairs when a carer's allowance appeal by a person (details supplied) in County Mayo will be finalised. [15907/10]

**Minister for Social and Family Affairs (Deputy Éamon Ó Cuív):** 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 will be referred to an Appeals Officer for consideration.

The Social Welfare Appeals Office is an office of the Department that is independently responsible for determining appeals against decisions on social welfare entitlements.

*Question No. 159 withdrawn.*

160. **Deputy Willie O'Dea** asked the Minister for Social and Family Affairs when a decision will be made in relation to an appeal for invalidity pension in respect of a person (details supplied) in County Limerick. [15977/10]

**Minister for Social and Family Affairs (Deputy Éamon Ó Cuív):** The Social Welfare Appeals Office has advised me that, in accordance with statutory requirements, the relevant Departmental papers and comments of the Department have been sought in this case. On receipt of its response the case will be referred to an Appeals Officer for consideration.

The Social Welfare Appeals Office is an office of the Department that is independently responsible for determining appeals against decisions on social welfare entitlements.

*Questions Nos. 161 to 163, inclusive, withdrawn.*

### Social Welfare Benefits.

164. **Deputy Jack Wall** asked the Minister for Social and Family Affairs the position regarding an application for rent allowance in respect of a person (details supplied) in County Kildare; and if he will make a statement on the matter. [15999/10]

**Minister for Social and Family Affairs (Deputy Éamon Ó Cuív):** Due to staff action currently being taken in the HSE, I regret that I am unable to provide the information sought by the Deputy.

165. **Deputy Róisín Shortall** asked the Minister for Social and Family Affairs the reason a person (details supplied) in County Louth is considered to be €3 per week over the qualifying limit for mortgage interest supplement and is being denied support despite their low income; and if he will make a statement on the matter. [16101/10]

**Minister for Social and Family Affairs (Deputy Éamon Ó Cuív):** Due to staff action currently being taken in the HSE, I regret that I am unable to provide the information sought by the Deputy.

*Question No. 166 withdrawn.*

*Question No. 167 answered with Question No. 155.*

*Question No. 168 withdrawn.*

*Question No. 169 answered with Question No. 85.*

### **Defence Forces Recruitment.**

170. **Deputy Brian O'Shea** asked the Minister for Defence if he will raise the age limit for recruitment to the Defence Forces in 2010 by one year in view of the fact that there was no recruitment in 2009. [15852/10]

**Minister for Defence (Deputy Tony Killeen):** The 2000 White Paper on Defence and the earlier Defence Force Review Implementation Plan both identified the requirement to address the age profile in the Defence Forces.

The key element in military life is the need for personnel to maintain a level of fitness for combat readiness. This requirement must be balanced with the need to retain experience and expertise, particularly at managerial level in the Defence Forces.

The upper age limit for enlistment in the Army is under 25 years of age on the date of enlistment and for the Naval Service it is under 27 years of age on the date of enlistment. These limits are determined on the basis that the essential functions of the Permanent Defence Force requires that its members be composed of able-bodied personnel of an age which is commensurate with the functional requirements of the organisation.

I am satisfied that the existing age requirements for recruitment to the Permanent Defence Force are appropriate and I do not propose to make any changes in this area at this time.

### **National Emergency Plan.**

171. **Deputy Bernard J. Durkan** asked the Minister for Defence the chain and sequence of command and operational structures governing the national emergency plan; the way in which such plans are likely to be activated in the future; the sequence of events leading up to such activation; the person or persons with overall responsibility in such matters; the degree to which a communications and advice centre is provided for in such plans having particular regard to the situation likely to arise in the event of either a natural disaster or a terrorist attack; and if he will make a statement on the matter. [15987/10]

**Minister for Defence (Deputy Tony Killeen):** Emergency plans are in place for a number of specific emergency scenarios such as an influenza pandemic or a nuclear incident. As the Deputy will be aware, emergency planning in this country is developed on the “lead department” principle. This means that each department is responsible for planning for emergencies that fall within its area of responsibility and for activating its emergency plans and procedures when so required. These plans and procedures include arrangements for keeping the public informed and up-to-date.

The lead department liaises with the Office of Emergency Planning in my Department when activation of the National Emergency Coordination Centre is required. Where appropriate, the Office of Emergency Planning provides support to the lead department in coordinating a “whole of government” response to an emergency situation.

The National Emergency Coordination Centre is a dedicated multifunctional facility in which ministers and/or senior officials convene to coordinate the response to a major emergency. The Centre is equipped with the latest robust communications systems. It was activated during the recent severe weather emergencies and is currently in use for the response to emergency situation caused by the volcanic ash plume.

In respect of emergency planning generally, the Government Task Force for Emergency Planning supports coordination of emergency planning across departments and key agencies. The Task Force, which I chair, meets on a regular basis and there have been 60 meetings since it was established in 2001. It provides a forum for sharing information and keeping emergency

planning high on the agenda of all government departments. Potential threats to the State arising from international terrorism are continuously monitored by those involved, principally An Garda Síochána and the Defence Forces. They provide a security threat analysis at every meeting of the Task Force. The current threat is low.

The Framework for Major Emergency Management is the document that sets out a structure enabling the Principal Response Agencies (An Garda Síochána, the Health Service Executive and Local Authorities) to prepare for, and make a coordinated response to, major emergencies resulting from events such as fires, transport accidents, hazardous substance incidents and severe weather.

#### **Defence Forces Property.**

172. **Deputy Aengus Ó Snodaigh** asked the Minister for Defence the cost of using private security firms to secure Defence Force's barracks each year for the last three years. [16002/10]

**Minister for Defence (Deputy Tony Killeen):** My Department does not employ any private security firm to secure barracks occupied by the Defence Forces.

However, private firms have, on occasion, been used to secure property that has been vacated by the Military. The cost incurred in 2008 was €166,851.73, in 2009 was €23,123.43 and to date in 2010 is €2,399.72.

173. **Deputy Bernard J. Durkan** asked the Minister for Defence the number of army overholders; the extent to which negotiations are taking place or have taken place with local authorities with a view to meeting the housing requirements of such persons; and if he will make a statement on the matter. [16085/10]

**Minister for Defence (Deputy Tony Killeen):** There were 54 military properties overheld at 31 December 2009. Of these 54, agreements are in place with 11 of the occupants to purchase the properties as they are located outside of barracks. Negotiations to sell will soon commence in another two cases that are also situated outside barracks. The remaining 41 properties overheld are located at the Curragh, 38 within the confines of the camp and 3 outside the camp. A number of discussions have taken place over the past two years with the local authority in question and it has housed some of the occupants. It is the intention of the Department, over the coming months, to address the situations of overholders. It is likely that this will result in increase in demand for local authority housing by a number of the occupants while others will have their situation regularised.

#### **Defence Forces Strength.**

174. **Deputy Bernard J. Durkan** asked the Minister for Defence the optimum strength of each of the Defence Forces at present and in the future; and if he will make a statement on the matter. [16086/10]

179. **Deputy Bernard J. Durkan** asked the Minister for Defence his plans for the strength of each of the Defence Forces; and if he will make a statement on the matter. [16091/10]

**Minister for Defence (Deputy Tony Killeen):** I propose to take Questions Nos. 174 and 179 together.

The White Paper on Defence of February 2000 sets out a figure of 10,500 personnel for the Permanent Defence Force comprising 930 for the Air Corps, 1,144 for the Naval Service and 8,426 for the Army.

[Deputy Tony Killeen.]

I am advised by the military authorities that the strength of the Permanent Defence Force as at 31 March 2010, the latest date for which figures are available was 9,877 broken down as follows; 800 for the Air Corps, 1,026 for the Naval Service and 8,051 for the Army.

Officials from the Department are continuing to engage with the Military Authorities in relation to a review of structures and posts required to meet the operational requirements of the Defence Forces in light of the Government decision to maintain a Permanent Defence Force complement of 10,000 personnel. The review has not yet been completed therefore it would be inappropriate for me to comment on the outcome at this stage.

175. **Deputy Bernard J. Durkan** asked the Minister for Defence the number of officers by rank and gender throughout the Defence Forces; the extent, if any, to which such numbers have fluctuated in recent years; and if he will make a statement on the matter. [16087/10]

**Minister for Defence (Deputy Tony Killeen):** The following tabular statements provide a breakdown of the number of officers serving in the Permanent Defence Force on the basis of both rank and gender for each of the years 2007, 2008 and 2009, and up to 31 March 2010, the latest date for which figures are available.

The Government is committed to a policy of equal opportunity for men and women throughout the Defence Forces and to the full participation by women in all aspects of Defence Forces activities. Unlike many other national armed forces, the Defence Forces have no restrictions as regards the assignment of men and women to the full range of operational and administrative duties. All promotions and career courses are open to both genders on merit.

I am advised that at this time the Defence Forces retain the capacity to undertake the tasks laid down by Government both at home and overseas.

STRENGTH OF MALES IN THE DEFENCE FORCES — 31-Dec-07

	LT GEN	MAJ GEN	BRIG GEN	COL	LT COL	COMDT	CAPT	LT	TOTAL OFFRS
ARMY	1	3	8	40	132	301	204	257	946
AIR CORPS			1	2	14	30	56	29	132
NAVAL SERVICE			1	2	12	42	41	43	141
TOTAL	1	3	10	44	158	373	301	329	1,219

STRENGTH OF FEMALES IN THE DEFENCE FORCES — 31-Dec-07

	LT GEN	MAJ GEN	BRIG GEN	COL	LT COL	COMDT	CAPT	LT	TOTAL OFFRS
ARMY					1	18	44	40	103
AIR CORPS							3	2	5
NAVAL SERVICE							10	8	18
TOTAL					1	18	57	50	126

## STRENGTH OF MALES IN THE DEFENCE FORCES — 31-Dec-09

	LT GEN	MAJ GEN	BRIG GEN	COL	LT COL	COMDT	CAPT	LT	TOTAL OFFRS
ARMY	1	2	6	31	113	271	240	266	930
AIR CORPS			1	1	13	29	62	31	137
NAVAL SERVICE			1		13	37	39	51	141
TOTAL	1	2	8	32	139	337	341	348	1,208

## STRENGTH OF MALES IN THE DEFENCE FORCES — 31-Dec-08

	LT GEN	MAJ GEN	BRIG GEN	COL	LT COL	COMDT	CAPT	LT	TOTAL OFFRS
ARMY	1	3	7	41	130	284	189	305	960
AIR CORPS			1	2	12	32	54	42	143
NAVAL SERVICE			1	2	12	41	32	49	137
TOTAL	1	3	9	45	154	357	275	396	1,240

## STRENGTH OF FEMALES IN THE DEFENCE FORCES — 31-Dec-08

	LT GEN	MAJ GEN	BRIG GEN	COL	LT COL	COMDT	CAPT	LT	TOTAL OFFRS
ARMY					1	21	48	41	111
AIR CORPS							2	2	4
NAVAL SERVICE						2	10	11	23
TOTAL					1	23	60	54	138

## STRENGTH OF FEMALES IN THE DEFENCE FORCES — 31-Dec-09

	LT GEN	MAJ GEN	BRIG GEN	COL	LT COL	COMDT	CAPT	LT	TOTAL OFFRS
ARMY					2	19	43	47	111
AIR CORPS							4	1	5
NAVAL SERVICE						2	10	11	23
TOTAL					2	21	57	59	139

## STRENGTH OF MALES IN THE DEFENCE FORCES — 31-Mar-10

	LT GEN	MAJ GEN	BRIG GEN	COL	LT COL	COMDT	CAPT	LT	TOTAL OFFRS
ARMY	1	2	6	33	112	271	238	266	960
AIR CORPS			1	1	14	28	62	31	142
NAVAL SERVICE			1	1	12	36	39	51	134
TOTAL	1	2	8	35	138	335	339	348	1,236

[Deputy Tony Killeen.]

## STRENGTH OF FEMALES IN THE DEFENCE FORCES — 31-Mar-10

	LT GEN	MAJ GEN	BRIG GEN	COL	LT COL	COMDT	CAPT	LT	TOTAL OFFRS
ARMY					2	19	42	51	114
AIR CORPS							4	2	5
NAVAL SERVICE						2	10	12	24
TOTAL					2	21	56	65	144

**Defence Forces Equipment.**

176. **Deputy Bernard J. Durkan** asked the Minister for Defence the number and category of aircraft available to the air corps; the extent to which training, equipment and technology is comparable to that of other such forces; and if he will make a statement on the matter. [16088/10]

**Minister for Defence (Deputy Tony Killeen):** There are a total of 27 aircraft in operational service with the Air Corps at present, comprising 10 helicopters and 17 fixed wing aircraft. The types of the aircraft are set out in the following tabular statement, which will be circulated with the Official Report.

As the Deputy is aware, a very significant level of investment in new equipment for the Air Corps has taken place in recent years. The comprehensive investment programme included the delivery of the Pilatus training aircraft at a total cost of €60m, the acquisition of two light utility EC 135 helicopters from Eurocopter S.A.S. at a cost of €12.8m, the acquisition of six utility AW 139 helicopters from Agusta Westland, Italy at a cost of €75m and a major mid life upgrade on the two CASA maritime patrol aircraft at a cost of €16.5m.

On the issue of Air Corps training and technology, I am satisfied that Air Corps training techniques and the technologies involved are up to date in all respects. The Air Corps training plan is structured to provide the capabilities needed to execute the roles assigned to the Air Corps by Government and any comparison with other Air Forces is not relevant.

## TYPE OF AIR CORPS AIRCRAFT IN OPERATIONAL SERVICE

Aircraft Type	Number in Service
<i>Helicopters</i>	
Agusta Westland — AW 139	6
Eurocopter — EC 135	*4
<i>Fixed Wing</i>	
Cessna	5
Gulfstream IV	1
CASA Maritime Patrol Aircraft	2
Defender*	1
Learjet	1
Pilatus	7
Total	28

\*Two from four EC 135s and the Defender fixed-wing aircraft are owned by the Department of Justice, Equality and Law Reform but operated by the Air Corps as part of the Garda Air Support Unit.

177. **Deputy Bernard J. Durkan** asked the Minister for Defence the extent, if any, to which military equipment including vehicles, vessels, planes, technology and or military hardware are upgrading or likely to be upgraded on an annual basis in the future; and if he will make a statement on the matter. [16089/10]

**Minister for Defence (Deputy Tony Killeen):** There has been very significant investment in equipment for the Defence Forces in recent years covering the Army, Air Corps and Naval Service. The acquisition of new equipment for the Defence Forces will remain a key focus for me as Minister for Defence. It is, however, imperative that my Department and the Defence Forces look to whatever efficiencies we can make taking into account the current difficult economic environment and the overall financial envelope available for the Department for the acquisition of new military equipment and for upgrading and refurbishment programmes over the coming years. The budgetary situation will dictate the level of funding available for new equipment and upgrades in that period and decisions will be made accordingly.

Several important equipment purchases will be advanced this year including the acquisition of twenty-seven Light Tactical Armoured Vehicles,  $\frac{3}{4}$  Ton 4 × 4 vehicles and Heavy Recovery Vehicles for the Defence Forces. A decision on the Naval Service Ship replacement programme will also be taken in the near future.

#### **Defence Forces Strength.**

178. **Deputy Bernard J. Durkan** asked the Minister for Defence the number of positions to be filled at all ranks throughout the Defence Forces at the present time; the length of time such posts have been vacant; and if he will make a statement on the matter. [16090/10]

**Minister for Defence (Deputy Tony Killeen):** The Government is committed to maintaining the strength of the Defence Forces at a level of 10,000 all ranks, for which Government approval has been secured in the context of Budget 2010. This reflects the reductions in personnel recommended in the Report of the Special Group on Public Service Numbers and Expenditure Programmes.

The following table shows the total strength of the Permanent Defence Force on a monthly basis for the period since November 2009:

Date	Total No. of PDF Serving	Difference between authorised and actual strength
30 November 2009	9,963	37
31 December 2009	9,933	67
31 January 2010	9,906	94
28 February 2010	9,893	107
31 March 2010	9,877	123

The distribution of these vacancies between the various formations is being managed by the Chief of Staff on an ongoing basis. I can confirm that officials from the Department are continuing to engage with the Military Authorities in relation to a review of structures and posts required to meet the operational requirements of the Defence Forces. This review is being undertaken in light of the Government decision to maintain a Permanent Defence Force complement of 10,000 personnel.

*Question No. 179 answered with Question No. 174.*

*Questions Nos. 180 and 181 answered with Question No. 58.*

### **Local Government Charges.**

182. **Deputy Mary Upton** asked the Minister for the Environment, Heritage and Local Government if he will address the concerns of a person (details supplied) in Dublin 12 regarding the early demand for the payment of the charge on second homes; and if he will make a statement on the matter. [15879/10]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** The €200 non-principal private residence charge was introduced in the Local Government (Charges) Act 2009, which came into force in July 2009. As an exceptional measure for the year of introduction, the liability date for the charge was fixed at 31 July 2009. The Act provides that the liability date for 2010 and future years is 31 March. Payment does not fall due until two months after the liability date and there is a further one month's grace period before penalties for late payment commence. A person liable for the charge in 2010 thus has until 30 June 2010 to meet that liability without incurring any additional charge.

### **World Heritage Sites.**

183. **Deputy Andrew Doyle** asked the Minister for the Environment, Heritage and Local Government the roles, responsibilities and restrictions on local communities in which a World Heritage Site is located; and if he will make a statement on the matter. [15865/10]

**Minister for the Environment, Heritage and Local Government (Deputy John Gormley):** The proposed nomination of a property to the World Heritage List requires the preparation of comprehensive nomination documentation including a management plan for the property. Consultation will take place with the relevant stakeholders including local communities in the preparation of this documentation for future nominations. The Management Plan outlines the framework for the property as regards its management, conservation, presentation, visitor management, and the legislative provisions for the protection of the Outstanding Universal Value of the property. The Plan also sets out the arrangements for liaison with the local community and other stakeholders in order to facilitate its implementation.

### **Information and Communications Technology.**

184. **Deputy Noel Greally** asked the Minister for Communications, Energy and Natural Resources if fibre-optic cable, lit and unlit, is currently available within County Galway; the owners of this fibre; if it is available to third parties; and if he will make a statement on the matter. [15980/10]

**Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan):** The State owned Metropolitan Area Networks (MANs) Galway city and county and the ESBT owned fibre optic network that passes through the county are available to all services providers on an open access basis. Under Phase I of the MANs programme, my Department, in conjunction with Galway City Council, constructed an open access optical fibre network around Galway city. This network has been managed by elnet since 2005 and offers duct space, dark fibre and managed services to telecommunications service providers. The network is lit and a number of operators are providing services to customers using the MAN.

Under Phase II of the programme a further five MANs were constructed in county Galway in the towns of Athenry, Ballinasloe, Clifden, Gort and Loughrea. These networks were taken in charge by elnet on the 31st August 2009 and are available to service providers.

I understand some service providers also have their own privately constructed optical fibre infrastructure in county Galway, the details of which are a matter for the individual service providers concerned.

### **Grant Payments.**

185. **Deputy Michael Creed** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Cork will receive payment under their REP scheme four application; and if he will make a statement on the matter. [15896/10]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** My officials contacted the person named on 5 November 2009 requesting an amended agri-environmental plan. This plan was not received until 12 March 2010 and his application is currently being processed.

186. **Deputy Michael Creed** asked the Minister for Agriculture, Fisheries and Food the reason a person (details supplied) in County Cork is having difficulty with regard to their suckler cow welfare scheme payment arising from alleged errors in calf registration for which responsibility does not rest with the applicant; if he will make arrangements for payment in this case; and if he will make a statement on the matter. [15897/10]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The person named had 39 animals for consideration under the 2009 Suckler Welfare Scheme. My Department has issued payments in respect of 27 eligible animals to date. My Department is currently resolving issues relating to the two remaining eligible calves in the herd and payment for these animals should issue shortly.

### **Bovine Disease Controls.**

187. **Deputy Michael Creed** asked the Minister for Agriculture, Fisheries and Food if he will clarify the position regarding an entitlement to payment under a herd number (details supplied); if in view of the financial circumstances which are known to officials in his Department regarding this herd number, he will arrange for a resolution to this impasse; and if he will make a statement on the matter. [15899/10]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** A herd number is an administrative arrangement designed primarily for the purposes of disease control under the disease eradication schemes, which involves the allocation of a number to a herd as provided for under S.I. No. 276 of 1999 (European communities (Identification and registration of bovine animals) Regulations 1999). The Department requires the nomination of a “keeper” to be the legal person responsible for animals, whether on a permanent or on a temporary basis, including during transportation or at a market.

With regard to payments under the various schemes implemented by my Department, the position is that because the “keeper” role is classified as a non-financial role and does not infer ownership of the lands or animals in the herd, payments are made to “herdowners” rather than to “keepers”. In many cases, both the keeper and the herdowner are one and the same. However, persons, such as family members or spouses, who are not registered as “keepers” but wish to register an interest in the herdnumber, may be registered as “herdowners” and, accordingly, may qualify for payment under these schemes. The person named in the Parliamentary Question is not the Registered Herdowner of the Herd Number referred to. However, my Department’s District Veterinary Office is currently engaged in discussions with a family member associated with the herd concerned regarding the “keeper” and “herdowner” roles.

**Rural Environment Protection Scheme.**

188. **Deputy Michael Creed** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Cork will be awarded their REP scheme 4 grant; and if he will make a statement on the matter. [15903/10]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The person named applied for REPS in June 2009, after the annual closing date for applications laid down in EU Regulations, so if his application is successful his REPS contract will have a starting date in 2010. In accordance with EU Regulations, the first phase of his payment (75%) will therefore fall due in autumn 2010 when all administrative checks for REPS 4 participants have been completed. The balance can be paid when all on-farm inspections for 2010 are finished.

**Installation Aid Scheme.**

189. **Deputy Michael Creed** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Cork will receive a decision on their application under the installation aid scheme in view of the fact that they have replied to his Department's queries; and if he will make a statement on the matter. [15908/10]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The person concerned is an applicant under the Installation Aid Scheme. Under the terms of the Scheme, payment of the grant is made once it has been established that the requirements of the Scheme have been met, including the conditions in relation to property, education and income. The outcome of my Department's examination of the application will be made known to the applicant shortly.

**Rural Environment Protection Scheme.**

190. **Deputy Michael Creed** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Cork will receive payment under their REP scheme 4 application; and if he will make a statement on the matter. [15916/10]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** Processing of the REPS 4 application from the person named cannot proceed until issues relating to his application for the Single Payment Scheme have been resolved.

**Installation Aid Scheme.**

191. **Deputy Pat Breen** asked the Minister for Agriculture, Fisheries and Food further to Parliamentary Question No. 497 of 2 March 2010, when an application will be processed in respect of a person (details supplied) in County Clare; and if he will make a statement on the matter. [15979/10]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** The person concerned is an applicant under the Young Farmers' Installation Scheme. His appeal to the Agriculture Appeals Office has been successful and his application is now being examined by my Department's inspectorate. He will be notified of the outcome shortly.

**Afforestation Programme.**

192. **Deputy Bobby Aylward** asked the Minister for Agriculture, Fisheries and Food if an application will be approved for additional acreage for inclusion in the forestry premium scheme in respect of a person (details supplied) in County Kilkenny where an inspection has been carried out. [15994/10]

**Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith):** If the person in question wishes to add more land to his current application it will be necessary to make a formal application through his registered forester. This can be done by submitting a revised certified species map and an amended Page 5 of the original application. The revised application can then be processed in the normal way.

### **Special Educational Needs.**

193. **Deputy Finian McGrath** asked the Tánaiste and Minister for Education and Science if she will support a person (details supplied) in County Kildare. [15881/10]

**Tánaiste and Minister for Education and Science (Deputy Mary Coughlan):** All primary schools were allocated Learning Support/Resource Teaching support through the General Allocation Model. These teaching resources were provided in order to enable schools provide additional teaching support to pupils who have learning support needs or who have been assessed as having a high incidence disability.

Prior to the introduction of the General Allocation Model, schools had to apply for additional teaching support for each pupil with an assessed disability. However, the introduction of the General Allocation Model means that schools no longer have to make applications for additional teaching support for pupils with high incidence of disability as the Learning Support/Resource teachers are already available in the school.

The school has advised my Department that the pupil in question is currently receiving 2.5 hours one-to-one support per week from the Learning Support/Resource teacher. In addition, the pupil is also supported in the classroom through the special needs assistant scheme.

### **Institutes of Technology.**

194. **Deputy Brian O'Shea** asked the Tánaiste and Minister for Education and Science the position regarding the application by Waterford Institute of Technology for upgrading to become the University of the South East; and if she will make a statement on the matter. [15890/10]

**Tánaiste and Minister for Education and Science (Deputy Mary Coughlan):** The position is that applications have been received from three higher education institutions for designation as Universities; Waterford Institute of Technology, Dublin Institute of Technology and Cork Institute of Technology.

The issue of university designation does not just affect the institutions and the regions from which applications have been received; it also impacts on the future structure of the higher education system throughout the country. The Government wants to build on our strengths and to provide an environment where all our higher education institutions can develop in a way that best serves the country as a whole as well as the regions where they are based.

A High Level Group is currently developing a new national strategy for higher education. That Group is critically examining the roles and relationships of higher education institutions so that the system can deliver the levels of efficiency, performance, innovation and growth that will optimise Ireland's 'smart' economic recovery and social development. The Strategy Group are expected to finalise their report before the summer and there are no plans to advance any of the current applications for university status before the Group completes its work.

### **Fee Paying Schools.**

195. **Deputy Michael McGrath** asked the Tánaiste and Minister for Education and Science her policy regarding the funding of capital building projects for private fee-paying schools. [15898/10]

**Tánaiste and Minister for Education and Science (Deputy Mary Coughlan):** The schools referred to by the Deputy fall into two categories, namely, private fee paying schools which are recognised by my Department and private fee paying schools which are not.

Capital works in private schools which are not recognised by the Department are not funded by the Department.

Catholic fee paying schools recognised by the Department receive 50% of the costs of any capital project approved by the Department. All other fee paying schools recognised by the Department qualify for capital grant aid on the same basis as non-fee paying schools, which is 100% of the cost of an approved project less the appropriate local contribution.

### **Teaching Qualifications.**

196. **Deputy Pádraic McCormack** asked the Tánaiste and Minister for Education and Science her plans to ensure that the Teaching Council recognise that Engineering Degrees and PHDs are a suitable background to teach mathematics at secondary level schools; and if she will make a statement on the matter. [15918/10]

**Tánaiste and Minister for Education and Science (Deputy Mary Coughlan):** As the Deputy is aware the Teaching Council has statutory responsibility for the determination of the education, training and qualifications required for a person to be registered as a teacher. The requirements for registration with the Teaching Council are set out in its 2009 Registration Regulations and, in relation to the post-primary sector, the key qualifications requirements are: a recognised third-level degree consisting of at least three years of full-time study or equivalent and, where seeking registration for the purposes of teaching in the voluntary secondary, community or comprehensive sector an approved teacher education qualification.

An indicative list of recognised degrees, known as the “Approved Qualifications List” is published on the Teaching Council’s website and this must be read in conjunction with the “Subject Specific Criteria”. These criteria allow the Council to ensure that the particular subject and module options taken by any applicant in his or her degree are directed toward the post-primary syllabus in that subject and enable him or her to teach that subject at the highest standard i.e. Leaving Certificate (Higher Level). This is the case for mathematics.

Approximately 15 Engineering degrees are currently included on the Approved Qualifications list and the Teaching Council has informed my Department that many graduates of these programmes have been registered having demonstrated that they met the subject criteria and attained a suitable teacher education qualification. Graduates of other engineering programmes may apply to have their degree assessed having regard to the subject specific criteria and I understand that many have done so.

Entry to the teaching profession by people from a diverse range of backgrounds is welcomed by the Teaching Council. That said, the experience of the Council is that many engineering programmes cover mathematical concepts in an engineering context and may not include, in sufficient depth, areas that are important for teaching purposes.

### **School Accommodation.**

197. **Deputy Charles Flanagan** asked the Tánaiste and Minister for Education and Science the number of prefabs being rented for schools in County Laois; the schools which are availing of rented prefabs; the number of prefabs allocated to each school in question in tabular form; and if she will make a statement on the matter. [16110/10]

198. **Deputy Charles Flanagan** asked the Tánaiste and Minister for Education and Science the number of prefabs owned by schools in County Laois; the schools at which these prefabs

are located; the number of such prefabs owned by each school in question in tabular form; and if she will make a statement on the matter. [16111/10]

**Tánaiste and Minister for Education and Science (Deputy Mary Coughlan):** I propose to take Questions Nos. 197 and 198 together.

The overall policy goal of my Department is to ensure the highest standard of permanent accommodation for all schools. However, in the context of a rapidly increasing school population and competing pressure on the capital budget available to my Department, it is necessary to make use of temporary accommodation in order to meet the accommodation needs of schools.

A total of 51 prefabs are being rented by schools in County Laois and a tabular statement giving details of the schools concerned is set out below as List 1.

In relation to the information sought by the Deputy regarding the schools in Co. Laois that own prefabs this information is not readily available pre-2008. I have however set out details of prefabs purchased by schools in Co. Laois since the beginning of 2008 and this information is set out below as List 2.

List 1

Roll No.	School Name	Address	Town/Townland	County	Desc of Rental	Contract	Start Date
01556F	Scoil Bhríde NS	Ballyroan		Laois	Pre-fab	1	12/02/07
07183W	St. Josephs GNS	Davitt Road	Mountmellick	Laois	Pre-fab	1	01/09/07
07183W	St. Josephs GNS	Davitt Road	Mountmellick	Laois	Pre-fab	1	01/09/07
07636K	St. Fintan BNS	New Line Road	Mountrath	Laois	Pre-fab	1	01/09/06
12331L	Rushall NS	Pike of Rushall	Portlaoise	Laois	Pre-fab	1	01/11/00
12692B	Kiladooley NS	Ballybrophy	Portlaoise	Laois	Pre-fab	1	01/07/08
13643Q	Emo NS	Emo	Portlaoise	Laois	Pre-fab	1	08/02/07
13643Q	Emo NS	Emo	Portlaoise	Laois	Pre-fab	1	28/01/01
13643Q	Emo NS	Emo	Portlaoise	Laois	Pre-fab	1	01/09/04
13643Q	Emo NS	Emo	Portlaoise	Laois	Pre-fab	1	09/10/07
13643Q	Emo NS	Emo	Portlaoise	Laois	Pre-fab	1	09/10/07
13643Q	Emo NS	Emo	Portlaoise	Laois	Pre-fab	1	09/10/07
13643Q	Emo NS	Emo	Portlaoise	Laois	Pre-fab	1	09/10/07
13741Q	Rath NS	Ballybrittas	Portlaoise	Laois	Pre-fab	1	01/09/07
14260F	South NS	Ballacolla Road	Abbeyleix	Laois	Pre-fab	1	01/09/01
14838N	Maryboro NS	Stradbally Road	Portlaoise	Laois	Pre-fab	1	01/09/04
15446B	Gaelscoil Thromaire	Trumera	Mountrath	Laois	Pre-fab	1	23/04/07
15556I	Presentation Convent		Portarlinton	Laois	Pre-fab	1	01/09/07
17064U	St. Patricks NS	Ballylinan	Athy	Kildare (Laois)	Pre-fab	1	01/11/00
17064U	St. Patricks NS	Ballylinan	Athy	Kildare (Laois)	Pre-fab	1	01/09/05
17064U	St. Patricks NS	Ballylinan	Athy	Kildare (Laois)	Pre-fab	1	01/09/00
17557U	St. Abbans NS	Killeen	Mageney	Laois	Pre-fab	1	01/11/07
17557U	St. Abbans NS	Killeen	Mageney	Laois	Pre-fab	2	01/09/08
17604D	Ratheniska NS	Ratheniska	Portlaoise	Laois	Pre-fab	1	01/09/06
17604D	Ratheniska NS	Ratheniska	Portlaoise	Laois	Pre-fab	1	01/02/07
17604D	Ratheniska NS	Ratheniska	Portlaoise	Laois	Pre-fab	1	01/09/07
17617M	Scoil Chomhghain Naofa		Killeshin	Laois	Pre-fab	1	01/11/04
17692D	Stradbally BNS		Stradbally	Laois	Pre-fab	1	17/09/07
18150S	Scoil an Fraoich	The Heath	Portlaoise	Laois	Pre-fab	1	01/09/06

## [Deputy Mary Coughlan.]

Roll No.	School Name	Address	Town/Townland	County	Desc of Rental	Contract	Start Date
18150S	Mhoir Scoil an Fraoich Mhoir	The Heath	Portlaoise	Laois	Pre-fab	1	01/09/06
18150S	Scoil an Fraoich Mhoir	The Heath	Portlaoise	Laois	Pre-fab	1	01/09/07
18547W	Faolan Naofa NS	Baile Ui Ruain	Portlaoise	Laois	Pre-fab	1	01/09/06
18828H	St. Pauls Primary	Borris Road	Portlaoise	Laois	Pre-fab	1	01/09/07
18828H	St. Pauls Primary	Borris Road	Portlaoise	Laois	Pre-fab	1	01/09/07
18828H	St. Pauls Primary	Borris Road	Portlaoise	Laois	Pre-fab	1	01/09/07
18828H	St. Pauls Primary	Borris Road	Portlaoise	Laois	Pre-fab	1	01/09/07
18828H	St. Pauls Primary	Borris Road	Portlaoise	Laois	Pre-fab	2	01/09/06
18828H	St. Pauls Primary	Borris Road	Portlaoise	Laois	Pre-fab	1	01/09/07
19747M	Scoil Bhríde NS	Knockmay	Portlaoise	Laois	Pre-fab	1	11/12/06
19747M	Scoil Bhríde NS	Knockmay	Portlaoise	Laois	Pre-fab	1	19/02/08
19747M	Scoil Bhríde NS	Knockmay	Portlaoise	Laois	Pre-fab	1	19/02/08
19747M	Scoil Bhríde NS	Knockmay	Portlaoise	Laois	Pre-fab	1	19/02/08
19747M	Scoil Bhríde NS	Knockmay	Portlaoise	Laois	Pre-fab	2	19/02/08
19747M	Scoil Bhríde NS	Knockmay	Portlaoise	Laois	Pre-fab	2	28/08/08
20071L	Scoil Bhríde NS	Rathdowney	Rathdowney	Laois	Pre-fab	1	01/02/09
20224K	Gaelscoil an tSli Dala	An Bealach Mór	Buirios Mor Osrai	Laois	Pre-fab	1	01/07/05
20224K	Gaelscoil an tSli Dala	An Bealach Mór	Buirios Mor Osrai	Laois	Pre-fab	1	01/02/07

## List 2

County	Roll No	School	Address	Classrooms	Approved
Laois	07183W	Mountmellick Convent, St. Joseph's GNS	Mountmellick	1 × 80m <sup>2</sup> Mainstream Classroom	2008
Laois	16070K	Scoil Phadraig Naofa BNS	Davitt Road, Mountmellick	1 × 80m <sup>2</sup> Mainstream Classroom	2008
Laois	17617M	Killeshin National School	Killeshin, Carlow	1 × 80m <sup>2</sup> Mainstream Classroom	2008
Laois	18150S	Scoil an Fhraoich Mhoir	The Heath, Portlaoise	1 × 80m <sup>2</sup> Mainstream Classroom	2008
Laois	19286C	Scoil Mhuire	Portlaoise Parish Centre, St. Peter & Pauls Church, Portlaoise	4 × 80m <sup>2</sup> Mainstream Classrooms	2008
Laois	13741Q	Rath NS, Ballybrittas	Portlaoise	1 × 80m <sup>2</sup> Mainstream Classroom	2009
Laois	18150S	Scoil an Fhraoich Mhoir	The Heath, Portlaoise	Re-location of 2 Classroom Pre-fabs	2009
Laois	18828H	St. Paul's Primary School	Postlaoise	Buy-out of existing 1 × 80m <sup>2</sup> Classroom	2009
Laois	19286C	Scoil Mhuire	Portlaoise	2 Storey Unit	2009
Laois	19747M	Scoil Bhríde	Knockmay, Portlaoise	2 × 80m <sup>2</sup> Mainstream Classrooms	2009
Laois	20100P	Kolbe Special School	Postlaoise	1x 80m <sup>2</sup> Mainstream Classroom	2009
Laois	20224K	Gaelscoil an tSli	Borris on Ossory	12x8 Prefab	2010