



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

Wednesday, 1 December 2010.

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DÁIL ÉIREANN

Dé Céadaoin, 1 Nollaig 2010.
Wednesday, 1 December 2010.

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

Paidir.

Prayer.

Leaders' Questions

Deputy Enda Kenny: I wish to return to a question I raised with the Taoiseach yesterday. The banking bailout strategy has been a continued failure, has cost the Irish taxpayer billions of euro and has brought our country to the edge of bankruptcy. Anglo Irish Bank has cost the taxpayer €35 billion, with a total recapitalisation of €60 billion not including the cost of NAMA. If that is included, the estimated cost increases to €100 billion in respect of a banking strategy that has clearly failed. Everyone respects the integrity of the Governor of the Central Bank, Dr. Patrick Honohan. He said on Monday that Anglo Irish Bank would be wound down in a matter of weeks. Does the Taoiseach accept the statement of the Governor of the Central Bank? Does he agree with that statement? If he does, will the Taoiseach explain to the House the strategy, the process and the timescale to have Anglo Irish Bank wound down in a matter of weeks?

The Taoiseach: The European Union has consistently stated in all of its statements that the policy approach we have been taking must be accelerated and deepened, not abandoned as has been suggested by Deputy Kenny. This involves difficulties for us as a country but we must deal with the situation as it is. The Governor of the Central Bank outlined the proposed strategy agreed on how to deal with the restructuring plan for Anglo Irish Bank. I refer to the interview with Mr. Chopra, who pointed out that the IMF has not sought a radical change in the direction of policy pursued by the Government but rather an intensification of the strategy. Regarding Anglo Irish Bank, it is envisaged that the deposit book will transfer from the bank but remain within the State. All deposits held by Anglo Irish Bank are safe and are covered by the deposit protection scheme for sums of up to €100,000. In addition, deposits are covered by the eligible liabilities guarantee scheme for sums above €100,000 for the full term of the deposit, up to five years, provided they are made prior to 30 June 2011. Any wind-down of the loan book of Anglo Irish Bank will be over a multi-year period, as in the current restructuring. The Government's primary objective at all times has been to seek to minimise the costs of this bank to the Irish taxpayer. It is intended to submit an agreed plan to the Commission by the end of January 2011, as the Governor indicated.

Deputy Pádraic McCormack: Does that mean "yes"?

Deputy Enda Kenny: The Taoiseach referred to the fact that any wind-down would be over a multi-year period. On Monday, the Governor of the Central Bank said this wind-down would

[Deputy Enda Kenny.]

take place in a matter of weeks. There is a divergence of opinion between the Taoiseach and the Governor of the Central Bank.

The Taoiseach: I was referring to the loan book. There is no divergence.

Deputy Enda Kenny: He said the bank would be wound down in a number of weeks. I asked the Taoiseach if he agreed with the statement. In September, the Taoiseach said the upfront costs of winding down Anglo Irish Bank, to the tune of €70 billion, would not be in the interests of the taxpayer. More than two years ago, Fine Gael pointed out that Anglo Irish Bank should be wound down. Before the banking guarantee the Taoiseach ignored warnings from Merrill Lynch that Anglo Irish Bank should be wound down. The Taoiseach ignored the signals from the European Commission one year ago that it was opposed to the rescue plan of Anglo Irish Bank. I do not want to impute anything but the best motives to the Taoiseach but I ask him to explain the relationship of the Taoiseach and the Government to Anglo Irish Bank in refusing to accept that it should be wound down. Can he explain why the Governor of the Central Bank says this could be wound down in a number of weeks, with the name removed and this toxic bank removed from business?

The Taoiseach: There is no source of confusion whatsoever. I was simply making the point that the wind-down of the loan book takes a number of years. The Governor of the Central Bank has indicated the need to wind down its deposits and this has been agreed in respect of deepening the restructuring and reorganisation that must take place. Finding a safe location for the deposits within the State can be done quite quickly, by the end of January 2011.

Deputy Eamon Gilmore: A very big price will be paid by the Irish people for the bad deal the Government negotiated at the weekend to bail out the banks. Among the first who are being asked to pay the price for this bad deal are people on the lowest levels of pay in the country, those at or below the national minimum wage. According to figures released yesterday, there are 52,000 workers in the country at or below the national minimum wage — just over 3% of the entire workforce. They are paid €8.65 an hour. The Government intends to cut that pay by €1 an hour. That means someone who is working a 40 hour week will have their pay cut from €346 a week by €40 a week. Someone who is on less than €18,000 a year will suffer a pay cut of more than €2,000 a year or 11.5%.

The last time the Labour Party asked about the Government's intentions for the national minimum wage was a couple of weeks ago. At that stage the responsible Minister, Deputy Batt O'Keeffe, said that the Government was waiting for a Labour Court recommendation. The Labour Court never made any recommendation to cut the national minimum wage. The cut in the national minimum wage will not save a single cent for the public finances. In fact, arguably, it will cost money. First, will the Taoiseach confirm to the House that the cut in the national minimum wage will not save a single cent for the Exchequer? Second, can he tell us what estimate, if any, the Government has made as to what cutting the national minimum wage will cost the Exchequer, since presumably people who have their national minimum wage cut will be entitled to a higher family income supplement, more secondary social welfare benefits, and there will be an impact on local authority rents? Can the Taoiseach explain to us why it is being done in the first place? What is the reason for cutting the national minimum wage? Finally, can he tell us who asked the Government to cut the national minimum wage?

The Taoiseach: First, the agreement that was concluded last weekend is primarily about making sure there is sufficient funding for the State. A total of €50 billion of the drawdown will be for the funding of the State in the coming years as we reduce our deficit and get our

public finances back into order. A total of €25 billion of the €35 billion drawdown facility is available on a contingency basis for the banks and €10 billion is for recapitalisation. The majority of the agreement relates to the funding of the State but obviously the banking issue must be resolved as well.

Second, on the question of the minimum wage, the issue is that it also forms a base for other wages further up the line. We have seen an increase in the minimum wage beyond the level of inflation since it was introduced. It was increased by 55% during a period when inflation was 28%. We must try to ensure that we have a competitive economy. It is difficult. We have seen reductions in wage rates across the board in the public sector and in the private sector as well. The brunt of adjustments in the private sector has been on the basis of redundancies and increased unemployment. We have had to also ensure there is full flexibility within the system as well. Therefore, in labour intensive sectors such as retail and tourism where many jobs have been lost, there is a need to try to ensure that we have flexibility in that area. The reduction in the minimum wage is about making sure that we have a competitive economy. It is part of a wider range of adjustments that is taking place throughout the economy. It is important we also recognise that we will still have one of the highest minimum wage rates in the European Union as a result.

Deputy Eamon Gilmore: That does not answer any of the questions I asked the Taoiseach about the minimum wage. I asked him first of all if he would confirm that it will not save anything for the public purse. Clearly, it does not. This saves nothing. Second, I asked him what calculation the Government has done on what it will cost the public purse. I outlined ways in which if one cuts the minimum wage family income supplement will go up, people who are working part time will have a higher entitlement to social welfare payments, secondary benefits, possibly medical cards, housing and rents. There is a range of areas where there will be a cost to the Exchequer for cutting the minimum wage. Has any estimate been made of what the cost will be?

Third, I asked the Taoiseach to give a reason for cutting the minimum wage. If that is the best reason he can give, I am afraid it is a pretty pathetic reason. How many jobs does the Taoiseach think were lost in retail and tourism as a result of the minimum wage being as it is? How many additional jobs does he think are going to be created by reducing it? The Taoiseach has not told us anything about that. When he says that it is a base for other wages in the economy, does it follow that the strategy is first to cut the minimum wage and then to see a follow-on cut in wages right through the economy? Is that the strategy? If it is, then the Taoiseach should set it out clearly. Finally, where did the idea of cutting the minimum wage come from?

Deputy Pádraic McCormack: The Greens.

Deputy Eamon Gilmore: It did not come from the Labour Court. As recently as a couple of weeks ago the Government did not seem minded to cut the minimum wage. There are few, if any, bodies in this country of which I am aware that were actively seeking a cut in the minimum wage. I accept there has been comment about the minimum wage from time to time but I am not aware that people were lobbying Government to cut it. Did the request to cut the minimum wage come from outside the country? The Taoiseach should tell us where the notion of cutting the minimum wage came from. It seems to be a peculiar form of Fianna Fáil economics, that one pays people less in order to incentivise those who are on low pay and who are poor, but in order to incentivise the banks one throws more money into them.

The Taoiseach: Deputy Gilmore is aware that that is not the basis at all, but it was a nice populist throwaway. The issue is as follows. It is not a question of saving money to the State in terms of the wage rates. The whole idea of wage rates is to try to make sure that we get the maximum level of employment we can and the maximum flexibility in the labour market in labour intensive sectors such as the hospitality and retail sector, for example, who have been saying for some time that they would like to see changes on these matters.

Deputy Eamon Gilmore: Changes in the JLCs. That is what we are talking about.

The Taoiseach: That has been an obvious case. They have probably been lobbying the Labour Party on the issue as well. An independent review will take place on employment regulation orders, EROs, registered employment agreements, REAs, and joint labour committees, JLCs, as well, which is at a level above the minimum wage. All of those issues are about adjustments in costs, including labour costs, in order to ensure that we maximise the number we keep in work at a time when the trading environment is very difficult and that over time we will see wage rates rise again when our prospects and the economy improve again. That has happened in many parts of the economic cycle. It is a question of making sure that we have maximum flexibility in the labour markets.

Deputy Emmet Stagg: Live horse and you will get grass.

The Taoiseach: The OECD and others have been referring to this issue as a structural issue within the Irish economy generally. The Government took the view that this would assist removing some barriers to employment in labour intensive sectors. Deputy Gilmore is aware of the experience people have in a whole range of areas where people who are less skilled and who are anxious to take up employment are able to take up employment being provided by employers at affordable rates. One must examine all of those questions at a time when we have 13.5% unemployment. When, thankfully, we had much tighter labour market conditions, when we had almost full employment, a different policy was pursued. We introduced the minimum wage. It was raised on a number of occasions, by 55% at a time when inflation was 28% during that period. By keeping it out of the tax system that had the effect perhaps of narrowing the tax base but it was a good thing to do. It was broadly supported in the House, as one of the ways in which we could ensure that people on lower wages would have as much disposable income in net terms as possible. That was not the case ten or 15 years ago when the entry rate, as the Deputy knows, for taxation was about £7,500. It has since been raised to about €18,500. There has been a huge effort and progressivity in taking people on lower wages out of the tax net. When Deputy Gilmore was in government, we did not have a minimum wage and many of those people were taxed. We saw huge progress throughout that period.

Now we are in a totally new situation. We have to have flexibility in our labour markets and more competitive labour costs. We have to do it. It has been done in many areas of the private sector in terms of increased unemployment. We have to address this issue. It is not a question of saying that this is the way it has to be for the foreseeable future. It has to be this way in the immediate future. Over time as things improve, obviously we will look to see if people's remuneration levels can be raised again. That is the whole purpose and is how we must react to the very difficult situation that we face. It is not about trying to save money for the Exchequer. It is about trying to ensure there are as few barriers to employment as possible and that people can be taken on at rates which are €1 less than the current minimum wage. If this can create some jobs for people in the semi-skilled and unskilled categories, all the better for them and society in general. We must look at the issue that way, not because one welcomes the fact that this structural reform must take place, but because it is part of the adjustment

that is taking place throughout the economy currently. As things pick up, we can look to better times again.

Ceisteanna — Questions

Dáil Reform

1. **Deputy Enda Kenny** asked the Taoiseach his proposals for Dáil reform; and if he will make a statement on the matter. [30251/10]

2. **Deputy Caoimhghín Ó Caoláin** asked the Taoiseach the way he proposes to progress Dáil reform; and if he will make a statement on the matter. [32338/10]

3. **Deputy Eamon Gilmore** asked the Taoiseach his proposals for Dáil reform; and if he will make a statement on the matter. [39737/10]

Minister of State at the Department of the Taoiseach (Deputy John Curran): As the Deputies will be aware, the Government established a working group on Dáil reform in 2009, comprising the Minister for Transport, Deputy Dempsey, the Minister for Justice and Law Reform, Deputy Dermot Ahern, Senator Dan Boyle and my predecessor as Government Chief Whip, the Minister for Community, Equality and Gaeltacht Affairs, Deputy Pat Carey. Following a number of meetings, this group submitted a set of proposals to the Cabinet for discussion and agreement.

The proposals agreed by the Government were brought before the relevant forum of the Dáil Committee on Procedure and Privileges's sub-committee on Dáil reform. The proposals included longer Dáil terms, consolidating the time that the Taoiseach and Opposition leaders spend in the House, starting Dáil sittings earlier each day and dealing with promised legislation only once per week. The proposals addressed to a certain degree some of the issues which relate to the Dáil being perceived as not being family friendly and not reflecting the pressures which young parents experience in today's Ireland.

As the House will be aware, a general agreement and consensus was not possible on the proposals tabled by Government. In this context, I am continuing my engagement with the various party representatives on the sub-committee with a view to achieving the highest possible level of cross-party consensus on the proposals for the reform of Dáil procedures.

Deputy Emmet Stagg: On a point of order, the Minister of State should check his script lest he mislead the Dáil inadvertently, since what he is saying is total rubbish. It does not fit with the facts.

Deputy David Stanton: Indeed.

An Ceann Comhairle: We will allow the Minister of State to continue.

Deputy John Curran: I hope to have my first opportunity to discuss these matters with the new Fine Gael Deputy Whip, Deputy Joe Carey.

In a recent Private Members' motion debate, Fine Gael's previous representative on this topic, Deputy Stanton, made the assertion that the Government had failed to make proposals in this area. I was glad to see the Minister of State, Deputy Kelleher, clarify the situation and point out that proposals had indeed been made. Upon inspection, I noted that Deputy Stanton was listed as being present at that meeting according to the relevant minutes. Deputy Stagg from the Labour Party was also present. The reality is that the Government made proposals,

[Deputy John Curran.]

but that consensus was not achievable. It is due to this inability that I have embarked on an attempt to identify on a bilateral basis areas where there is broad political agreement.

In addition to the draft package of reforms tabled by the Government on reforming the procedures of the Dáil, I would like to take this opportunity to update my colleagues in the House on an issue which I know is of concern to Members on all sides. It is also a matter which has been raised Fine Gael and Labour in their proposals on Dáil reform, namely, greater parliamentary accountability for State agencies, in particular the Health Services Executive, HSE. At my request, I have twice met with the CEO of the HSE along with relevant officials from the HSE and the Department of Health and Children, first some weeks ago and then again last week to receive an update. At both meetings, I set out the concerns of Deputies regarding access to information from the HSE. I also outlined the concerns, which are often aired in the Chamber by Deputies, about the timeliness with which our inquiries are dealt with by the HSE. There was full recognition by the CEO and his officials that their performance in answering questions from Deputies must be improved. At last week's meeting, they set out how they were addressing the situation and how their response times were improving. I impressed upon them the need to continue to progress these improvements so that the quality and speed of their responses reflect modern parliamentary demands.

At last week's meeting, the officials from the HSE also set out their plan to have an improved ICT system for processing and tracking queries and submissions that Deputies make on behalf of constituents. They also advised that a dedicated page on their website is being developed for Oireachtas Members. It will provide access to health information, reports etc. It will be available on the website shortly. I look forward to these becoming a reality in the near future.

Deputy David Stanton: When was the last time the sub-committee on Dáil reform met formally to discuss anything? Is it not true that it last met well before the summer recess and that, despite repeated requests from this side of the House, the Government has refused to engage positively? Does the Minister of State agree that it was understood we would have incremental reform and that an overall package of reforms, which has been the attempt for decades, would not work? Has the Minister of State any concrete suggestion for the House and the public regarding the Government's proposals on Dáil reform? The sub-committee should meet in public in future, not in private, so that members of the press could see what transpires.

Will the Minister of State publish the Government's proposals on Dáil reform that he mentioned so that the public can see them? Does he agree that the procedures under which we work are outdated and inefficient and that longer sittings or more days of more of the same will not help anything? We need fundamental reform of the procedures under which the House operates so that the Executive can be held to account. Does he also agree that the Parliament is one of the weakest in Europe *vis-à-vis* the Executive and that the latter controls virtually everything that is done in the Houses, from when we sit and what is debated to how long those debates are and when they are held? It also decides whether there will be votes. All of this is fundamentally undemocratic and demands major change.

We should start with the small stuff. For example, Deputies are not allowed to ask supplementary questions on the Adjournment debate whereas Members of the Upper House can. Does this not lead to a situation in which we are just reading scripts at one another? Ministers attend the House with prepared answers, which they read out without having heard the cases being put by Deputies from the other side of the House? Is this also not bizarre and fundamentally wrong? It is called a debate.

An Ceann Comhairle: Let us keep in mind that this is Question Time. Members need to ask questions.

Deputy David Stanton: I have asked a series of questions.

An Ceann Comhairle: But the embellishment is unnecessary.

Deputy David Stanton: I have asked the Minister of State whether he agrees that this situation is bizarre.

An Ceann Comhairle: It is the embellishment. I do not mind people briefly outlining the background to the supplementary question, but the trouble is that Question Time is slipping into Second Stage-type contributions.

Deputy David Stanton: I am completely in the Ceann Comhairle's hands. I have tried to ask a question each time and I will continue to ask questions

To rephrase what I have already said, I shall gladly do so. Again, would the Minister agree that section 32, as currently framed and used, is bizarre and needs to be reformed? Would he also agree that Members come in here in the morning totally frustrated at not being able to raise issues with the Executive? It is very difficult to raise serious current issues when they need to be raised.

Finally, will the Minister say when we are going to have the next meeting of the sub-committee on Dáil reform? It will probably not be before the general election, at this stage.

Deputy Emmet Stagg: Deputy Stanton can call it, himself.

Deputy John Curran: Without being smart about it, unless the election is going to be called very quickly, I intend to have that meeting before the Christmas recess. I want to go back on a number of issues—

Deputy Emmet Stagg: Will there be Christmas drinks?

Deputy John Curran: No, we shall do some business. I want to be serious for a moment, however, and go back. I agree with much of what Deputy Stanton said. He went into considerable detail about the Adjournment debate and the significant difference between this House and the Seanad. Before I became Chief Whip I was Minister of State in a Department where I was frequently asked to do Adjournment debates. I make no secret of the fact that when going to the Seanad it was not a question of just reading the script. One had to know what the issue was and understand it.

While I substituted for Ministers and Ministers of State at times in areas that were not my direct responsibility, it called for a degree of preparation and understanding, and I acknowledge that. The purpose of Adjournment debates, often, is not to be confrontational but to elicit information. Sometimes it happens that the manner in which the debate is put down is not very clear, so that one does not know what Members are trying to get at. I believe the Adjournment debate has much more potential from that viewpoint, as regards the structure of the question — remember, the answers will have been prepared — and the delivery of the answer. Having seen the performance of the Adjournment in the Seanad and the manner in which supplementaries are handled there, in contrast to the Dáil, I agree with some of Deputy Stanton's comments in that regard.

He talked about making change in an incremental manner. That has not been possible because there has not been consensus in this regard. However, I make this comment seriously

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in the light of the last point raised by the Deputy. I am in this position about six months, Members get set in their ways whether one likes it or not and it is difficult to get consensus on agreement to change. A new Dáil session is imminent and I believe we should be looking at those areas where agreement has been reached on change, which could be incremental. I know Deputy Stagg disagrees with this, because he has drawn some lines in the sand to the effect that if we do not go beyond certain proposals, we make no progress whatsoever.

Deputy Emmet Stagg: What is the Minister of State talking about?

Deputy John Curran: Deputy Stagg has indicated previously that matters such as parliamentary questions or State bodies or Leaders' Questions on a Thursday were, in effect, his lines in the sand, whereas Deputy Stanton on the other hand, is talking about making different incremental changes along the way.

I understand the sub-committee does not sit in public, but Deputies might advise me in that regard. However, I intend to have a sub-committee meeting the week after the budget.

Deputy Caoimhghín Ó Caoláin: The Minister of State in his reply made reference to representations either to the Department of Health and Children or through it, to the parliamentary affairs division of the Health Service Executive, regarding the speed of response to parliamentary questions tabled by Members. I am awaiting replies to parliamentary questions I submitted to that Department in early to mid-June this year, which were referred to the parliamentary affairs division of the HSE, and I have received no response to date. It is now almost six months since the tabling of those questions, and it is incredible that such a time delay could apply.

The bulk of these questions are very important and refer to issues associated with children in care within the State system. I cannot for the life of me understand or accept the parliamentary affairs division's indication that it is progressing the preparation of its responses. Will the Minister of State note that there is a further complication to the effect that the referencing system for parliamentary questions tabled to the Department of Health and Children involves new reference numbers being applied to the parliamentary questions, with the result that one is not able, at first sight, to identify what the question was? I have had a number of exchanges with the division, in trying to expedite responses that I am seeking. That is a somewhat technical issue that might be addressed with some care and attention.

The situation on the matter I raised yesterday with the Taoiseach *vis-à-vis* the need to introduce legislation — in the area of Dáil reform — to allow for a short but appropriate period of time to elapse before a vacancy occurred in a constituency for a Dáil seat and the by-election is interesting. The Taoiseach's reply yesterday, as before, was to the effect that such by-elections must await the outcome of the Supreme Court appeal, but that is absolute nonsense. That is only to address a specific query as to whether——

An Ceann Comhairle: Could we have a question, Deputy?

Deputy Caoimhghín Ó Caoláin: ——the High Court's was indeed the appropriate reply and, in the event, if there are questions to be addressed. The issue for us as elected politicians is to ensure, by consensus here, that we will not allow a situation to obtain in the future where the Government of the day can delay the exercise of the democratic right of any constituency to fill a vacancy, in order to suit its particular interests. As part of Dáil reform, will the Government bring forward proposed legislation to allow for a reasonable period of time, whether three or six months? There have been recommendations in relation to both periods from Oireachtas committees on the Constitution as far back as 1996 and again this year. Will the Minister of

State raise this with the Taoiseach and his Cabinet colleagues in order that the matter can and will be addressed? We do not have to await the outcome of the Supreme Court appeal.

My last point is in the context of Dáil reform, namely, the recent announcement of a reduction in the minimum wage by €1 per hour. People are not really examining the impact of this.

An Ceann Comhairle: We really are away on a tangent.

Deputy Caoimhghín Ó Caoláin: I ask the Ceann Comhairle to be patient.

An Ceann Comhairle: I know, but the timetables are the bane of my life.

Deputy Caoimhghín Ó Caoláin: This is relevant and tiresome. Allow me to finish my point.

This reduction translates to a €40 a week reduction in pay for a 40-hour week, which most people work in the services sector. In the context of Dáil reform there is nothing at all in the proposals presented, and this is causing enormous and understandable anger across the country about ministerial salaries and the arrangements for pensions for Ministers and what have you. It was very much focused upon in this morning's newspapers with the announcement of the departure of the Minister for Justice and Law Reform.

An Ceann Comhairle: Deputy Ó Caoláin, please.

Deputy Caoimhghín Ó Caoláin: A Cheann Comhairle, can you not understand that this is part of Dáil reform, the remuneration of Members of the House?

An Ceann Comhairle: The Deputy is dealing with a whole range of issues while we are discussing Dáil reform.

Deputy Caoimhghín Ó Caoláin: With all due respect to the Ceann Comhairle, haranguing Members in here is simply not acceptable.

An Ceann Comhairle: I am not haranguing, but encouraging Members to keep to the subject material of the question before the House.

Deputy Caoimhghín Ó Caoláin: I am and I have just done that. That is exactly the context in which I posed my question. This is another critical element of Dáil reform and it must be addressed. I await the Minister of State's reply.

Deputy John Curran: Deputy Ó Caoláin has raised a number of issues. The Deputy specifically asked if I would raise with the Taoiseach the issue of the introduction of legislation in regard to the filling of a vacancy in a by-election. While I can do that the Deputy has previously raised the question with the Taoiseach on the floor of the House and he has clearly indicated that legislation will not be dealt with until after the outcome of the Supreme Court hearing, which decision is imminent given the court's indication that a quick review would take place. This does not necessarily indicate there will be any undue delay. The Supreme Court has indicated it will deal with this matter fairly quickly and as such it should not cause a problem. However, I will undertake to raise with the Taoiseach the specific matter raised by Deputy Ó Caoláin.

On the issue of the HSE, as Chief Whip I am regularly in the House for the Order of Business and have heard Members of the Opposition and some of my colleagues express their frustration in regard to obtaining accurate and timely information from that agency. Deputy Ó Caoláin specifically asked about reference numbers on parliamentary questions and so on and

[Deputy John Curran.]

I will raise that matter with the HSE at my next meeting. It is my intention to meet on an ongoing basis with the HSE until such time as we reach a stage where the standard of reply and information coming from it is acceptable to all Members.

Deputy Ó Caoláin stated he had not received a response to a parliamentary question he submitted in June.

Deputy Caoimhghín Ó Caoláin: It was 12 months ago.

Deputy John Curran: While that is bad, there are worse cases. I was shocked by some of them. To be fair to the HSE, it made some degree of progress between the first and second meeting. To put this in context, responses to 139 parliamentary questions of all questions submitted in 2009 remained outstanding in August. That figure has since decreased to six. I am not saying that is acceptable. We need to map out what the issue is and try to address it by meeting on a regular basis with the HSE to try to improve the standard. I acknowledge that in Deputy Ó Caoláin's case a response is outstanding since last summer. It is important we get the system up to date, which unfortunately is not the case.

Deputy Seán Barrett: Will the Minister of State give way for a moment?

Deputy John Curran: Yes.

Deputy Seán Barrett: Will the Minister of State agree that we table parliamentary questions to the relevant Minister? That is being lost here. Will he agree that when one tables a question to the Minister for Health and Children, the Minister should get that answer from the HSE and supply it in her response to the question? The thinking appears to be that when we table a question it is of the Department we are asking it. We are asking it of the Minister. That is the issue that has been ignored here for the past number of years. To say that one cannot get a reply from an agency is unacceptable. We ask questions of the Minister and not the Department.

An Ceann Comhairle: The Deputy has made his point. I call the Minister of State, Deputy Curran, to continue.

Deputy Seán Barrett: I thank the Minister of State for giving way.

Deputy John Curran: I understand the point the Deputy makes. However, in regard to the HSE, there has been a programme and agreement put in place. The problem is that the level of reply and timeliness agreed has not been delivered upon.

Deputy Seán Barrett: That is not the issue.

Deputy John Curran: It is the issue for most people. Most people——

Deputy Seán Barrett: The Minister is asked the question.

Deputy John Curran: It is an issue for most people because——

Deputy Seán Barrett: How the Minister gets the reply is up to her.

An Ceann Comhairle: Please allow the Minister of State to continue.

Deputy John Curran: It is the issue for most people because they want accurate information in a timely manner and this is not happening. In other agencies and bodies where information

is readily available and accessible there are probably fewer parliamentary questions going through the system. Oireachtas Members by and large want timely access to accurate information.

Deputy Seán Barrett: They are entitled to it.

Deputy John Curran: This arrangement was put in place with the HSE which clearly, given Deputy Ó Caoláin's situation, has not delivered responses in the manner anticipated. I will provide some of the relevant figures for Members.

As indicated earlier, the 2009 backlog is almost cleared. Up to 24 November the HSE had received almost 2,300 parliamentary questions for answer. Some 83% of those questions have now been answered. From January to July 2009, 1,409 parliamentary questions were submitted for reply, of which 614 or 44% were answered on time. As we speak, 96% of parliamentary questions received in the first half of the year have been cleared. From September to November this year, the percentage cleared on time rose from 44% to 57%. While those figures are not satisfactory there is a level of improvement in this area. A time limit has been agreed but the HSE has failed continuously to meet it. It is my intention to meet regularly with the HSE to try to improve, track and monitor the rate of progress in this regard.

Deputy Caoimhghín Ó Caoláin: May I ask a brief supplementary?

An Ceann Comhairle: Yes but the Deputy must be brief. We have spent an inordinate amount of time on these questions.

Deputy Caoimhghín Ó Caoláin: The Minister of State said that 96% of parliamentary questions received by the HSE in the first part of this year have been responded to. However, the 12 plus questions I have posed, covering a number of areas, including vetting arrangements in regard to those with responsibility for care of children in the State's control, remain part of the outstanding 4%. These are important questions dealing with matters of real concern. I ask that the Minister of State, in following up on that, reflect the importance of questions such as this, which need to be expedited.

My final point relates to the question regarding by-elections. Regardless of what response the Supreme Court gives to the Government's appeal, the reality is that it will and should have no bearing whatsoever on a political decision across this House to hold by-elections within a specific timeframe, as has been commended repeatedly and over many years by all party committees. There is no justification for a delay pending the outcome of that appeal.

Also, the Minister of State did not respond to the issue which I believe is a critical element of reform, namely, the inordinate level of remuneration enjoyed at some levels of public service in this House as against the serious impact of the reduction in the minimum wage on the lowest paid in our society.

An Ceann Comhairle: I call on the Minister of State to respond and ask that he be brief as there are a number of Members offering and we have spent an inordinate amount of time on these questions.

Deputy John Curran: On the minimum wage and ministerial pensions, I am not sure it is appropriate for me to address that issue. However, I would like to make one comment. In regard to pension arrangements, the Deputy will be aware that various changes were made a number of years ago in respect of new entrants. I am not sure if that question is relevant to Dáil reform *per se*.

[Deputy John Curran.]

On Deputy Ó Caoláin's question in regard to the questions tabled by him going back to June 12 months, 59 of all questions submitted to the HSE in the first part of the year, January to July, remain outstanding. I agree with the Deputy that this is not good practise and I will continue to pursue the matter.

Deputy Emmet Stagg: The Minister of State will be aware that the Committee on Procedures and Privileges is the body which looks after our Standing Orders and is, therefore, in charge of Dáil reform. A sub-committee of the CPP sits in private. I agree that it should meet in private and disagree with my colleague on that point. That being said, would the Minister of State agree that the system of seeking consensus between sides that have conflicts of interests, namely, the Government and the Opposition, is almost doomed to failure before it can start? Will he also agree that achieving Dáil reform is bedevilled by changes in personnel and Government? During the time I have been involved in Dáil reform, a number of packages were almost ready when the Government or Whip changed, with the new Whip or Government having a different idea, or more regularly, no idea about Dáil reform. For example, a comprehensive package of Dáil reform put together by Deputy Seán Barrett, former Deputy Des O'Malley, the late Deputy Séamus Brennan and I never saw the light because of a change in Government. A new group then started the process from scratch and came up with a different set of ideas. I am sure the Minister of State is aware of this.

Is the Minister of State aware that to get over this continuing problem, the Labour Party is putting forward a comprehensive proposal—

An Ceann Comhairle: A question Deputy, please.

Deputy Emmet Stagg: —on Dáil and institutional reform? Is the Minister of State aware that the Labour Party is putting forward a comprehensive proposal on Dáil and institutional reform? Is he further aware that Fine Gael and the Labour Party published a joint document before the last election on such reform? If we get a mandate, is he aware that we will implement that Dáil reform programme without a veto by Fianna Fáil and Sinn Féin in opposition? This is likely to be place we will be at.

Deputy Caoimhghín Ó Caoláin: The Deputy should not rule us out so soon.

Deputy Emmet Stagg: We will change the system of making decisions and we will get a mandate from the public to do that. Is the Minister of State aware that at the last full meeting of the Dáil reform sub-committee, chaired by then Government Chief Whip, Deputy Pat Carey, at which all parties agreed a limited package of reform to better use our time, Deputy Carey had to tell us—

An Ceann Comhairle: The Minister of State expects a question.

Deputy Emmet Stagg: I am asking the Minister of State whether he is aware of this.

An Ceann Comhairle: No, the Deputy is telling him

Deputy Emmet Stagg: I am asking if he is aware of this because on the basis of what he read out, he is not. The Government Chief Whip on that day had to tell the Opposition Whips that he was vetoed by the Taoiseach. He could not proceed any further and that was the end of Dáil reform. The Taoiseach vetoed progress. Deputy Curran should not bother with another meeting of the Dáil reform sub-committee before Christmas unless he wants to have a goodbye party for it with him as chairman.

An Ceann Comhairle: Has the Deputy a question? This practice has become predominant in this House.

Deputy Emmet Stagg: I am waiting a long time to contribute. Will the Ceann Comhairle give me an opportunity?

Does the Minister of State agree that creating 1,000 quangos over the past 15 years has reduced to the House to a nonsense? Our power is given to us by the people and we have transferred that power from the House to 1,000 nameless so-called independent quangos.

Deputy Bernard J. Durkan: Unelected.

An Ceann Comhairle: The Deputy is in Second Stage mode. Will he allow the Minister of State to reply to some of the questions he has raised?

Deputy Emmet Stagg: I will finish with this question. Does the Minister of State agree that the HSE is the only quango about which one can ask a question, even though it might take six months to get the answer? When we had health boards, questions had to be answered within three days. Fellows in charge of the health service are paid millions of euro in wages and they cannot answer a question for six months, if they feel like it, or officials might ring one up and give one a bit of hot tongue for asking the question in the first place.

I was criticised by the Minister of State for making this a red line issue but we need to return power to the House in order that we can give it back to the people. Powers must be taken back from the quangos. There are 1,000 of them. They all have chief executive officers, chairman, boards and spin doctors to tell us the great job they are doing and we want to take the power back from them, county managers and the whole lot of them and put it back into the House.

Deputy Michael Ring: Now the Deputy has it. There is no accountability.

Deputy Bernard J. Durkan: Hear, hear.

Deputy Emmet Stagg: The Minister of State should not bother having a meeting of the sub-committee.

Deputy John Curran: I note the Deputy comments on the meeting. I outlined the Deputy's position and I was being factual, not critical. However, he made an interesting point at the outset of his contribution. When we sit down to discuss Dáil reform, there is conflict because everybody wants something different and trying to reach a consensus can be difficult. If the outcome of the election is as he predicts, so be it but he clearly indicated if there is a different Government, it will implement reform——

Deputy Emmet Stagg: One can get a mandate.

Deputy John Curran: ——if it carries the numbers in the House on the day. That is not an option we have tried. We have tried to implement reform on the basis of consensus.

This Dáil is coming towards the end of its life and there will be a new one. In that context I thought people would view some of these issues in a slightly different way and it might be possible to have consensus before then but if Deputy Stagg is saying he does not want to meet and, following the next election, he will implement his own programme, then so be it.

Deputy Michael Ring: I am glad Deputy Stagg and others are at last speaking my language. I have been saying this since I came into the House.

An Ceann Comhairle: The Deputy is starting on the wrong foot.

Deputy Michael Ring: I will ask the Ceann Comhairle a question but he might not be able to answer it. He has a responsibility to the House. When we table parliamentary questions, sometimes he refers them elsewhere. As Chair of the House, he does a good job and he is very fair and honest but I believe he should have a role so that when questions are tabled, for example, to the Minister for Health and Children, and a reply is not received his office can take that up. Deputy Stagg is right and I have been saying this for 15 years. The problem is Ministers think “Morning Ireland” is more important than this House. All legislation should not be published first thing on “Morning Ireland”. It should be published in this House and a Minister who does not publish legislation in the House should be sanctioned. That is one reform I would like.

It is outrageous what Fianna Fáil and its partners in government have done over the past 15 years regarding the HSE, the National Roads Authority and local authorities. In debates on every Bill that has come into the House, I have been the very one who asked that responsibility remain with the Minister. I saw the Minister for Health and Children rubbing her hands the day that the HSE — the greatest monster that was ever created in this State — was established. Is it not a sad thing that I cannot write to the Ceann Comhairle and I have to write to the Ombudsman to get replies from local authorities and health boards? I am elected to the House and Ministers will not answer me. Whatever about parliamentary questions, I have copies of letters in my office for six months that were written to the Ministers for Education and Skills and Health and Children. People are dead when I get the replies and that is not acceptable.

Can the Minister of State, as Chief Whip, not instruct his Cabinet colleagues to at least answer Members of this House in regard to correspondence? The media say a parliamentary question costs €250. I do not know how it can cost €250 when I get a reply stating “no responsibility”. If that costs €250, it is no wonder the country is in the state it is in.

Deputy David Stanton: Does the Minister of State agree this is one of the weakest parliaments in Europe *vis-à-vis* the Executive? Could he outline in order the Government proposals for Dáil reform?

Deputy Seán Barrett: Does the Minister of State agree the most important opportunity a member of any democratic parliament has is to ask a parliamentary question? Does he recognise that fact? If so, does he agree the service we are being provided with is nothing short of scandalous? Does he also agree the lottery system is a failure in that we manage to get through only six or seven parliamentary questions each day, which is a disgrace? Does he concur that tens of millions of euro could have been saved over the years on inquiries and tribunals if proper information had been given way of reply to a parliamentary question?

Deputy Bernard J. Durkan: Hear, hear.

Deputy Seán Barrett: Does he also agree that when a Deputy asks a question he asks it of the Minister, not the Department? The Department of Health and Children has more than 500 staff. Does he accept there would be nothing wrong with the Minister allocating a small number of them to answer parliamentary questions with them having secured information from the HSE? That is the issue at stake here. Ministers must respect the right to ask a parliamentary question and the responsibility to give a full and comprehensive reply. Would the Minister of State agree that it is very noticeable that the reply to a question that comes up at No. 23 in the lottery is far shorter than the reply to a question that comes up at No. 2 in the lottery? That shows that this is an abuse of parliamentary democracy. Regardless of whether we have reform in the Dáil, it is a matter for the guardians of democracy in this country, namely, the Executive,

to ensure that proper answers are given to parliamentary questions. Would he agree that there is a moral obligation on every Minister to supply a proper answer to a parliamentary question? Would he agree that this is not the case at present?

Deputy Bernard J. Durkan: I have a number of questions I want to ask the Minister of State, and it is not fair on him because he was not here when previous regimes applied and it was a serious offence for any Minister not to answer a question directly and in great detail. A Cheann Comhairle, you will remember those times. Does the Minister of State recognise that a number of Departments are spectacular in their avoidance of an answer to a parliamentary question? I can name them if necessary, but every Member of the House knows them. We know who they are.

Deputy Emmet Stagg: The Deputy should name them. They will not be there much longer.

Deputy Bernard J. Durkan: I know. Notwithstanding the subordinate bodies or quangos that have been set up by the Government over the past few years, is the Minister of State aware that previous Ministers answered the questions relative to those Departments and there was no need for Dáil reform for that to happen? Would the Minister of State consider it useful, important and courageous to revert to that good old practice whereby for every single euro approved by this House, and allocated to whatever subordinate body there may be, there is a responsibility of the Minister to answer for it here? Attempting to avoid that is a negation of public duty.

In the past few days, failure to answer Dáil questions came to a sudden halt at the negotiation that took place in Brussels. A small bit of information made available to the Members of the House would have alleviated much of the stress and worry that has now befallen the Irish people and would have asserted this House of Parliament as a real parliamentary assembly and not just the rubber stamp that it has become.

Deputy Seymour Crawford: If ever there was an opportunity to show why we need reform, it is here this morning. My question was No. 4 and it will not be reached.

An Ceann Comhairle: Before I call on the Minister of State, I would like to inform Deputy Ring that the Chair does not have any role on the quality, adequacy or inadequacy of replies.

Deputy Michael Ring: I feel that it should, and maybe that is some of the reform that should be put in place. I want you to have more power.

Deputy John Curran: It is hardly my fault that we did not get to Question No. 4. I was responding to the questions, not asking them.

We need a bit of clarity because questions are asked where line Ministers do not have direct responsibilities. Some of those third party agencies mentioned by the Deputies are subsequently questioned, or come under the remit of the Committee of Public Accounts and so on. Just because a direct question may not be asked or answered on the floor of the House by means of a parliamentary question does not mean that the funds given to those organisations are not accounted for thoroughly. That is an important distinction to make.

Deputy Bernard J. Durkan: The evidence suggests otherwise.

Deputy John Curran: Deputy Ring asked specifically about replies from Ministers and whether I would bring it to their attention. I can do that, but his question was a separate issue to Dáil reform. Deputy Stanton asked about the proposals that came from the Government at the time. Without going into the full list — they are included in the minutes of the sub-committee — the proposals envisaged the Taoiseach and the Opposition leaders spending less time in

[Deputy John Curran.]

the Dáil but that their time would be consolidated; the Dáil would sit for longer periods throughout the year and there would be earlier sitting times; the Taoiseach would answer parliamentary questions only once a week; and the Chief Whip would handle questions on promised legislation on Thursday. The full context of those are in the minutes from the sub-committee. There is a difference on whether the sub-committee should meet or not, and I will discuss that privately with the Deputy afterwards.

An Ceann Comhairle: Could I ask the Minister of State if he could answer Question No.4 for Deputy Crawford? It is a statistical question and we might have just enough time to fit it in.

Overseas Visitors

4. **Deputy Seymour Crawford** asked the Taoiseach the number of tourists who have travelled to Ireland to date in 2010 and how this compares to the same period in 2008; and if he will make a statement on the matter. [36639/10]

Deputy John Curran: Data on overseas visits to and from Ireland is published in the CSO's overseas travel release. The latest release showed that the total number of overseas visits to Ireland in the year to September 2010 was 4,622,800, compared to 6,174,000 in the same period in 2008, which represents an overall decrease of 25.1% in overseas visits to Ireland. These results are based on the CSO's country of residence survey, which is conducted at airports and seaports in the Republic of Ireland. The most recently published figures are for the third quarter of 2010. The next release of overseas travel figures is scheduled for February 2011 and will contain the annual figures and a quarterly breakdown for October, November and December.

Additional figures on the numbers of overseas visitors into Ireland during 2008, 2009 and 2010 are contained in the following tables which I propose to circulate in the Official Report.

Overseas Trips to Ireland by quarter 2007-2010

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2007	1,478,300	2,131,000	2,646,400	1,756,500
2008	1,542,200	2,159,400	2,472,400	1,665,000
2009	1,402,200	1,901,900	2,177,300	1,446,100
2010*	1,084,800	1,541,400	1,996,600	

Source: CSO Overseas Travel.

*Extensive disruption occurred in April and early May due to closures of Irish airspace due to volcanic ash.

Overseas Trips to Ireland by quarter 2007-2010

	2007	2008	2009	2010
Jan-Sept	6,255,700	6,174,000	5,481,400	4,622,800

Source: CSO Overseas Travel.

Percentage change in overseas Trips for Year to Date to Q3, 2007-2010

% change	2007-2008	2008-2009	2009-2010
Jan-Sept	-1%	-11%	-16%

Source: CSO Overseas Travel.

Deputy Seymour Crawford: I asked the question following a representation by a group of holiday home operators, who are extremely worried about the fact that they have lost overnight stays in a dramatic way over the last couple of years. It is not due to the recession, but due to regulation in fisheries. Can the Government provide some indication on whether the travel tax will be abolished? This is an area in which there is tremendous opportunity and it is vital we do away with red tape and unnecessary charges.

Deputy John Curran: The nature of the question under my remit is in respect of the CSO in the preparation of the figures. The travel tax would be a budgetary matter relevant to the Minister for Finance.

Notice taken that 20 Members were not present; House counted and 20 Members being present,

Order of Business

The Taoiseach: It is proposed to take No. *a6*, motion re leave to introduce Supplementary Estimate; No. *b6*, motion re referral of Supplementary Estimate to select committee; No. 15 — Social Welfare (Miscellaneous Provisions) (No. 2) Bill 2010 — Second Stage (resumed); and No. *a15* — Statements on the EU-IMF programme for Ireland and the National Recovery Plan 2011-2014 (resumed). It is proposed, notwithstanding anything in Standing Orders, that No. *a6* and, subject to the agreement of No. *a6*, No. *b6*, referral to Select Committee, shall be decided without debate and any divisions demanded on Nos. *a6* and *b6* shall be taken forthwith; the proceedings on the resumed Second Stage of No. 15 shall, if not previously concluded, be brought to a conclusion at 1.30 p.m. today; and Private Members' Business shall be No. 81, motion re stability and the budgetary process (resumed), to conclude at 8.30 p.m. tonight, if not previously concluded.

An Ceann Comhairle: There are two proposals to be put to the House today. Is the proposal for dealing with Nos. *a6* and *b6*, motions re leave to introduce and referral of Supplementary Estimates to select committee without debate agreed to?

Deputy Caoimhghín Ó Caoláin: No, it is not agreed to. Before agreeing, I seek clarification from the Taoiseach. I refer again to the matter I raised with him yesterday regarding the constitutionality of the IMF agreement. Has the Taoiseach sought legal advice in respect of the position he has taken in this House in response to this Deputy and others? Has the Taoiseach referred the matter to the Attorney General?

An Ceann Comhairle: In fairness, the point the Deputy is raising has nothing to do with this proposal.

Deputy Caoimhghín Ó Caoláin: All too sadly, it has everything to do with it. Finally, when will the memorandum of agreement, as well as any other technical data pertaining to that agreement, be published? While I will reserve my final point to the Order of Business proper in respect of promised legislation, what steps, if any, has the Taoiseach taken to establish the accuracy of the position he argues, namely, that it is within the bounds of the Constitution? I contend that it is not.

An Ceann Comhairle: The point the Deputy is making is out of order and is not really relevant to the proposal with which Members are dealing here.

Deputy Caoimhghín Ó Caoláin: It is absolutely relevant because Members have provision for the continuation of statements on this matter in this House in terms of the ordering of—

An Ceann Comhairle: The point the Deputy is raising can be pursued through other channels. There are several other opportunities to do this.

Deputy Caoimhghín Ó Caoláin: No, it cannot.

The Taoiseach: Is the proposal before the House No. 1?

An Ceann Comhairle: Yes.

The Taoiseach: I will answer it when Members reach No. 2.

Deputy Caoimhghín Ó Caoláin: With respect, I do not stand up here every day to have a blistering row with the Ceann Comhairle. It is in the context of the Order of Business. Today's business provides for the continuation of statements that commenced yesterday.

An Ceann Comhairle: Deputy, it is not in order. We must deal specifically with the proposal before the House.

Deputy Caoimhghín Ó Caoláin: It is in order. I am asking the Taoiseach——

An Ceann Comhairle: Deputy, please.

Deputy Caoimhghín Ó Caoláin: ——because I do not know.

An Ceann Comhairle: No. Deputy, we must establish some order on the Order of Business. What we are doing is becoming irresponsible.

Deputy Caoimhghín Ó Caoláin: I have asked a reasonable question. Has the Taoiseach established whether the position he has taken in response to this Deputy——

An Ceann Comhairle: I have ruled the Deputy out of order. He will have to raise this through another channel at another time.

The Taoiseach: To clarify, does this pertain to the proposal regarding Nos. *a6* and *b6*?

Deputy Caoimhghín Ó Caoláin: Surely the Taoiseach can respond.

An Ceann Comhairle: Yes, proposal No. 1.

The Taoiseach: If the Deputy has a question on the second part, I can answer it but as I understand it, it is not in order at present.

Deputy Caoimhghín Ó Caoláin: It pertains to the ordering of today's business.

The Taoiseach: Yes, the ordering of today's business. The first proposal being taken is——

Deputy Caoimhghín Ó Caoláin: Is the Taoiseach in a position to answer my question?

The Taoiseach: Yes, I am in a position to answer when it is in order, which will be when the second proposal is being dealt with. The first proposal pertains to Nos. *a6* and *b6*.

Deputy Caoimhghín Ó Caoláin: No, the precedent——

An Ceann Comhairle: Deputy----

Deputy Caoimhghín Ó Caoláin: ——is long-established, as it was yesterday——

The Taoiseach: That is the problem.

Deputy Caoimhghín Ó Caoláin: —when Deputy Kenny rose and brought forward proposition No. 3 into proposition No. 1.

The Taoiseach: That is the problem when one breaks the rules; one sets a precedent.

Deputy Caoimhghín Ó Caoláin: The Taoiseach cannot have it both ways.

An Ceann Comhairle: Deputy Ó Caoláin, I have ruled it out of order and we will proceed. I am going to get a decision—

Deputy Caoimhghín Ó Caoláin: The Taoiseach can answer the question.

An Ceann Comhairle: At a later stage. We will deal with proposal No. 1 that is before the House.

Deputy Caoimhghín Ó Caoláin: No, but the right debate depends—

An Ceann Comhairle: If the Deputy wishes to revisit the issue at a later time, he should please do so.

Deputy Caoimhghín Ó Caoláin: I protest in the strongest terms at the Ceann Comhairle's insistence in closing off a legitimate avenue of questioning for this Deputy on this matter.

An Ceann Comhairle: I am sure the Deputy will have ample opportunity, during the statements and questions later this evening, to pose that question. However, this is proposal No. 1, which is not relevant to the point being raised by the Deputy on the Order of Business.

Deputy Caoimhghín Ó Caoláin: It is absolutely relevant.

An Ceann Comhairle: I ask the House to decide on the matter.

Deputy Caoimhghín Ó Caoláin: It is the Order of Business.

An Ceann Comhairle: I understand that. But you are abusing—

Deputy Caoimhghín Ó Caoláin: Then why will he not insist on the Taoiseach responding?

An Ceann Comhairle: —the Standing Orders that provide for and underpin the processing of the Order of Business here in the House.

Deputy Caoimhghín Ó Caoláin: The only comfort any Member has is that the Ceann Comhairle has a very short time left in that position, which all too sadly, I supported him accessing in the first place.

An Ceann Comhairle: Deputy, please.

Question put and declared carried.

An Ceann Comhairle: Is the proposal for dealing with No. 15, Social Welfare (Miscellaneous Provisions) (No. 2) Bill 2010, agreed to?

Deputy Caoimhghín Ó Caoláin: It is not agreed to. I ask my question again. In respect of the ordering of business, because no proposition in respect of No. a15 is before this House, I have no other opportunity but to ask again——

An Ceann Comhairle: I am sorry to tell the Deputy that he is out of order.

The Taoiseach: That was ordered yesterday.

An Ceann Comhairle: The Deputy simply is out of order.

Deputy Caoimhghín Ó Caoláin: ——has the Taoiseach sought legal advice regarding the constitutionality of the agreement into which the Government has agreed with external bodies with regard to funding——

An Ceann Comhairle: Deputy Ó Caoláin, the question also is out of order on this occasion.

Deputy Caoimhghín Ó Caoláin: ——including public funding, of this State?

An Ceann Comhairle: We will have statements later today and there is provision for a question and answer session. I am sure the question can be asked at that time.

Deputy Caoimhghín Ó Caoláin: I must hold the Order of Business until I have the question answered.

An Ceann Comhairle: Yes. It is out of order on the Order of Business and I am ruling it out of order.

The Taoiseach: The Deputy is not in order.

Deputy Caoimhghín Ó Caoláin: It is a reasonable question. I contend that the Taoiseach's action and that of the Government——

An Ceann Comhairle: I am ruling it out of order and we are proceeding. I am ruling it out of order.

The Taoiseach: The Ceann Comhairle decides this, not the Deputy.

Deputy Caoimhghín Ó Caoláin: ——is unconstitutional.

The Taoiseach: Is the Deputy joking me?

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

Deputy Caoimhghín Ó Caoláin: Has the Taoiseach confirmed his certainty that I am wrong?

An Ceann Comhairle: The Deputy should resume his seat and allow me to put the question, please.

The Taoiseach: Yes.

Deputy Caoimhghín Ó Caoláin: No, he has not. Why does he not stand——

An Ceann Comhairle: The Deputy should resume his seat, please.

Deputy Caoimhghín Ó Caoláin: ——and provide an answer?

The Taoiseach: Because the Deputy is out of order.

An Ceann Comhairle: I ask Deputy Ó Caoláin to resume his seat.

Deputy Caoimhghín Ó Caoláin: Which of us is out of order?

The Taoiseach: The Ceann Comhairle determines that.

An Ceann Comhairle: Will Deputy Ó Caoláin please resume his seat?

Deputy Caoimhghín Ó Caoláin: The Taoiseach is out of order.

The Taoiseach: No, the Deputy is.

An Ceann Comhairle: Deputy Ó Caoláin should resume his seat.

Deputy Caoimhghín Ó Caoláin: And out of place is where the Taoiseach should be.

An Ceann Comhairle: I will now put——

The Taoiseach: This is not a Sinn Féin cumann meeting the Deputy is dominating now.

Deputy Caoimhghín Ó Caoláin: The Taoiseach should not worry.

An Ceann Comhairle: I am now putting the question——

The Taoiseach: This is Parliament. It has rules.

Question put and declared carried.

Deputy Enda Kenny: On the Order of Business, perhaps the Whips might make arrangements for a short statement from and some questions to the Minister for Transport in respect of the gridlock that has been caused nationwide because of this short cold snap? As for the meetings that have taken place between the NRA, the meteorological personnel and so on, I understand the Minister and the Cabinet have only been briefed today on what is the status.

Deputy Noel Dempsey: That is not true. I convened the first meeting last Saturday.

Deputy Enda Kenny: Very well. If it is not true, it is all the more reason for the Minister to appear in the House and at the least, explain to the nation what are their ministerial and governmental guidelines to the authorities in respect of Government policy in this regard. It is important to remember that all over the country, elderly people are trying to go about their little bits of business on footpaths that are exceptionally dangerous and very slippery.

Deputies: Hear, hear.

Deputy Enda Kenny: We have all heard reports of people with sprained ankles and broken legs, etc., which is a cause of great trauma to them. There is confusion in many people's minds with regard to the extent of their liability, if any, if they clean the footpaths in front of their premises or places of business.

An Ceann Comhairle: We are on the Order of Business.

Deputy Paul Kehoe: It is an important matter.

Deputy Enda Kenny: I am trying to be helpful, a Cheann Comhairle.

An Ceann Comhairle: I know.

Deputy Enda Kenny: I know there is a clear position on this. It is important for the Government to spell out whether shopkeepers and householders who clean the footpaths in front of their premises are liable if somebody falls. It would be appropriate for the Minister for Transport to set aside half an hour for a short statement and a couple of questions.

Deputy Seán Barrett: Half an hour.

Deputy Enda Kenny: We might be able to do that in the interests of everybody, given that many elderly people are very concerned about the matter.

The Taoiseach: We have set out the Order of Business for the day. It was insisted on yesterday that we proceed with the proposals that are before us. If it is possible for the Whips to provide for half an hour within that timeframe, without changing it, I am sure that can be looked at in an effort to be helpful.

The interagency co-ordination group has been meeting since this spell of bad weather began. The Ministers for Transport, Defence and the Environment, Heritage and Local Government attended this morning's meeting. An emergency co-ordination mechanism is in place to deal with these sorts of situations. It has been up and running.

The Deputy sought clarification and advice with regard to liability for members of the public when clearing snow from outside residential and business premises. There is clear advice from the Attorney General. The issue of liability does not arise for snow that is cleared in a safe manner. If a pavement is cleared in a manner that disposes of snow so as not to create any obstacle or hazard, there is no issue of liability. I think common sense prevails.

We have sufficient reserves of salt. This issue arose last year when we had a very bad spell. We have over 80,000 tonnes in reserve. I think another 50,000 tonnes have been obtained by the NRA. The amount that is usually used in a typical winter period, from November to March, is 60,000 tonnes. There are stocks in place. Indeed, the main roads which take 60% of total traffic and 80% of commercial traffic are being salted on an ongoing basis. It is a priority issue. Other roads are also being dealt with as a priority issue by local authorities. Of course we would advise people to take public transport where possible. It is important that we look out for our neighbours, particularly the elderly, and make sure they are looked after.

Deputy Seán Barrett: What about the clearing of the footpaths?

The Taoiseach: I answered that question.

Deputy Seán Barrett: No one is doing anything about them.

Deputy Eamon Gilmore: I understand that three sets of documents need to be completed arising from the EU-IMF agreement. First, a letter and a memorandum dealing with economic and financial policy needs to be communicated to the IMF and the EU institutions. Second, a memorandum of understanding must be concluded in respect of the EU funds. Third, there are operational agreements dealing with matters, including the quarterly review, etc. When is it intended that those documents will be concluded? When will they be laid before the House? Will they be laid before the House before they are communicated to the international bodies concerned?

The Government's statement at the weekend on the joint EU-IMF programme referred to a commitment to introduce a fiscal responsibility law, including a medium-term expenditure framework with binding multi-annual ceilings on expenditure in each year. Can the Taoiseach

confirm that is the case? When will such legislation be introduced in the House? What stage of preparation is it at?

What are the Taoiseach's intentions with regard to a finance Bill? Is it intended that the Dáil will reconvene after Christmas? If so, when is it intended that the Dáil will reconvene and when will a finance Bill be presented to the House?

The Taoiseach: The draft documents are being finalised, as Deputies are aware. I think they are going to ECOFIN next week. The Minister for Finance intends to circulate the up-to-date draft documents that have been referred to when he makes his contribution in the House at approximately 3.45 p.m. this afternoon. They will be available before they are finalised on 6 and 7 December next. I think those are the dates on which that will happen.

The finance Bill will be taken in the new year. It has to be prepared. First of all, we have to get our budget through. That is the first priority. That will take place next week. Legislation will have to be prepared thereafter. It will be debated and legislated for in the normal way as soon as possible. It will be in the new year. There will be a return to the Dáil. We have not yet decided what the date will be.

I will communicate with the Minister for Finance regarding the up-to-date position on how the fiscal responsibility law will be proceeded with. I will ask him to refer to it in his speech this afternoon.

Deputy Caoimhghín Ó Caoláin: I understand from the Taoiseach's response to Deputy Gilmore that these documents in draft form will be open to Members of the House some time later today. Is that what the Taoiseach is suggesting? Is he indicating that they will be merely concluded today, and will not be seen until later this week? The memorandum of understanding is a critical document, in terms of the detail applying to the arrangement. When will these documents be laid before Members of this House? When will the Opposition parties have sight of the detail contained in them?

I would like to ask again about the statements on the IMF-EU agreement. The absence of a voting opportunity for Members at the end of the debate is the subject of my objection to the Order of Business. Has the Taoiseach sought legal advice on the matter? Has he referred it to the Attorney General? Can he answer the questions that have been asked in the House about the constitutionality of the steps the Government is taking?

The finance and social welfare Bills are usually taken as part of the outworking of the budget each year. It has already been indicated that other legislation is expected this year. Does that include legislation to take €40 per week from those who depend on the minimum wage? That is what will really happen across the board, based on a 40-hour working week. Is legislation planned to give effect to the reduction in the minimum wage? Does the Government intend to introduce other legislation in the aftermath of next week's budget to give effect to the measures it is planning?

The Taoiseach: Obviously, I cannot announce the budget in advance. It will be announced next Tuesday. The legislative arrangements that will have to be put in place to give effect to the budget will take place consequent to the announcement. I presume the Deputy will accept that I cannot indicate what is in the budget at this point.

On the question of the availability of documentation in draft form, the Minister for Finance intends to circulate the documents with his speech this afternoon, as I have said, so that people can peruse them and see where they are at.

[The Taoiseach.]

On the question of the constitutionality of our approach, the Deputy can take it that Attorneys General are in attendance and give their advice when we conduct these discussions and when the Government makes decisions. I assure the House that the clear and unambiguous advice is that it is totally within the competence of the Executive to undertake these agreements. It is in compliance with Article 29.4 of the Constitution.

Deputy Caoimhghín Ó Caoláin: Aside from the budgetary measures that have already been signalled, such as the proposal to reduce the minimum wage from €8.65 to €7.65—

An Ceann Comhairle: Deputy, please.

Deputy Caoimhghín Ó Caoláin: Is it not the Government's intention to introduce legislation in addition to that giving effect to such budgetary measures? The Government signalled such an intention as part of its four year plan. Is there legislation in that regard pending?

The Taoiseach: The terms and conditions that apply to the drawing down of funds include structural changes such as the reduction in the minimum wage. The timeline, etc., set out in the documentation will be dealt with accordingly.

Those were the conditions on which this facility can be drawn down.

Deputy James Reilly: I have two matters to raise. Given the weather situation and the economic uncertainty faced by people, I ask the Taoiseach about the status of the insurance indemnity Bill and when it is expected to be brought to the House. This Bill would at least offer protection from fly-by-night operators, uninsured doctors. The second matter I wish to raise is the issue of the interest rate on the memorandum of understanding. The Taoiseach stated yesterday that Greece was looking for the same terms and conditions and has received them.

An Ceann Comhairle: That question could be accommodated in the question and answer session this evening.

Deputy James Reilly: I hope I may be allowed to finish my question. If the Ceann Comhairle will allow me explain it will be simple enough. Given the known difficulties associated with the accounting and annual reports supplied by Greece, is there any inference that the same difficulties apply to the Irish situation? Why are we being treated the same way?

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

The Taoiseach: That is a figment of the Deputy's imagination.

Deputy James Reilly: Where is the Bill?

The Taoiseach: There is no date for that Bill.

Deputy Liz McManus: In the current weather conditions, thousands of people on low incomes are desperately worried about whether they will be able to pay their electricity and gas bills. The carbon levy was introduced in the last budget and the Government promised there would be compensatory measures for people on low incomes. That never happened. The EU and IMF agreement will double the carbon levy.

Before the Ceann Comhairle interrupts me I am allowed to ask about the programme for Government. Under the renewed programme for Government the Taoiseach made a specific

commitment that a fuel poverty strategy would be published in 2009. Other countries have fuel poverty strategies which are deliberately designed to protect people on low incomes, particularly elderly people at risk of fuel poverty.

An Ceann Comhairle: That question sounds very appropriate to the line Minister.

Deputy Liz McManus: It is appropriate to the Order of Business. I am absolutely in order. Why was that strategy not published in 2009? Why has it not been published in 2010? When will it be published?

An Ceann Comhairle: Before I call the Taoiseach to reply, I wish to make this point. The issue of the programme for Government is not a catch-all provision to allow Members to raise issues on the Order of Business. Standing Order 26 is quite specific regarding promised legislation. That is the difficulty we have. I have advised the Deputy to submit the information being sought to the line Minister and I am sure he will be more than willing to accommodate the Deputy.

Deputy Bernard J. Durkan: On a point of order.

Deputy Liz McManus: I do not wish to be argumentative but I have been here quite a long time. May I say to the Ceann Comhairle that over many years, the Opposition has been able to raise issues relating to the programme for Government. If the Ceann Comhairle wishes to change the rules, I suggest that would have to go through the normal channels but the precedent is established over many years——

An Ceann Comhairle: Questions on the Order of Business must be about promised legislation.

Deputy Liz McManus: ——and I can vouch for that. I intend to continue working on the basis of the precedent we have set.

An Ceann Comhairle: I am advising that the position is the programme for Government is not a catch-all provision to allow questions to be asked.

Deputy Bernard J. Durkan: On a point of order. The Ceann Comhairle's ruling is incorrect in this regard. It has long been established——

An Ceann Comhairle: Please, Deputy Durkan.

Deputy Bernard J. Durkan: I am sorry, Ceann Comhairle, it has been long established——

An Ceann Comhairle: Standing Order 26 is quite specific on this point.

Deputy Bernard J. Durkan: The Ceann Comhairle is changing Standing Orders by degrees and without consultation, as Deputy McManus said. In my time in this House the rule has always been that the programme for Government or any aspects of it, are eligible for raising on the Order of Business in the normal course of events.

An Ceann Comhairle: If the specific inquiry entails legislation being brought forward, then it is appropriate but it cannot be used as a catch-all issue.

Deputy Bernard J. Durkan: No, Ceann Comhairle, the programme for Government may have implications for legislation and that has already been established.

An Ceann Comhairle: The Deputy is holding up progress on the Order of Business.

Deputy Bernard J. Durkan: Apropos the earlier discussion, the Ceann Comhairle is unwinding the right of the Members of the House.

An Ceann Comhairle: The Deputy is delaying the Order of Business. I am being quite specific in my interpretation of Standing Order 26.

Deputy Bernard J. Durkan: I wish to lodge my strong objection.

Deputy Liz McManus: I asked a perfectly valid question. This was a very clear commitment, which would require legislation, and the Taoiseach has to explain to the House how it is that people on low incomes are terrified to keep themselves warm because of the increased costs of energy. The Taoiseach gave an undertaking and it is written in the programme for Government, to protect those people. Two thousand people die every year from cold-related illnesses——

An Ceann Comhairle: We will make inquiries if there is promised legislation on foot of——

Deputy Liz McManus: The Taoiseach has to answer here.

The Taoiseach: I do not wish to cross the Ceann Comhairle at any time. An affordable energy strategy is being drawn up. In this winter season, more than €240 million will be made available by the Government under various household packages such as the national fuel allowance and free electricity and gas allowance. The household benefits package in 2009 extended the period by two weeks from 30 to 32 weeks. There have also been increases in welfare payments throughout our period in Government by over 88% at a time when the rate of inflation was 20%. The record of Government for looking after the elderly and making basic provision for them stands in stark contrast to some of the rather measly increases we saw when the Opposition was in government.

Deputy Liz McManus: This is my last intervention on this matter. I do not argue with the Taoiseach about the existing supports. The Taoiseach and his Government made a specific commitment to have a fuel poverty strategy in 2009. I want to know why they did not keep their promise.

An Ceann Comhairle: The Taoiseach has replied.

The Taoiseach: An affordable energy strategy is being prepared. In the meantime, this Government has made real improvements which are well above the cost of living increases at a time of severe economic and financial crisis. We have been able not only to maintain but to increase them and to extend the period in 2009 at a time when the economy was contracting by 10%.

Deputy Aengus Ó Snodaigh: What about the Christmas bonus?

The Taoiseach: This stands in stark contrast to the Labour Party's record when it had responsibility for this area.

Deputy Kathleen Lynch: I am loth to raise this issue but I note the Bill for the direct election of a mayor for Dublin was back on the Order Paper yet the mental capacity Bill, which is a much more important piece of legislation vital for many more people and will have a greater

impact on people's lives than any directly elected mayor of any city not just Dublin, is not. When will the mental capacity Bill be brought to the House?

Deputy Michael D. Higgins: On the same matter, in answer to the point made by Deputy Kathleen Lynch, which is a very important matter, the absence of the mental capacity Bill's passage is the reason the Government is giving for the failure to ratify the United Nations Convention on the Rights of Persons with Disabilities. It is quite scandalous that the ratification——

An Ceann Comhairle: The Deputy is embellishing the inquiry from his colleague.

Deputy Michael D. Higgins: I am not. In so far as the Ceann Comhairle has stated this, with regard to his interpretation and the advice he is receiving on Standing Order 26, that Standing Order is not based on the legislation as announced within this Chamber; it is legislation anticipated from public statements requiring legislation inside or outside the House——

An Ceann Comhairle: It is promised legislation.

Deputy Michael D. Higgins: I think it is important to say this so that the wrong precedent is not established.

Deputy Bernard J. Durkan: That is correct.

Deputy Michael D. Higgins: Frankly, I have asked several times about the United Nations Convention on the Rights of Persons with Disabilities, which has been signed but not ratified. It has been communicated to me in writing that the reason it is not ratified is because we are awaiting the passage of the mental capacity Bill. Deputy Kathleen Lynch has asked about the Bill and she is entirely right. She is also entirely right to draw a contrast between a Bill that is urgently needed so that we might establish some humane standards and a fit of nonsense that has been going on from someone else.

An Ceann Comhairle: We are making inquiries about the progress on the legislation.

The Taoiseach: That Bill is due to be published this session. For the purposes of reply and to put it in my own words, having listened to the Deputy's point, the ratification of conventions can only occur when the necessary legislation is in place to implement the convention. Other countries ratify conventions and have no domestic framework for them. It is preferable that we bring forward the legislation which is being published this session. All the stakeholders have been involved in its preparation. The Minister of State, Deputy Moloney, who has responsibility for this area, is satisfied that it can be published this session. Once the Bill is implemented, we can consider ratifying the convention.

Deputy Bernard J. Durkan: When is it intended to introduce the collective investment schemes consolidation Bill, whose aim is to update legislation on collective investment schemes generally? Particularly in view of the events of the last week, it would be appropriate to introduce it at the earliest opportunity.

The Taoiseach: There is no date for that legislation.

Deputy Bernard J. Durkan: That is peculiar. There is another Bill I want to ask about. Although it must be a moot point at this stage, the purpose of the international agreements Bill is "to amend the Bretton Woods Agreement Act 1957 to provide for Ireland's membership

[Deputy Bernard J. Durkan.]

of the IMF's new arrangements to borrow, NAB", which is very appropriate in the present context.

Deputy Pat Rabbitte: The Deputy is getting into complex territory this morning.

Deputy Bernard J. Durkan: I know. I feel complicated myself, actually.

Deputy Brendan Howlin: We could all be nabbed.

An Ceann Comhairle: Can we keep the focus on the issue at hand?

Deputy Bernard J. Durkan: As Deputy Howlin said, NAB is an appropriate name for what is happening. The purpose of the Bill is also stated as being "to make available Ireland's share to NAB". Is it intended to bring that Bill before the House, in view of the vulnerable position in which we find ourselves?

An Ceann Comhairle: On promised legislation.

The Taoiseach: We will deal with that one next year.

(Interruptions).

Deputy Bernard J. Durkan: The Taoiseach might be nabbed himself next year.

Deputy Pat Rabbitte: I drew attention yesterday to the dropping of the Multi-Unit Developments Bill by the Taoiseach in order to placate the Green Party on the folly of another chain in Dublin for a mayor.

Deputy Paul Gogarty: We support it.

Deputy Pat Rabbitte: I ask the Taoiseach to give a commitment to instruct his Whip to make sure that the first available slot will be used to take Report and Final Stages of the Bill so that it may be passed before Christmas. Tens of thousands of people are affected by management company issues and have been waiting six or seven years for legislation——

Deputy Paul Gogarty: Living in apartment blocks on land that was rezoned by the Labour Party's councillors.

Deputy Pat Rabbitte: ——but the Taoiseach has given a sweet to the Green Party in the form of another chain in Dublin, which will delay this legislation.

Deputy Brendan Howlin: The Deputy should keep typing.

Deputy Paul Gogarty: The truth hurts.

Deputy Kathleen Lynch: Keep tweeting.

Deputy Pat Rabbitte: The Deputy should watch his language.

The Taoiseach: It is intended to take that legislation before Christmas, probably the week after the budget. It is important that we get it through.

Supplementary Estimates for Public Services 2010: Leave to Introduce

Minister for Defence (Deputy Tony Killeen): I move:

That leave be given by the Dáil to introduce the following Supplementary Estimate for the service of the year ending on the 31st day of December, 2010:-

Vote 40 — Health Service Executive (*Supplementary Estimate*).

Question put and agreed to.

Supplementary Estimates for Public Services 2010: Referral to Select Committee

Minister for Defence (Deputy Tony Killeen): I move:

That, subject to leave being given to introduce the following Supplementary Estimate for the service of the year ending on 31 December 2010, the Supplementary Estimate be referred to the Select Committee on Health and Children pursuant to Standing Order 154(3) and paragraph (1)(a)(ii) of the Committee's Orders of Reference, which shall report back to the Dáil by no later than 2 December:—

Vote 40 — Health Service Executive (*Supplementary Estimate*).

Question put and agreed to.

Health and Social Care Professionals (Amendment) Bill 2010: First Stage

Deputy Dan Neville: I move:

That leave be granted to introduce a Bill entitled an Act to amend the Health and Social Care Professionals Act 2005 to add the designation of Psychotherapist and Counsellor Profession under the Act and to provide for connected matters.

An Ceann Comhairle: Is the Bill opposed?

Minister of State at the Department of the Taoiseach (Deputy John Curran): No.

Question put and agreed to.

An Ceann Comhairle: Since this is a Private Members' Bill, Second Stage must, under Standing Orders, be taken in Private Members' time.

Deputy Dan Neville: I move: "That the Bill be taken in Private Members' time."

Question put and agreed to.

Social Welfare (Miscellaneous Provisions) (No. 2) Bill 2010: Second Stage (Resumed)

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

Deputy Ulick Burke: I wish to share my time with Deputies Deasy and Catherine Byrne.

Acting Chairman (Deputy Kathleen Lynch): Is that agreed? Agreed.

Deputy Ulick Burke: I welcome some aspects of this Bill, but other aspects add to the confusion that exists about the Government's intentions with regard to FÁS. Instead of having

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one Minister with responsibility for FÁS, as was the case heretofore, there are now two. Responsibility for employment and community service schemes has been transferred to the Minister for Social Protection, while responsibility for training remains with the Minister for Education and Skills. All of this has come about because of a total failure on the part of FÁS, and the Minister with responsibility for FÁS, to keep control of the agency. What happened at the top management of FÁS was unacceptable and it was due to the failure of a Minister to take control.

It must be said that the people who delivered the services at FÁS, particularly employment and community services, have done good work throughout the country. During the times when employment was low, FÁS carried out valuable work. Many people who were involved in schemes during that time received good training and moved on to become self-employed, which was the original intention in the establishment of FÁS. However, many of those who were paid to provide training failed to deliver adequate and proper training to those who had, in good faith, agreed to be trained. This was especially the case in the north east where, as has been highlighted in the House numerous times, there was a complete failure on the part of the contractors that were engaged, probably without any supervision, by the Department or the FÁS management. FÁS has done valuable environmental work throughout the country and it would be remiss of anybody to ignore this.

It is unbelievable that a Minister for Social Protection who prided himself on the fact that he was engaged in an all-out war on social welfare fraud can stand over one provision in the Bill, under which people can register their unemployment electronically. The Minister stated that this would happen in the future, but therein lies a quagmire in the regulation of those receiving unemployment benefit. It is a retrograde step. We are talking about people familiarising themselves with voice mail and so on. We should consider the social welfare fraud that has taken place between Northern Ireland and the South. People presented themselves at social welfare offices, which was an important statement that they were actively seeking work and that they were currently unemployed. This provision is farcical. The Minister who was trying to eliminate fraud is now providing an opportunity to expand and perpetuate it.

I welcome one aspect of the Bill in particular. The landlords of tenants who are receiving rent supplement must now provide their PPS numbers for the purposes of regulation. This would regulate the system such that where the State is paying a sum of money to provide assistance towards rent for applicants, at least we could be sure the people are not avoiding tax. I trust this will be introduced quickly.

Deputy John Deasy: I thank Deputy Burke for allowing me a few extra minutes. I intend to discuss FÁS as well. I was interested to hear that the International Monetary Fund, IMF, showed an interest in FÁS and seemed to intimate that additional moneys should be given to the training agency. I was interested because at the same time I had been asking questions about the rate of job placement, in other words, the number of people who trained with FÁS and then ended up with a job.

It took three or four weeks to get the figures but I will read them to the House. As of now in 2010, only 13.7% of all trainees with FÁS get placements. That is the national percentage of placements in the country at present. The figure is down from a high of 37.1% in 2007. In 2008, the figure was 33.5% and in 2009 the figure was reduced to 16.4%. This year, there are 111,000 people training with FÁS and the figure is 13.7%. Some people may argue that the figure is very low because there is a great deal more unemployment at present.

I also asked about the figures for my constituency and the figures for Waterford are high compared to the national average. This year, the figure is closer to 20% for Waterford as opposed to 13.7%, the national figure. FÁS in Waterford achieved a 44% placement figure in 2007. This was reduced to 41% in 2008 and to 31% in 2009. For some reason, the standard in Waterford and the figures are a good deal higher than the national average. It seems the figures and standards are at variance in different parts of the country with regard to how they relate to people who train with FÁS and end up securing job placements.

The response to my parliamentary question contained a disclaimer or health warning. It stated that the figures are only the known placements whereby clients or employers have notified FÁS of the placement and, therefore, it should not reflect the total number of people placed by FÁS. I presume FÁS holds that the number could be higher because its clients or employers have not notified the agency of the placement or employment of trained workers. I am concerned because it is clear from the response that FÁS is unlike training agencies in other jurisdictions.

I contacted the Scottish training agency, which is able to determine the number of jobs achieved after a training or sustained employment lasting 13 weeks or more. That agency is aware of the number of jobs secured after training but we have no idea. The figures I received from the Skills Development Scotland agency indicate that from April 2009 to March 2010 some 48.7% of all trained leavers were placed in jobs. This is approximately the same period as that for the FÁS figures provided. Our national placement figures for the past two years were 16% and 30%. The percentage of all leavers, people trained into jobs, was 78.6% according to the Scottish agency, a remarkably high number. As far as FÁS and the overall labour market is concerned we may determine readily that the most successful programmes are those which can match graduates with companies which provide internships.

From a cursory glance at these figures, I suspect we should concentrate on more long-term strategies with regard to the labour market. It seems too many people are engaged in what I would term low-intensity generic courses. As a result, their prospects for long-term employment are not greatly enhanced. I am unsure whether the IMF examined the structures in FÁS but, considering what the organisation stated some days ago, if FÁS does not have a handle on the number of people it trains and where they end up, then do we need a more rigorous cost benefit analysis of the schemes and courses? How much does training cost? What is the return to the State? Are we training people for the sake of it? That is the question. On the face of it and when one considers the response I received to the parliamentary question, to some extent the answer is “Yes”. We simply do not know how effective these courses are either on a financial or a personal basis. One can throw as much money at FÁS as one wishes, but until one is aware of the labour market trends, until one adapts training courses accordingly and understands how effective training is, it is simply a case of spending money without knowing the effectiveness of that spend. As a country, we cannot afford to do that any longer.

Many speakers have referred to self-employed persons, or class S employees as they are referred to in the system, during the past week. Several people made contributions but I did not hear any plans or proposals from speakers with regard to how to deal with the problems, especially the problem of why and how class S workers are deprived of or excluded from job training, the back to education allowance and other such schemes.

I have examined how class S employees are treated within the social insurance and social welfare system. Class A refers to the typical PRSI worker. Class S refers to a self-employed person. Class A workers receive a non means-tested payment or jobseeker’s benefit of €196. This is based on 104 weeks or two years. If a self-employed person loses his or her job, he or she may apply for the jobseeker’s allowance, which is means tested. If a self-employed person’s

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spouse earns more than approximately €400 per week then he or she does not qualify. This is significant because not only does one not receive the payment, one does not qualify for the back to education allowance, the work placement, retraining schemes or the back to work allowance. Many of these people are simply becoming statistics and are leaving the system completely. Such people are becoming totally disenfranchised. I wish to accentuate the disparity between self-employed workers and others in the social insurance net. If a regular PAYE worker's spouse earns €500,000, he or she would still receive the jobseeker's benefit payment.

Contributions made by self-employed workers are based on a percentage of their income. I propose that we consider raising the percentage of contributions by self-employed people on a voluntary basis such that they may at least avail of retraining and subsidies such as the back to education allowance. Let us allow such people the option of an increase in the rate of their contribution such that they could be included in retraining, the back to education allowance and other such schemes and then, if they lose their jobs, they would have already paid an additional sum of money voluntarily and could avail of these schemes. These people are entrepreneurs. They are self-starters and are the people who create and have created jobs in this country. They have never had to ask the State for any assistance before and when they did recently, the State showed them the door.

Surely it is in all our interests to invest in the very people who have proved they can provide a return on the money spent on them. We should consider increasing the rate of that contribution on an optional basis for the self-employed to ensure more money is fed into the social insurance fund which could allow these workers to avail of re-training if they happen to lose their jobs.

Deputy Catherine Byrne: This Bill comes before the House at a difficult time for us all, particularly with the economy in crisis. Communities and families have fears as to how they will fare over the next several years. The Government announced it will cut social welfare by €2.8 billion between 2011 and 2014 in its four year recovery plan. Over the past several weeks, however, we have seen that retiring Ministers and Members will receive huge pensions and golden handshakes while a man who has worked 47 years on a building site will be lucky to get €30 a month in a pension from the Construction Industry Federation.

The Bill seeks another €350 million in a Supplementary Estimate to the €21 billion already paid out this year. Many people on social welfare do not want to be on it. They want to work and live in a society in which work means something. They also want to contribute to their communities and their families. The social welfare system is preventing this because it can be more beneficial to stay at home on social welfare. The system needs to be taken apart and revamped to allow people who want to work the option of working rather than sitting at home.

FÁS is a failed agency. My colleague, Deputy Burke, spoke about how FÁS has contributed to many communities through community employment schemes. I have seen many people in communities who would never have got into the workplace if it were not for these schemes.

A larger issue around FÁS, however, is the fate of the many apprentices who find themselves in employment limbo. If they decide to enter a course, they will be asked to pay €140 for fees and €170 for materials at a time when, this week, many young people were informed by letter that their social welfare will be reduced to €100 a week. For many of them, they cannot go back into the workplace because the jobs are simply not there. Many apprentices have no workplace to finish their 13 weeks training and get the next certificate.

I met a young man recently who was waiting to finish his plumbing apprenticeship. He only needed 13 weeks work on the job. When I telephoned him last week to see how he was getting

on, I discovered he had been admitted to St. Patrick's University Hospital. He fell apart because he simply could not manage. It is a sad state of affairs when young people who want to work or go back into education cannot do so and find no alternative but to self-harm or worse.

I do not understand the provision in the Bill for a mobile telephone sign-up facility for the dole. It might have been a good runner on "The Late Late Toy Show" and come top of the list for many children. It is ridiculous that we have been trying to sort out a social welfare system in which people turn up and a human face is seen across a counter. It reduces people to statistics and will only worsen social welfare fraud.

I welcome the reform of the rent supplement benefit, particularly that landlords will have to provide their tax reference numbers which should have been introduced long ago. For many who receive rent supplement, the quality and the standard of the accommodation available to them is very poor. People with young children are often put into single rooms, sharing bathrooms and other facilities. It is wrong to ask people to share such accommodation. Inspections must be included in any changes to the rent supplement scheme to tackle poor accommodation and fraud. Two weeks ago, I overheard a man getting the house-to-rent supplement saying he was renting out one of the rooms for €500 a month. Tackling that type of fraud needs to be examined carefully.

With the weather so bad over the past several weeks and temperatures of -10° Celsius predicted for the next few days, I am concerned elderly people in receipt of social welfare are still not adequately heating their homes, afraid to turn on the extra bar in their electric fires because it will cost too much. Social welfare must be about looking after people in such circumstances. Many elderly people are fearful of what will happen over the next three weeks coming up to Christmas, particularly with the loss of the Christmas bonus. They depended on this payment coming up to Christmas time, not only for buying presents but having a little bit extra heat or buying some extra food.

Deputy Michael D. Higgins: Well said.

Deputy Jimmy Devins: I wish to share time with Deputy Johnny Brady.

Acting Chairman (Deputy Kathleen Lynch): Is that agreed? Agreed.

Deputy Jimmy Devins: I welcome this Bill. Its provisions are a step forward in many ways. The electronic certification of jobseeker's allowance and benefits is to be welcomed. As everyone knows, we live in difficult times and more must be achieved with limited resources. I strongly believe those resources must be focused on those most in need.

In that regard, the steps taken to stamp out welfare fraud are of immense benefit and must be implemented. I have already spoken in the House on what I perceive to be widespread abuse of the social welfare system. A previous speaker referred to the urban myth of people claiming social welfare benefits while living and working abroad. That is no urban myth but reality. I have had personal experience of it myself when it was brought to my attention by people in receipt of social welfare benefits. Anything that can be done that will prevent or lessen fraud is to be welcomed.

I have, however, some concerns about the use of technology in this regard. While the use of voice recognition is laudable, it is not foolproof. The implementation of such technology will be expensive. Some years ago there was a hullabaloo about using voice recognition to dictate letters and other correspondence. Not being the best at typing, I welcomed this development at the time. However, when I looked into the application of voice recognition, I found it to be expensive and, unfortunately, was not always as accurate as it was pertained. With that one

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proviso, will the Minister look carefully before the Department invests considerable amounts of money in that sort of technology?

I agree with Deputy Catherine Byrne on the small number of unscrupulous landlords in the rent supplement scheme. We all know of cases which amount to fraud too. Anything that can be done to prevent this is to be welcomed.

I have always found it intriguing that community welfare officers, charged with the implementation of rent supplement, carry out this function on behalf of the Department of Social Protection but are employed by the Health Service Executive. The HSE should concentrate only on health matters. It defeats me how an officer involved in ascertaining a social welfare benefit has to be employed by the HSE. They do work of immense benefit to our State. It is becoming increasingly difficult with the passage of each day that they should be diverted from their true work by carrying out work for the Department of Social Protection. Surely that should only be a function of the Department of Social Protection.

I welcome the transfer of FÁS services. FÁS has suffered an enormous amount of negative publicity. Unfortunately, most of it was brought on itself particularly by the actions of some very senior people. We must always remember, however, that in the current recession reskilling and retraining are more important than ever. Work of great value has been done by the vast majority of FÁS employees. Everybody in the House is aware of that happening in their own localities. That work must continue and it is important that the clients, who, at the end of the day, are the most important people in this equation, are able to move from unemployment to being trained or reskilled in order to take on jobs, which is the next stage.

I draw the attention of the House to community employment schemes and rural social schemes. Both of these schemes were brought to fruition by the Minister, Deputy Eamon Ó Cuív. They were of immense benefit to the public and that sort of community involvement will be an important step in getting the unemployed back to work.

Deputy Johnny Brady: I am delighted to speak on this Bill. My party in Government has always worked very hard to protect the most vulnerable in our society. When resources were available, we invested heavily in improving social welfare rates. Over the past 12 years, unemployment benefits increased by almost 130%, pension rates increased by approximately 120% and child benefit payments went up by a massive 330%. The price of goods and services increased by 40% during the same period.

In 2000, our social welfare expenditure was €6.7 billion, while today it stands at almost €21 billion. It is no secret that this position is unsustainable. Given the current state of our public finances, it is would not be feasible to leave this budget untouched. At all times, however, we must ensure we that we protect the most vulnerable in our society. Put simply, we are taking a small step backwards in order to protect welfare services for the future. In any debate on social welfare it is important to point out that even after the adjustments last year, our rates compare extremely favourably to our neighbouring jurisdictions.

The Bill before us will transform the provision of social welfare by providing for the full transfer and integration of employment services and community services programmes of FÁS from the Department of Education and Skills to the Department of Social Protection. This means that, as well as providing income support, the Department of Social Protection will also focus on helping people to find work. This marks a more proactive, employment-focused and customer-centred approach by the Department.

The best way to reduce the social welfare budget is to get people back to work. Therefore, it makes sense that the Department should play a pivotal role in the provision of employment

and community service programmes, as well as progressing people to participate in the workforce. It is envisaged that trained staff will work together with individuals on a one-to-one basis with clearly defined milestones and targets. For its part, FÁS will now focus primarily on the provision of training services.

I was pleased to hear the Minister, Deputy Ó Cuív, say last week that the practical arrangements to support this transfer of functions are now largely in place and that there has been a lot of co-operation between the Department and FÁS. This shows that public sector reform, as facilitated by the Croke Park agreement, is well under way.

The Bill also introduces a provision which will allow for certain people who receive the jobseeker's allowance and jobseeker's benefit to complete their certification or signing-on process by electronic means. This will see local and branch officers collecting signatures by means of a digital signature. It is also envisaged that the signing-on process could at some stage in the future be conducted online or by using a mobile telephone. In this day and age, when most people of working age are technologically savvy, it makes sense to look at these options.

These new channels will make the signing-on process more efficient, while delivering better customer care. It will also result in cost savings and reduced pressure on local offices. This means that staff resources will be freed up to work in other areas such as client, claim and payment issues. It is important to point out that the necessary levels of control will at all times be maintained.

Another important provision of the Bill is that, from 1 January 2011, landlords will have to supply their tax reference number to the HSE before rent supplement can be awarded to new claimants. Meanwhile, landlords of existing claimants will be requested to supply their tax reference number at the time of their next rent supplement review. The main objective is to ensure that landlords are tax compliant. Those who are paying their taxes have nothing to worry about.

Time constraints prevent me from listing all the other changes being introduced in this Bill. However, I welcome the clarifications being introduced on the calculation of claims. I also welcome the Minister's comments that he intends to introduce an amendment on Committee Stage which will provide for the introduction of a partial capacity scheme. Currently, the social welfare code categorises people with long-term illnesses or disabilities as either "fit for work" or "unfit for work". The introduction of greater flexibility in this area shows that the Department is determined to focus on capacity rather than incapacity, marking a "can do" approach.

At a time when our State finances are under huge pressure, I welcome the sensible measures in this Bill, which make the provision of welfare and employment services more cohesive.

I agree with Deputy Catherine Byrne's comments on the elderly and less well off sectors of our society at this particular time, given the severe weather conditions. I appeal to the Minister to do everything possible to protect the weakest in society. People in rural and urban areas should call on elderly neighbours to ensure they are all right during this severe cold snap. Their neighbours should ensure that elderly persons have the necessary items, including milk and water. As we all know, many pumps are frozen and water pipes have burst. Elderly people in rural areas could thus be left without any drinking water to make a cup of tea or cook the dinner. We should all ensure that such people are looked after.

I welcome the Minister of State, Deputy Brady, but I was hoping the Minister, Deputy Ó Cuív, would attend. I want to bring one issue to his attention. I cannot understand the case of a man applying for a non-contributory pension. He was in a small business all his life. He lost his wife, was in very bad health and was in and out of hospital for long periods. He sold his business to a family member. He divided the money he received from the sale of his business

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among all family members. Everything was done legally and his taxes were paid but because of the way he had divided it, he was denied an old age pension. The social welfare officers maintained that the way he had divided the money among six or seven family members was done in order to receive a pension.

This man was well into his 80s after having been in business and paid his taxes and done everything legally. He could have signed over the property to one member of his family. The property was worth a few hundred thousand euro, not millions. If he had done so, he would automatically qualify for a pension. He tried to help out all his children and because of this effort he was deprived of a pension. I have been in contact with the Department of Social Protection and I have written to the Minister because this matter should be examined. It is very unfair that a person who has done everything legally, paid his taxes and worked very hard is treated this way because he had no option other than to sell his business as a result of ill-health. I appeal to the Minister of State to bring it to the attention of the Minister. I welcome this Bill.

Deputy Michael D. Higgins: In the 25 years I have been in the Dáil, I have spoken on social welfare Bills on a number of occasions. Some of the points I made through the years must be made again. I refer to the context of social welfare legislation in this country and the extraordinary inability to debate issues of rights, a social floor or inequality. In his opening speech the Minister stated:

In the current economic and financial crisis the Government's main priorities must be to restore stability to the public finances and to deal with the jobs crisis. Tá an Rialtas bródúil as an méid atá curtha i gcríoch [agus mar sin de].

It is interesting to contrast such a statement with the statements of his grandfather, who led so many Fianna Fáil Governments at a time when there were many decent people in that party who introduced many decent policies for the best of reasons.

In the 1922 Constitution of this country and in the time between that Constitution and the 1937 Constitution, Bunreacht na hÉireann, it is interesting that equality was mentioned in the democratic programme of the first Dáil and it can be inferred in the 1922 Constitution. The grandfather of the Minister, Deputy Ó Cuív, went further, suggesting the rights to equality in a republic, which this country was not at the time, were fundamental rights. We were not only going to be equal, we were going to be republican as well.

The 1937 Constitution, in an interpretation of Article 41, prohibits Irish citizens from being conferred with titles of honour without the prior approval of the Government. The period we are coming out of sought opportunities to confer titles of honour and badges of privilege on some of the unsociable aspects, and members, of this community. I have listened to several speakers mention fraud and the potential that, if electronic means are used by recipients of social welfare to contact the office, there is a danger of fraud. I invite the people who make those speeches to concentrate on the empirical reality, the fraud conducted at the top of the banking system, the fraud committed by those at the top of building societies and by accountants and auditors, firms that received millions of euro from the State in Government approved contracts. That marks the change in politics between the first generation de Velara and the third.

When I was studying economics, accountancy and commerce, it meant something to sign off on the books of primary account, the profit and loss trading account or the balance sheet. In the period we are coming out of, the partner of the firm went for lunch with the clients and

then put people on slave wages to do the books. Then, there would be another meeting with the partner to take the money from the client. That was widespread among the principal accountancy firms in this city and internationally. Eminent people in the legal profession, some of whom were senior counsels, required €250,000-€500,000 to take positions as non-executive directors.

Is there not something very sick in a society that becomes obsessed about whether a mobile telephone will be used by someone to defraud the Department of Social Protection while their tongues are stricken into silence on what surrounds them? I refer to the long delay as forensic examinations are made in the little poker club known as Anglo Irish Bank before anyone can be brought to trial. There is nothing republican or egalitarian about that, nor is there anything about it in the 1922 Constitution or the republican statement of 1916.

On the other hand, as we move into a new period, the new Government, of which I will not be a part, will celebrate the lockout of 1913, the 1916 Easter Rising and perhaps the centenary of the founding of the Labour Party in 2012. It is interesting to reflect that the participation by James Connolly in the Easter Rising was on the basis that one could have an egalitarian agenda, suitable for a republic, where we can aspire to equality and that one could join this aspiration with the worst and most regressive forms of nationalism. What we got after that was a nationalism that rejected the likes of Connolly, rejected artists, chose censorship rather than intellectual work and an obsession with sexual behaviour in private rooms rather than the morality of business or governance. That is the shabby atmosphere from which we have come. I put the discussion on fraud into the real context of the fraud that has nearly brought us down.

Other windy sections in the Minister's speech include his reference to the crisis by drawing images to the Second World War. I would be intellectually and morally dishonest if I did not point to the real crisis, which is global and European. It is of unaccountable speculative clouds that fly over one country after another. It is in the hundreds of trillions of speculative money that is doing damage in the world at present.

Yet in the international institutions, even though it was envisaged after the Second World War, there was no attempt to make such international hot money accountable. When I first came into the Dáil we had a discussion about proposals such as the Tobin tax. The Government would never agree to that, given its particular hue, because it would have made a real contribution, at 0.01% for example, that one could have gathered from hot money that would have been used for the task of development and the famous millennium development goals.

I am coming back home rather rapidly in just a moment on the detail of the Bill. I welcome many of the provisions, but I would be crazy not to address the context of other provisions. There is a global crisis in terms of the accountability of international speculative finance. There is a crisis too in Europe because the thinking of Angela Merkel and some of the people who speak on behalf of France is capable of destroying not just the eurozone, but the European Union itself. The European Union now has a choice about whether to give priority, rather like the Minister does in his speech, to the issues of fiscal adjustment or to creating a social Europe. If it does not go down the road of giving the preference to valorising a social Europe, it will drive hundreds of millions on to the streets in European countries who will feel that there is no response to the reality of their lives but that there is an inordinate response to the demands of speculative capital.

It is an Irish Minister saying in the current economic and financial crisis that the Government's main priorities must be to restore stability to the public finances and to deal with the jobs crisis. If he means that we should address the deficit, there is not a Member in this House who is not willing to address the gap between total receipts and total expenditure. That is

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something else. The suggestion is that there is only one single way of making that adjustment but that one is not free to do so on its own terms. One must join it to the inherited legacy that we have from an evening in September 2008 when every party in the House except the Labour Party voted for an unconditional guarantee that propped up the poker club known as Anglo Irish Bank. That legacy has now been visited upon us and people who look at the Social Welfare (Miscellaneous Provisions) Bill and the budget on 7 December will see noughts being put after the amount of money that is being made available to supposedly save our banking system because it affects our reputation internationally.

One does not have to believe me. On 28 to 30 September in response to questions we had the lies of the heads of the banks as they came into Government Buildings and the con job they pulled on the members of the Government not only at that meeting, but at succeeding meetings again and again where they piled one type of evasion on top of another. In colloquial language that is called lies. On top of that, as the sums are added up the suggestion is that the deficit issue is now joined at the hip with bank debt. Therefore, the people do not know the full story of what misery they and those who come after them must now pay. That is the context of the Social Welfare (Miscellaneous Provisions) Bill.

However, there is another ideological piece of inheritance and that is the hostility. Not only was there bogus republicanism and bogus commitments to equality, but, lest people think that I am inventing all of that, we should recall the Government that involved the Progressive Democrats Party contained the former Minister for Finance, Mr. McCreevy, for example. It also contained the former Minister, Mr. Michael McDowell. On page 47 of the *Irish Human Rights Law Review 2010* Mr. Colm O' Cinneide refers to Mr. McDowell as saying that a dynamic, liberal economy like ours demands flexibility and inequality in some respects to function. He went on to say that driven to a complete extreme, the current rights culture and equality notion would create a feudal society, a society so ordered and static, where the Government tries to alter everything by law. It would become as atrophied as a feudal society.

He was at the heart of the Government that allowed regulation with a light touch, that allowed a property bubble, that allowed a Financial Regulator to be part of the club that ran banking and that allowed a Central Bank chairman to stay silent in the face of what was happening in front of him. The Secretary General of the Department of Finance who found it tedious to sit in the bull pen — in all my time in the House he was there perhaps twice a year for the budget and the finance Bill — has now gone off into the sunset garlanded with bonuses and pensions. The former Minister, Mr. McDowell, loved all of that and suggested we were harming the country by speaking about equality. He had his fan club in different parts of the media. The notion was that speaking of equality was not in fact the thing one should do. On it went.

I wish to refer to something that was said by a speaker on the previous occasion when the Bill was introduced. He is a decent Opposition Deputy and I admire his concern. He spoke about many thoughtful things but he said he could not accept the principle of universality. I speak as president of the Labour Party. I am in favour of the principle of universality. I would like at this Stage of the Social Welfare (Miscellaneous Provisions) Bill for us to define the social floor below which people will not be allowed to sink. Then we equally could go on to debate where that line might be. We might decide, for example, that all of the disability categories would be given a minimum of such adequacy as would enable them, as Amartya Sen would say, to participate without shame in society.

I attended a meeting on disability last week which had 30 politicians in attendance. A woman held up orthotic braces that her child needed but had grown out of, and she told how long it

would take to replace them. In this Republic — following 1916, 1922, 1937, De Valera one, De Valera three — we are looking after the financial markets. I remember what Owen Sheehy-Skeffington said in 1966 on cherishing all the children of the nation equally, when they were still in industrial homes, when women were in Magdalen houses, many other children were sent out of the country and people of unapproved sexual tendency were driven to England. If we are to respond to where we are now economically and socially, it is a time for building a real Republic based on inclusion and the social floor. After that, as circumstances allow and the economy recovers one can raise the bar, but let us agree on that. Instead of that, we get all these bits and pieces.

If they had time, all Deputies would tell one about how much of their office time is spent dealing with cases about habitual residence. It is rather like talking about angels dancing on the top of a pin. Was one out of the country? When did one come back? Where was one? Does one have proof of that? Good, serious, well-qualified people are forced to waste their time answering all of those questions. There are elaborate appeal processes and cases go to the Ombudsman. The Minister for Social Protection, Deputy Ó Cuív, had a woman visit him at his clinic not so long ago at my suggestion. She had been to see me. I am not interested in politically partisan advantages so I suggested she go to see himself. It was an interesting case. The woman had attended an IT course when she was a member of the Garda Síochána. It enabled her to do her job better. She left the force after perhaps 12 years to look after her elderly father until he died. She wanted to return to education. She was told that the course she did when she was in the Garda Síochána ruled her out. She was told the rules could not be changed. I do not know whether the Minister replied to her in Irish, English or Swahili — ní féidir liom aon rud a dhéanamh. That is the grandson of the great liberator. That is exactly what we are dealing with now.

For the reasons I have outlined, I believe in universality and the social floor.

One could do all of that and still be a republican. One could be in favour of equality.

It is not only in terms of the principle that we have been granted this inheritance. Every single influence of Michael McDowell in Cabinet was against the principle of equality assertion. This is why the Combat Poverty Agency is gone. It was a critical voice, so it needed to be absorbed into the Department. It is also the reason the Equality Authority and so forth are gone. Not only were we not to advance concepts like equality, we were not to discuss them either.

An interesting point follows on from my comments about 1916, 1922 and 1937. In 1975, we all went to Kilkenny and discovered poverty in Ireland. Sister Stanislaus Kennedy gave an inspiring address and off we went to found the Combat Poverty Agency. However, when the bogus riches were being puffed up to their greatest height, people believed they needed to get rid of the agency. This is exactly what occurred.

When one is as long in politics as I have been, one notices something. I do not admire the majority of those in the media who treat all of this with cynicism. It is as if members of the media, having been at the trough themselves, are involved in voyeurism. Thus, when a colleague retires, like the person on the Government side who made such an announcement yesterday, on the basis of medical reasons or whatever, the media has no interest in the why. Instead, the interest is in how much that person is getting and so forth. We have dragged ourselves down to a point at which we can hardly speak anymore about the decencies associated with a society that is a republic. There are exceptions like Fintan O'Toole and so on.

There is an interesting notion about, namely, that when one knows how deeply one is in trouble, the courage to say “left” or “right” no longer exists. As if I had the same politics as

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Michael McDowell. I had the direct opposite. They do not refer to politics of the left, politics of the right or Government politics. They refer to the “politicians” because this is as safe, gutless and cowardly as it sounds. If someone is a bit of an intellectual, he or she can give it a bit of a spin and refer to the “political class” and so forth as if discussing ancient Rome. The fact is that many members of the media are afraid to point the finger at those with whom they have their conversations.

I will turn to a practical example of the two different types of Ireland that exist. A campaign has just been run to save the universal State pension. We know that more than €9 billion is spent on pensions, but €3 billion is given in tax concessions to 20% of earners. If Members want, I will go through the numbers. For example, 5% or 6% of firms have taken advantage of this concession. The figure could be as high as 50% among company directors. Modest directors might have fired €100,000 into this little tax scam. A large number have invested more than €250,000, yet there are even people with €1 million invested. St. Michael Fingleton of Irish Nationwide has sailed away with his pension pot.

Where pensions were concerned, consciously introduced legislation benefited 20% or less of earners and 80% of the tax relief, which costs €3 billion in any one year, went to those people. It was they who were a class. They ate and played golf together. They numbered fewer than 100 and they dragged this country down to the dregs. They contaminated the body politic because senior people who should have been regulating and not invigilating supped with them. We and future generations will pay the price for that.

I am glad that, in the course of this debate, tribute was paid to one of the two classes of employee in FÁS, namely, the decent, hard-working employees who are trying to help people. Deputies know them in their constituencies. The other class of employees were at the top and became part of the culture, the same culture of senior counsels who wanted to attend bank meetings a couple of times per year for €500,000 and of people who wanted to be movers and shakers. Newspapers changed their style to glossy paper. Statements to the effect that we were no longer second to anyone and that everyone else was trying to be like us were made in surprising places. This was the message that came from the political right. This is the reality in which we are discussing this Bill.

Acting Chairman (Deputy Kathleen Lynch): I am always reluctant to interrupt the Deputy, but he has gone way over his time.

Deputy Michael D. Higgins: I thank the Acting Chairman. I welcome the transitions that will make the delivery of services efficient for young apprentices, people seeking jobs and so on. It is fair and honest to say that good service has been given to those who need employment and that most people would choose to work rather than be on social welfare. Let us be clear, however. When Deputies speak in the House to the public and on their behalf and when we envisage our responses, it is important that we shine the lamp on fraud where it has been greatest. To date, that fraud has existed at its greatest with impunity.

Minister of State at the Department of the Social Protection (Deputy Áine Brady): During the course of this debate, Deputies raised queries in respect of the illness benefit, in particular section 3. This section deals with the method of calculating the cumulative number of benefit days for illness benefit purposes. Customers who have fewer than 260 PRSI contributions may claim illness benefit for periods up to 312 days while those with more than 260 PRSI contributions may claim illness benefit for periods up to 624 days. Periods of illness benefit not separated by more than 26 weeks are added together in order to arrive at the cumulative number of reckonable days. Only benefit days within the preceding 12-month period are coun-

ted for 312 day cases while benefit days within the preceding 24-month period, or from 5 January 2009 if shorter, may be counted for 624 day cases. Therefore, a situation may arise where the 312 day cases could be treated more favourably than the 624 day cases even though the 624 day customers have paid more contributions. The section addresses that anomaly.

Current illness benefit claims are not affected by this change. Section 3 comes into operation on 3 January 2011 and only a small number of new claims made after that date, which are linked to an earlier claim, will be affected. This year, we expect to award approximately 250,000 illness benefit claims. Approximately 52% of illness benefit claims are linked to an earlier claim. When the change is introduced, less than 0.5% of such claims will be affected, that is, approximately 600 over the course of the year.

No costs arise from this change. Indeed, there will be a small saving on expenditure estimated at €200,000 per annum. Nearly 82,000 customers were in receipt of illness benefit at 12 November and we spend approximately €77 million per month on this benefit. To the end of October 2010, we spent €772 million. In 2009, we spent nearly €918 million.

Clarification was sought regarding the impact of section 10 on the requirement to satisfy the habitual residence condition for carers allowance. This section amends the rules relating to the means test for the carers allowance scheme so as to exempt any foreign social security payment, up to the appropriate level of the Irish State contributory pension, that is paid to the carer or the spouse of the carer. It will ensure a more equal treatment of those in receipt of foreign welfare payments. The amendment will mean that all income regardless of source will be assessed against the income disregards currently provided for under the carers allowance scheme. This change will not impact on a carer's requirement to satisfy the habitual residence condition. The requirement to be habitually resident in Ireland was introduced as a qualifying condition for certain social assistance schemes and child benefit with effect from 1 May 2004. A person who does not satisfy the habitual residence condition is not eligible for specified social welfare payments regardless of citizenship, nationality, immigration status or any other factor. The purpose of this condition is to safeguard the social welfare system from abuse by restricting access for people who are not economically active and who have little or no established connection with Ireland. Under EU rules which prohibit discrimination on nationality grounds in relation to social security, it is not possible to exempt Irish citizens from the HRC, either in general or for carer's allowance, without extending the same treatment to all EU Nationals.

I now turn to the implication of changing the HRC condition in relation to carer's allowance claims. Fewer than 1.5% of applications for carer's allowance are refused on habitual residence grounds. Given the continuing rise in applications for carer's allowance, there could be significant cost implications in any change to the qualifying criteria. A proposal along the lines of transferring the habitual residency requirement from the carer to the person being cared for, has previously been examined in the Department. While such a change could be of benefit to the small number of applicants who are refused on the grounds of HRC, it would have significant administrative, financial and legal implications. For example, it would be necessary to establish the means of a person whose centre of interest, spouse, partner, family and property are abroad, which could be difficult if not impossible. It would transfer the burden of proving habitual residency onto the person being cared for which could lead to situations in which a care might not be eligible for carer's allowance if the person for whom he or she cares is recently arrived in Ireland. This might include elderly persons returning to be cared for by their adult children.

This year, as of 15 November, we have received 16, 519 applications for carer's allowance. Some 572 of those cases were sent for further assessment on habitual residency grounds and

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245 of these were refused on the basis of habitual residency, of which 46 were Irish nationals. This means that fewer than 1.5% of all applications are refused on habitual residency grounds

The supplementary welfare allowance scheme, SWA, which includes rent supplement, is administered on behalf of the Department by the community welfare service division of the Health Service Executive. The purpose of rent supplement is to provide short-term support to eligible people living in private rented accommodation, whose means are insufficient to meet their accommodation costs and who do not have accommodation available to them from any other source. Under the relevant legislative provisions, the Department's relationship is with the tenant; who makes the application for rent supplement and payment is made to him or her.

Rent supplement is specifically for the benefit of tenants to assist them with their accommodation needs. Legislation provides, however, for the making of a rent supplement payment to another person — for example, a relative, a landlord or landlord's agent — on behalf of the recipient, at the tenant's request and is subject to the consent of the HSE. The most common use of this provision is where the executive make rent supplement payments to landlords. Where an applicant nominates another person to receive their rent supplement this does not alter the HSE's relationship with the applicant. Where a person is unable to manage his or her financial affairs with respect to accommodation costs, the executive may appoint some other person to act on behalf of the applicant, exercising any rights or powers on behalf of him or her. The appointed person may receive and deal with any sum payable by way of supplementary welfare allowance, which includes rent supplement.

The efficiency of the scheme would be significantly affected as CWOs would potentially have to deal with some 96,000 additional clients. This would involve greater complexity and significant resources to deal with a new set of third parties. In particular, it could result in CWOs being drawn into disputes between both landlords and tenants.

I will not deal with the 30-hour limit rent and mortgage supplement. In recent years, a significant number of people have come to rely on rent supplement for extended periods, including people on local authority housing waiting lists. One of the measures introduced to address the issue of long-term rent supplementation is the rental accommodation scheme, RAS, which gives local authorities specific responsibility for meeting the long-term housing needs of people receiving rent supplement for 18 months or more. Rent supplement is not payable where a person or his or her spouse or partner is in full-time employment, that is for 30 hours a week or more. However, provision was made in 2007 whereby a person on rent supplement who is accepted as eligible for accommodation under RAS may return to full-time work, subject to a means test, without losing the entire rent supplement payment. Those who transfer to RAS and engage in employment will have the advantage of the differential rent scheme which is administered by the various local authorities.

The specification of 30 hours as the upper limit for part-time employment is unique to the rent supplement and mortgage interest supplement schemes. On the basis of a normal 40 hour full working week, 19 or 20 hours a week is used in a number of social welfare contexts to determine full-time employment, for example, FIS, insurability, etc. The 30 hour per week limit has been in place since 1977 when the SWA scheme came into operation. The use of 30 hours as the part-time limit for SWA is designed to be as advantageous as possible to individuals returning to the employment market without including those in full-time employment, thus reflecting the scheme's original purpose of a short-term income support payment. Support for

those in full-time employment and residing in the private sector is best provided through the RAS and other social housing schemes.

The 30 hour limit was considered as part of the expenditure review of the supplementary allowance scheme. The review, recognising the short-term nature of the scheme and acknowledging that support to those in full-time employment and residing in the private rental sector is best provided through rental assistance arrangements, was satisfied that the 30-hour rule should continue to apply at least until the full implementation of the new rental assistance arrangements have been achieved.

As regards electronic certification, at present in order to qualify for job seeker's benefit or job seeker's allowance, an applicant must fulfil a number of conditions, including being available for and genuinely seeking work. To fulfil those conditions job seekers must, at regular intervals, make a declaration to the effect that they are still unemployed, available for and actively seeking work. This is what is known as the certification process or signing on, and is currently carried out by a job seeker going to his or her local social welfare office.

One of the provisions the Minister is including in this Bill will be to allow certain people who receive job seeker's allowance or job seeker's benefit to complete the certification process by electronic means. We will be changing the current signing on process in our local and branch offices to collect signatures via a digital signature pad, and we are exploring the possibility of using electronic channels for certification, such as on-line through the Internet or by use of a mobile telephone. These new channels are being introduced to enable us to carry out the certification process more efficiently, while delivering better customer service and maintaining the necessary levels of control inherent in the current manual process.

We are currently engaged in a project to examine the potential to develop an additional channel for job seeker's certification via mobile telephone. Before committing to a full-scale deployment the mobile telephone certification solution must be evaluated by the Department from both business process and technical perspectives, to test how it may work in practice to ensure necessary levels of security and control. Deployment will not proceed unless it offers a sufficient level of control in line with existing processes.

The project is scheduled to conduct a life trial at the end of 2011, in which a number of customers will be invited to participate. The selection of customers to be invited has not yet been finalised. The mobile telephone facility is intended to be made available on a risk assessment basis and will have high levels of control built in. Customers will be invited to use the channel and it will not generally be available other than on request.

I thank all the Deputies for their contributions on Second Stage.

Question put and agreed to.

Social Welfare (Miscellaneous Provisions) No. 2 Bill 2010: Referral to Select Committee

Minister of State at the Department of Social Protection (Deputy Áine Brady): I move:

That the Bill be referred to the Select Committee on Social Protection, in accordance with Standing Order 122(1) and paragraph 1(a)(i) of the Orders of Reference of that committee.

Question put and agreed to.

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

Messages from Select Committees

An Leas-Cheann Comhairle: The Select Committee on Enterprise, Trade and Innovation has completed its consideration of the following Estimates for the Public Services for the service of the year ending 31 December 2010 — Vote 34.

The Select Committee on Education and Skills has completed its consideration of the following Supplementary Estimate for the Public Services for the service of the year ending 31 December 2010 — Vote 26.

Ceisteanna — Questions (Resumed)

Priority Questions

Agri-Environment Options Scheme

7. **Deputy Andrew Doyle** asked the Minister for Agriculture; Fisheries and Food if the four year plan provides for new entrants to the agri-environment options scheme in 2011 and beyond; and if he will make a statement on the matter. [45523/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): A total of 9,236 applications were received by my Department under the agri-environment options scheme, AEOS, by the closing date of 17 May 2010. All of these applications have been recorded and examined by my Department. To date 5,706 applications have been found to be fully compliant with scheme requirements and the applicants have received notification from the Department approving their participation in the scheme.

A further 2,585 applications have been processed and my Department will be issuing the letters of approval over the next few days. In a number of cases, approval for entry into the scheme will be conditional on minor queries and obvious errors being resolved by the applicant. This will bring the total numbers approved by the beginning of December to 8,291. There are 921 applications which require more detailed investigation by my Department, some of which will have to be resolved in correspondence with the applicants before approvals can issue. The Department is working through these applications with a view to reaching a decision on entry into the scheme in each case as soon as possible. The remaining 24 applicants have withdrawn their applications. Further participation in the new agri-environment options scheme will have to be determined within the limits of the level of funding which will be available to my Department.

The Government's for year plan which was published last week sets out the expenditure ceilings for my Department for the period 2011-14. The plan does not specify the programmes or schemes to which the funding will be allocated. However, it confirms that there will be a focus on streamlining a range of programmes and that options to be considered include the prioritisation of financial support to active farmers. At this stage, no decisions have been taken about the levels of participation in various schemes during the period of the four year plan or on the payment rates that will apply. The 2011 budget will be announced by the Minister for Finance next week and, in that context, I will be giving careful consideration to the allocations of resources against the competing demands in 2011.

Substantial funding is already committed by my Department to funding agri-environment schemes, including AEOS. Total payments last year in respect of REPS 3 and REPS 4 amounted to €341 million. Total funding available this year is €330 million, to provide for

payments under REPS 3, REPS 4 and AEOS. Payments in respect of REPS 3 are issuing on a continuous basis and I have urged all participants in the scheme to submit their annual claims as quickly as possible to ensure that they receive payment before year end. The administrative checks and SPS cross-checks which are required before REPS 4 payments for the 2010 scheme can issue are at an advanced stage and I expect that payments will commence in the next week or so. The Department has been concentrating on processing all applications received under AEOS and once this process is complete, arrangements will be put in place to commence payments.

Deputy Andrew Doyle: I thank the Minister for his reply. Am I correct that the Minister said €330 million is available to pay REPS 3, REPS 4 and AEOS in 2010?

Deputy Brendan Smith: Yes.

Deputy Andrew Doyle: Is it the case, in light of the number of people who will exit REPS 3 during the course of 2011-12 that this burden will reduce significantly if no other scheme is put in place? I cannot urge strongly enough upon the Minister the necessity to provide some form of other scheme. I acknowledge that REPS was never intended to be an income stream *per se* but REPS has been used as income support by people in Donegal and the west involved in destocking.

The number of people exiting REPS 3 will result in a significant lower burden in 2011. It is important that some option is available to those people in 2011-12 and into the future.

Deputy Brendan Smith: Approximately 10,000 farmers — I say this without having checked the figures recently — will exit REPS 3 between now and the middle of next May, which is equivalent to the number of people who joined the new AEOS scheme on 17 May last. The original allocation for the REPS schemes in 2009 was €330 million. With reallocation from other subheads I was able to pay out €341 million. The figure of €330 million is adequate to meet requirements this year. I have asked those people involved in REPS 3 to return their annual claims so as to enable us turn around payments quickly. I am at this stage trying to encourage people to get back to us so that we can maximise payments this year.

With regard to the total funding available to the Department next year, that figure has not yet been finalised in the context of the forthcoming budget and so on. I accept Deputy Doyle's point, which was previously made to me by Deputy Sherlock. The AEOS scheme has been successful and a number of farmers now exiting REPS 3 or who will do so in the early part of next year are interested in joining a follow up scheme. Decisions have not yet been made in regard to possible admission to the AEOS scheme. That will not be finalised for some time.

Deputy Andrew Doyle: The capital expenditure programme, which I accept is different, has identified that spending next year in the Department of Agriculture, Fisheries and Food will be down from €104 million to €89 million. Annex A of the four year plan states that savings in the first year for that Department will be €75 million. Am I correct in saying that this will encompass all schemes or does that figure relate only to general savings?

Deputy Brendan Smith: Capital expenditure for next year will be of the order of €329 million. I do not know from where Deputy Doyle got the figure of €100 million. The four year plan states that €75 million in savings is to be achieved in 2011. This will be achieved under a number of subheads. An area in respect of which we have made substantial savings in the past 18 months is administration, in particular the rationalisation programme in regard to offices. These savings have been devoted to farm programmes. Some of the savings made last year on the administrative budget may have gone into the REPS subhead and farm waste management

[Deputy Brendan Smith.]

scheme. Savings of €75 million are to be achieved under the 2011 budget in comparison with the 2010 budget.

Sugar Beet Industry

8. **Deputy Seán Sherlock** asked the Minister for Agriculture; Fisheries and Food if he is aware of any impediments preventing the creation of a new sugar beet industry in Ireland; if not, the volume of quota Ireland could reasonably expect to receive and if he intends to facilitate sugar production; and if he will make a statement on the matter. [45472/10]

Deputy Brendan Smith: As part of the reform of the EU sugar regime in 2006 a temporary restructuring scheme was introduced with the aim of the EU Commission reducing EU sugar production in order to comply with WTO and other international obligations. The scheme provided an incentive for sugar processors to renounce sugar quota and dismantle the associated sugar processing plant and it provided compensation for affected stakeholders.

Greencore plc, the sole Irish sugar processor and holder of the entire Irish quota allocation, decided to avail of the restructuring scheme. Accordingly, the company renounced the quota and dismantled the last remaining Irish sugar factory at Mallow in compliance with the conditions of the scheme. This brought the Irish sugar industry to an end. As a result of the restructuring scheme, the overall EU sugar quota was reduced by almost six million tonnes, of which the Irish quota contributed some 200,000 tonnes.

At the time of the reform negotiations, the Government made strenuous efforts to have the Commission's reform proposals modified in such a way that an efficient sugar industry could have been retained in Ireland. In the end, there was insufficient political support among our EU partners for the Irish position and our efforts had to be directed at achieving the best possible compensation package. The sugar reform package we secured assisted a restructuring aid, diversification aids and single payment and was worth approximately €353 million, of which €220 million went to Irish beet growers, €6 million went to machinery contractors and €127 million went to Greencore plc. The beet growers' share was made up of diversification aid of €44 million, compensation via the single payment, which is €123 million over seven years and restructuring aid of €53 million. The restructuring and diversification aids were paid out in 2007 and 2008.

To draw down the restructuring aid, Greencore plc, had to submit a restructuring plan, incorporating a social plan and an environmental plan. The social plan provided for early retirement and redundancy packages as well as support services for the departing Mallow workers such as career counselling, financial advice, including pension advice, pre-retirement programmes for those aged over 50 years, job-seeking support and "start your own business" programmes. The social plan was implemented in the first year of restructuring. The environmental plan will finish in 2010.

There is no mechanism under the current regulations that would allow for the reinstatement of the sugar quota for the growing of sugar beet in Ireland for the sugar industry. Any proposal to review the EU sugar quota regime would be a matter for the EU Commission in the first instance and any proposal to re-establish a sugar factory in Ireland would, subject to the availability of quota, be a matter for commercial decisions by interested parties.

I can confirm that a quantity of sugar beet has always been grown in Ireland for fodder purposes and this continues. It is not affected by the EU sugar regime.

Deputy Seán Sherlock: Will the Minister clarify his reply? Did I interpret him correctly when he said there is no impediment to the process but it would be subject to an EU Commission

proposal? Is there a clause in the agreement that resulted in the closure of the industry, which says that no sugar beet should be produced in Ireland up to 2017? That needs to be clarified by him.

Has he regrets? Does he now feel Government policy at the time was short-sighted in that even if we were not producing sugar, we could have used the sugar beet crop to produce ethanol to fulfil our obligations under the bio-fuels scheme and we would not have to import undenatured ethanol from third countries such as Brazil because we could blend it into stocks at Whitegate and produce an indigenous crop?

Deputy Brendan Smith: As I have said previously, the sugar quota was renounced by Greencore plc and not by the Government. The entire quota was held by the company and not the State.

The sugar regime in its present format runs to 2015, not 2017. I say that from memory but I will double check that. The regime was not changed between 1968 and 2006 and there is no indication from the Commission that it proposes to change the regime at this time because there is no indication whatsoever of this issue being revisited.

Deputy Seán Sherlock: That reply is extremely disappointing but I do not want to make political hay out of this. I accept what the Minister is saying in so far as Greencore, as the commercial entity responsible for processing sugar, stated it would renounced its quota but there is a disconnect between that and the political decision taken at Council of Ministers level, to which Fianna Fáil was a party, to accept the restructuring package as it pertained to Ireland. Will the Minister acknowledge that post-2015 we could grow sugar beet again in Ireland, if not to supply the confectionery market, to ensure we can meet our obligations under the bio-fuels scheme?

Deputy Brendan Smith: The rationalisation of the industry undertaken by the Commission resulted in a reduction of 6 million tonnes in production under a voluntary scheme. Greencore was the quota holder. I stated in the House clearly, as did the Tánaiste who was Minister at the time, that she was extremely active along with 13 other member states in opposing the Commission's proposals. As the process went along and decision day approached, there was constant contact with the Commission, the Agriculture Commissioner and other like minded states but opposition to the Commission's proposals dissipated. We did not have the support at the Council meeting to block the proposals and, in view of that, the Tánaiste, as Minister for Agriculture and Food at the time, rightly negotiated a compensation package in the event of the quota holder exiting the industry. That is how that came about. Greencore exited the industry, not the Government or the Department. The Tánaiste was vigorous in her continual opposition. She chaired and led the group of 14 likeminded states opposed to the Commission's proposals but, unfortunately—

Deputy Seán Sherlock: The Minister has not answered my question about the potential of the sugar beet crop in the production of ethanol.

An Leas-Cheann Comhairle: We are over time and we must make progress. I will allow the Minister to reply briefly.

Deputy Brendan Smith: The quota regime is in place until 2015. There is no indication from the Commission that it proposes to revisit it then. Naturally, if the Commission decides to do so, that will be a different scenario.

Deputy Seán Sherlock: The Minister is kicking to touch again.

Deputy Brendan Smith: I am outlining the facts.

An Leas-Cheann Comhairle: We must move on to the next question.

Deputy Seán Sherlock: This is only forum I have to have my question answered. I want the Minister to give an opinion on whether we can produce ethanol on an indigenous basis. He is kicking to touch again. That sums up this Government.

Deputy Brendan Smith: We have a question about ethanol production later.

An Leas-Cheann Comhairle: The Minister has replied to this question. We will move on to Question No. 9.

National Recovery Plan

9. **Deputy Andrew Doyle** asked the Minister for Agriculture; Fisheries and Food his views on the specific measures in the Government's proposed National Recovery Plan affecting the agricultural sector; if any analysis has been carried out by him in consultation with the Department of Finance with regard to the proposed tax changes; and if he will make a statement on the matter. [45524/10]

Deputy Seán Connick: The national recovery plan published by the Government recognises that future policy must be focused on areas where competitive advantage can be achieved and it acknowledges the contribution that Irish agriculture and the Irish agrifood industry makes and will continue to make to help boost competitiveness and increase employment in the economy. Exports by this sector amounted to approximately €7 billion in 2009, representing half of all exports by indigenously-owned firms. During the first five months of 2010, the value of exports was more than 8% higher than a year earlier, at almost €3 billion and the rate of recovery has accelerated as the year has progressed with exports growing by 14% in the third quarter. The sector is also highly labour intensive and is a vital part of the rural economy.

The plan rightly acknowledges Food Harvest 2020 as a comprehensive and considered roadmap for the development of Ireland's key indigenous sector. Ireland can grow its exports of food and beverages by one third to €12 billion annually. We can increase the value of primary production by our farmers and fishermen by €1.5 billion and value added in processing by €3 billion. The ending of milk quotas in 2015 represents an exceptional opportunity to grow our milk output by an estimated 50%. We can, and must, improve our cost competitiveness by 20% , relative to our competitors. All of these issues have fed into the development of the national recovery plan and are key elements which contribute to our return to economic stability and growth.

Regarding the Department of Agriculture, Fisheries and Food, the plan identifies the level of departmental savings that have to be achieved over the period 2011 to 2014. The Department will be required to achieve savings of €75 million in 2011 and a further €120 million over the following three years. Based on the savings that have been identified for 2011, decisions on expenditure across all subheads will be finalised in the context of the 2011 Vote for the Department which will be announced on budget day, 7 December. While the overall savings to be achieved in the following years has been identified, specific decisions on individual programme expenditures in those years have not been taken. Such decisions will be taken as part of the annual Estimates process in each of the years 2012, 2013 and 2014.

Additional information not given on the floor of the House.

The national recovery plan also points to the need for additional capital savings as the most recent public capital investment programme was based on a budget of €5.5 billion in each year from 2011 to 2016. While my Department's capital allocations have been reduced I am confident that the allocation for 2011 will adequately meet the Department's capital requirements. For future years, capital expenditure will be prioritised and any future capital investment programmes will, where permissible, be targeted at producers with the best potential to achieve growth and competitiveness and at young farmers with relevant qualifications and robust business plans.

Taxation policy is primarily a matter for the Minister for Finance; however, my officials are of course in regular contact with Department of Finance officials concerning these matters. Details of the tax measures affecting the agricultural sector are matters that are appropriate to the national budget, which will be announced next week.

Deputy Andrew Doyle: We do not have many options and there are limited areas with potential to pay back the money we are supposedly getting at a cheap interest rate of 5.8% in the bailout. However, agriculture is one area with potential. I am concerned by the responses of Deputy Connick to this question and the Minister to an earlier question about not putting road blocks in the way of this sector to allow it to continue to grow. It will be essential that an environmental scheme remain in place to allow people to finish the work they started. It will be imperative that stock relief and other tax reliefs are retained to allow the industry to grow.

An Leas-Cheann Comhairle: Has the Deputy a question?

Deputy Andrew Doyle: Is the team over there prepared to fight the corner for Irish agriculture to ensure that on the other side of next week's budget, we have no noose around the neck of Irish agriculture? I acknowledge the growth. The euro will probably weaken soon. However, we have €75 million to save for next year, so the Minister should ensure that the savings are in the streamlining of bureaucracy—

An Leas-Cheann Comhairle: The Deputy is making a fine speech, but this is question time.

Deputy Andrew Doyle: I am asking the Minister to make sure that he does that.

Deputy Seán Connick: I was asked if we are prepared to wear the green jersey and fight the fight. We have been fighting the fight for a number of months in the agriculture sector. The report published and launched by the Minister earlier this year, Food Harvest 2020, clearly outlines the views of the Government on the prospects for agriculture and fisheries, so we see that as a vital driver of the Irish economy. Savings are required across all subheads and across the various divisions. We have been lobbied intensively by farmers across the country about the various schemes and we are hopeful that we can protect them. However, until we see the figures that we are dealing with after the budget, rather than the overall capital figure, we cannot give any indication as to what is likely to happen. We are fighting to ensure that we maximise the return right across the various subheads and sectors.

Deputy Andrew Doyle: I do not dispute the Minister of State's sincerity. I am concerned when I look at reports that recommend a slash and burn approach, such as the taxation report, the McCarthy report and so on. These are very simplistic and they do not stack up against the likes of Food Harvest 2020, Pathways to Growth by Bord Bia and common sense. It is very easy to take a slash and burn approach to this budget. It has to be done in a different way when we are trying to achieve savings. The gates need to be opened for the industry and roadblocks should not be put in their way.

An Leas-Cheann Comhairle: I think that was a question.

Deputy Seán Connick: I will not disagree with the Deputy's point. We are supportive of the agriculture industry. We are trying to deal with it within a capital budget that will be presented next week. Subject to the budget and to the announcements on the day, we are not in a position to come forward and confirm any of the amounts under the various subheadings. According to the report of the national recovery plan, a huge amount of the savings can be made under the administrative subheadings. Much work has been done on this and a huge proportion of the cuts will be in that particular sector, and hopefully this will improve the situation on red tape.

Common Agricultural Policy

10. **Deputy Seán Sherlock** asked the Minister for Agriculture; Fisheries and Food his views on the three options outlined in the Common Agricultural Policy reform proposals communication recently published; and if he will make a statement on the matter. [45473/10]

11. **Deputy Noel J. Coonan** asked the Minister for Agriculture; Fisheries and Food the response and submissions he will make to the European Commission following the recently published discussion document on Common Agricultural Policy reform from the Commission entitled *The CAP towards 2020: Meeting the food, natural resources and territorial challenges of the future*; his response to the report and when he expects to communicate his proposals to the EU Commission; and if he will make a statement on the matter. [45525/10]

Deputy Brendan Smith: I propose to take Question Nos. 10 and 11 together.

I must first underline some fundamental points that we should bear in mind in this CAP reform. Now, more than ever, we need to focus on ensuring security of supply of safe, high quality and sustainably produced food — at reasonable prices for our consumers, and with reasonable returns to our farmers and processors. In order to achieve this we will require a strong and adequately resourced CAP. I agree with the communication that “the CAP should remain a strong common policy, structured around its two pillars”. However, I would caution that, to be meaningful, this will require appropriate resources and this must be reflected in the new financial framework.

Although three options for CAP reform are outlined in the recent Commission communication, it is clear that the main option under consideration is the second option for a better targeted and effective policy. I had the opportunity to give my first reaction to the communication at last Monday's meeting of the EU Council of Agriculture Ministers. This was the first step in what will be a lengthy process of negotiations. Over the coming months, we will discuss the communication in greater detail with a view to agreeing conclusions on the general orientation of policy for the CAP after 2013, before the legislative proposals, due next July, are framed. I will be participating actively in that process and I will continue to build up alliances among my colleagues in other member states to secure support for my position.

The communication is short on detail so I would reserve our position on many of the substantive issues until such time as detailed proposals are presented. Having said that, I welcome the commitment of the Commission to a strong CAP in the future and I subscribe to the three strategic aims that have been identified of ensuring security of food supply, sustainable management of natural resources and maintenance of viable rural areas. I also welcome the commitment to the continuation of decoupled direct payments, the maintenance of the current rural development themes and the retention and enhancement of market management measures, although I would have preferred to see more specific proposals to address the increase in market volatility.

The communication makes brief reference to the distribution of funds between member states under pillar 1 and pillar 2. I believe that Ireland's current share of these funds is entirely justifiable, and I will be defending this strongly in the negotiations.

The issue of payment models, that is, the distribution of funds between farmers within each member state, is an entirely separate matter. I favour allowing member states considerable flexibility in this area, as is currently the case. The agro-ecological and social conditions of farming vary hugely within the European Union, as does public perception of the role of agriculture in the economy. We should not, therefore, impose a "one size fits all" payment model on all member states.

With regard to the proposed "greening" of the direct payment, I am particularly concerned that we should not underplay or undervalue the substantial environmental public good already being delivered through the current cross compliance requirements. I welcome the commitment in the communication to simplification, but we must bear that issue in mind when discussing any further "greening" of the single payment.

I welcome the continued emphasis on competitiveness and sustainability in rural development policy. I note the increased focus on the environment, climate change and innovation and the suggestion to link investments to both economic and environmental performance. This is acceptable provided it is complementary to the investment necessary for restructuring and modernisation. It is vital that we use rural development measures to improve the competitiveness, as well as the sustainability, of our family farms. In addition, Ireland has a strong preference for retaining LFA payments in pillar 2.

The communication mentions the importance of targeting support towards active farmers. I agree in principle with this approach but I would wish to see further details of what is envisaged before taking a definitive position. I am also prepared to examine the introduction of upper ceilings for large-scale farms and a simplified direct payment system for small farms but I would need to see in more detail what precisely is being proposed. I would have no major objection to the retention of limited coupled support for specific regions, provided it falls within clearly defined limits.

I am open to exploring the proposal to introduce a new risk management toolbox and await further details with interest. For us it would be important that such a toolbox would have optional application in member states and would respect the wide diversity of production systems and farming throughout the EU.

Finally, I would emphasise that the communication is merely a first step in the formal negotiating process. There is a long way to go before we arrive at a conclusion of these negotiations. The negotiations will not be easy but I am determined to fight for the best possible outcome for Irish agriculture. Agriculture is our largest indigenous industry and we have much to gain from a successful outcome.

Deputy Seán Sherlock: I welcome the Minister's response. It is one of those issues where we need a broad political consensus for the final outcome. I welcome the fact that the Minister is beginning to tie down the three options and is being specific about the second option. I also welcome his statement on payments and upper ceilings for larger farms. I acknowledge what the Minister is saying about potential capping and the need for further detail on that.

If Ireland is to go for the second option — I realise that it is early days in negotiations — and there is a basic rate envisaged in that for income support, how does the Minister envisage that this will work out in real terms?

Deputy Brendan Smith: I thank Deputy Sherlock for his broad support for our approach to date. That was amplified very clearly at the joint committee meeting with the Commissioner. We are one of the few countries where the office of the Taoiseach, the Minister for Finance and the Minister for Agriculture, Fisheries and Food are all singing from the same hymn sheet.

The Deputy asked a question about capping and a ceiling on payments. There will be a strange group of people with like minded views in opposition to our views on that. I met the British Minister of State for Agriculture and Food, Mr. Paice, last Monday morning and we discussed this issue. The British are totally opposed to a capping measure, as are the eastern European countries, because they have different farm structures to our own, some of which is due to their history.

Members should focus clearly on a number of issues. Further simplification is required, even in advance of the CAP reform, as is flexibility. There is the question of the distribution of funds between member states and in that distribution, account must also be taken of the different costs of production and living between member states. Some arguments that are made, particularly by the 12 newly-acceded member states, do not stack up and Ireland has carried out plenty of research to back up our particular arguments.

Flexibility is also required. A concern I have regarding some of the matters contained in the Commission's communication is that they would be moving away from simplification. I believe measures such as the greening issue, tiered payments and so on all would mean additional bureaucracy.

An Leas-Cheann Comhairle: I wish to allow supplementary questions.

Deputy Brendan Smith: One must ensure the distribution of funds between member states and flexibility for distribution of funds within member states. The proposed model for direct payments is of crucial importance to Ireland, as is the need to retain investment measures for farm modernisation and for competitiveness.

Deputy Noel J. Coonan: Although Fine Gael wishes to support the Minister in so far as it can, I am a little concerned about his tactics. He stated that he wishes to reserve his position until specific proposals are made. Would it not be better to be in these negotiations with specific proposals and to have them included in the specific proposals that are to be announced? For example, I imagine the Minister would rule out the third option completely, as it would be devastating for Irish agriculture. Second, with regard to an issue pertaining to attracting young farmers onto the land, I propose including the budget for installation aid and early retirement, which the Government has plundered. It has cancelled the early retirement scheme for new entrants and installation aid has been done away with. Such measures should be more specifically included in the budget for Europe and should form an integral part of European policy. Moreover, rather than being on a 50:50 basis, it should be at least 80:20 in the budget. What has the Minister to say to young people, who are the future lifeblood of agriculture, and active farmers in respect of these schemes? In view of present economic circumstances, would it not be better for them to be funded from Europe and for Ireland to be making specific proposals in this regard?

Deputy Brendan Smith: In response to Deputy Coonan's first question, I stated I would reserve my position in respect of the definition of active farmers but nothing else, regarding the CAP. Since the first Council meeting back in September 2008, Ireland has outlined strongly its position with regard to reform of the CAP. I stated this was in respect of active farmers and I am sure that were one to canvass the views of Members or farm organisations, there would be variations on the definition of active farmers. In addition, I have spoken of the need for

flexibility for the different schemes within each member state. I probably also mentioned, while appearing before the joint committee, that I see a need to provide incentives to bring more young people into farming. In recent years, as additional milk quotas becoming available to Ireland, I have had in place a scheme whereby new entrants may obtain a mil quota. This was one of the first times that this has been done. The Department still is paying out substantial funds under the farm installation scheme and under the early retirement scheme. The latter scheme has been suspended for new entrants, which is the position at present.

Deputy Noel J. Coonan: That is no way to treat farmers.

Deputy Brendan Smith: I have outlined clearly the Government's position with regard to CAP reform.

An Leas-Cheann Comhairle: I wish to facilitate questions from each Deputy.

Deputy Brendan Smith: Moreover, the Government is clear with regard to the success thus far of the CAP as it has been and major reform is not needed.

Deputy Seán Sherlock: I acknowledge the Minister's response with regard to capping and to the United Kingdom's position. It is clear the British would be against a cap for reasons arising from their monarchy, the Queen's progeny and the amount of land they own. Consequently, this would stand to reason. However, I refer to the flexibility arrangements about which the Minister has spoken. Does he refer to flexibility in the sense that there would be an envelope for Ireland regarding the greening aspect, whereby Ireland would have a degree of flexibility as to how it could spend such funds? Alternatively, does he refer to a degree of flexibility for Ireland with regard to the overall envelope? The Minister should clear this up.

Deputy Brendan Smith: First, I wish to ensure that it is a common policy but there should be flexibility within it. At any particular time, a sector or region could be under pressure. For example, in recent years the sheep sector has been identified by Members as being one that required assistance. Fortunately, the Department has been able to introduce a scheme this year to help that sector arrest the decline in flock numbers. However, I refer to a degree of flexibility that does not work against the common policy as such. In some of the larger countries, the French Minister in particular has spoken at length about this in respect of regions such as the Alps, some regions are regarded as geographic areas that need particular assistance and flexibility. Ireland may have a sector or geographic regions, such as parts of my native county and the west of Ireland in particular, that suffer a particular disadvantage. As Deputy Sherlock might expect, I disagreed with the British Minister with regard to his view about capping.

Deputy Seán Sherlock: That is reassuring.

Deputy Brendan Smith: I also disagreed with the view on capping held by eastern European Ministers. The eastern European perspective is that a farm may have a large number of staff and that consideration should be taken of that point. However, on the greening issue, one could easily lose sight of the fact that cross-compliance is a highly important and worthwhile toolkit in maintaining the high environmental standards we have on our farms.

Deputy Noel J. Coonan: The four year plan refers specifically to "reduced expenditure on ERS [early retirement scheme] due to scheme closure". The Minister should confirm or deny that this is what is contained in the plan.

With regard to the schemes for young farmers, does the Minister intend to restore installation aid? It is important to continue with the raw material and lifeblood of farming, namely, the

[Deputy Noel J. Coonan.]

farmers. Finally, has the Minister communicated specific proposals directly to the European Commission as to what is the Government's position? Does one such proposal state clearly that the third option is completely out for Ireland because it is against our national interests in developing agriculture?

Deputy Brendan Smith: The Government is not only outlining clearly its view on the Common Agricultural Policy. Deputy Coonan would have heard me express my views at the Joint Committee on Agriculture, Fisheries and Food. He would have heard me discuss this matter with Commissioner Ciolos as well. I have outlined clearly the Government's position, which I believe is shared by Members in general, and its policy regarding the need to have a properly-resourced and adequate CAP and to have two pillars. First, direct income support is needed to provide some income stability to farmers. In addition, better and stronger market support measures are required.

The market management measures, be they intervention, aids to public and private storage and export refunds, will be essential in the future. In addition, the Government has argued that payment under the less favoured areas, that we in general refer to as disadvantaged areas, should remain in pillar 2 and that direct income support should be in pillar 1. In addition, the Government has argued that the rural development policy under that subheading, which is of crucial importance to give some assistance to on-farm investments,——

An Leas-Cheann Comhairle: We have run well over time.

Deputy Brendan Smith: —— from the point of view of ensuring sustainable agriculture production and making us more competitive, is necessary in the future. The Government has reiterated this point repeatedly and will not deviate from it.

Other Questions.

Agri-Environment Options Scheme

12. **Deputy John O'Mahony** asked the Minister for Agriculture; Fisheries and Food the number of applications under the agri-environment options scheme processed to date; the expected expenditure on the scheme in 2010; and if he will make a statement on the matter. [45271/10]

Deputy Brendan Smith: A total of 9,236 applications were received by my Department under the agri-environment options scheme, AEOS, by the closing date of 17 May 2010. All these applications have been recorded and examined by my Department. To date, 5,706 applications have been found to be fully compliant with scheme requirements and the applicants have received notification from the Department approving their participation in the scheme.

A further 2,585 applications have been processed and my Department will be issuing the letters of approval over the next few days. In a number of cases, approval for entry into the scheme will be conditional on minor queries and obvious errors being resolved by the applicant. This will bring the total numbers approved by the end of November to 8,291.

There are 921 applications that require more detailed investigation by the Department, some of which must be resolved in correspondence with the applicants before approvals can issue. The Department is working through these applications with a view to reaching a decision on entry into the scheme in each case as soon as possible.

The remaining 24 applicants have withdrawn their applications. The Department has been concentrating on processing the applications and once this process is complete, arrangements will be put in place to commence payments.

Deputy John O'Mahony: I would like to ask a few questions to follow up on that. Can the Minister guarantee that a scheme will be opened up next year to those who are exiting REPS 3 on this year's payments? According to the four year plan, €35.7 million will be saved in this area next year. Does that figure relate to the 10,000 people who are exiting the various schemes? Can the Minister explain the figure? As I was not here for the previous answer, the Minister may have said that the figures will be confirmed in next week's budget. If the Minister is saying he cannot confirm that a scheme will be opened up, will he be able to do so next week? I ask because farmers who are going to the banks for funding — we know how popular the banks are at the moment — are being asked to provide credit guarantees. They need to know what the Government's plans are.

Deputy Brendan Smith: The specific level of funding available to the Department under the different subheads in 2011 has not yet been finalised. No decision has been made on the re-opening of the agri-environment options scheme to new participants in 2011. That will be done during the normal process of finalising the Department's budgetary matters, including its Estimates.

Deputy John O'Mahony: When will it be decided on? Will the decision be made next week? When will it be decided on? This scheme is co-funded by Europe. If it is not opened up to the people I mentioned because we cannot provide our own Exchequer funding for it, will Ireland lose funding from Europe as a result?

Deputy Brendan Smith: No. If there were no new applicants for the AEO scheme, we would still draw down our full funding from Europe. We do not need new applicants for the scheme to draw down our maximum funding from Europe. That is the position. We will know our exact current and capital budgetary allocations next week, when the budget is announced. Decisions on the various Votes — the amount of funding to be provided under each subhead — will be made subsequently.

Deputy John O'Mahony: When will those decisions be made?

Deputy Brendan Smith: At an early date.

Deputy John O'Mahony: Will it happen within a month?

Deputy Brendan Smith: Yes, at an early date following the budget.

Deputy Seán Sherlock: Has the Minister read the article by Darragh McCullough and Cairtriona Murphy in this week's farming section of the *Irish Independent*? The article in question refers to a "€35.7m cut in the Department of Agriculture's budget for REPS and the Agri Environmental Options Scheme (AEOS) next year".

An Leas-Cheann Comhairle: I am sure the Deputy is aware that quotes are not allowed on Question Time. He can refer to the article.

Deputy Seán Sherlock: I apologise. I can paraphrase the document.

Deputy Seán Connick: It is too late. The Deputy has said it and it is out there.

Deputy Seán Sherlock: The article, which suggests that the remaining €294 million in the Department's budget will cover just 9,000 farmers, gets to the nub of the issue. The farmers in question need a response from the Minister. I ask the House to forgive my ignorance when I say I did not follow what the Minister said, to be frank.

Deputy Brendan Smith: I said that the definitive amounts to be provided for under each of the Department's subheads — the funds for each scheme — have not yet been finalised. That is normal. They will be finalised when the budgetary process is complete. The actual funding under each subhead will be decided on subsequent to the budgetary process.

Deputy Seán Sherlock: Can the Minister guarantee the future of the AEO scheme?

Deputy Brendan Smith: This time last year, we had no AEO scheme. The Minister for Finance allocated funding of €50 million per annum, over a five-year period, in last year's budget. The scheme runs for five years to enable 10,000 applicants to participate in it. We were told a year ago that the new scheme would not even receive 2,000 applications. As I said earlier, in response to questions asked by other Deputies, some 9,236 applicants have joined this scheme.

Meat Imports

13. **Deputy Kathleen Lynch** asked the Minister for Agriculture; Fisheries and Food the quantity of beef and lamb imported in 2009 and to date in 2010; and if he will make a statement on the matter. [45180/10]

Deputy Seán Connick: The importation of beef and lamb into Ireland is a function of supply and demand dynamics. It is influenced by factors like price, currency exchange rates and consumer preferences. According to CSO figures, the vast bulk of imports of lamb and beef into Ireland are from the EU. These figures show that in 2009, some 34,374 tonnes of beef and 1,144 tonnes of lamb were imported into Ireland. Up to the end of August 2010, some 25,099 tonnes of beef and 905 tonnes of lamb were imported. Of the 34,374 tonnes of beef imported into Ireland last year, almost two thirds came from UK, 58% of which was from Great Britain and 5% from Northern Ireland. The majority of these UK imports were cow carcasses. The reason for this trade is that the UK cull cow price tends to be approximately 15c/kg lower than the equivalent Irish price. Several Irish meat plants import UK cow carcasses to debone and resell, mainly to manufacturing and wholesale customers on the Continent. Uruguay and Brazil are the principal non-EU suppliers of beef into Ireland, mainly steak cuts which tend to be used in the lower value end of the food service and catering sectors. Other EU countries, such as the Netherlands, also sell some steak cuts into the Irish market. This usually occurs during the summer months when these products tend to be in strong demand and the price is at a seasonal high.

Of the 1,144 tonnes of sheep meat imported into the Irish market last year, some 90% came from the UK, 84% of which was from Great Britain and 6% from Northern Ireland. Most of these imports were carcasses or cuts from UK lambs or hoggets. The Irish price was slightly higher at certain times of the year, driven by a weakening in sterling. These exports would mainly have been destined for the lower value end of the food service and catering sectors. Just 4% of sheep meat imports into Ireland last year came from New Zealand. It is noteworthy that the uptake of Bord Bia quality assured Irish lamb has increased among the main retailers in the Irish market. This has enabled more effective promotion and further improved consumer understanding of this important mark. It is worth pointing out that these import figures are relatively small when compared to our export figures for beef and lamb. In 2009, we exported

over 13 times as much beef and over 40.5 times as much lamb as we imported. In the same year, we produced almost 15 times as much beef and 48 times as much lamb as we imported. This highlights the benefit of being a small open economy and the importance of free trade with our EU partners to the beef and sheep meat sectors and, by extension, to our economy as a whole. Both sectors make an extremely valuable contribution to the overall economy. Almost 99% of Irish beef exports now go to valuable EU markets, with annual exports valued at €1.4 billion in 2009. The Irish sheep sector is worth around €250 million, with over two thirds of its output exported to the EU.

Additional information not given on the floor of the House.

Food Harvest 2020 sets out a vision for Irish agrifood and fisheries for the next ten years. It provides a sound framework for the development of both sectors. For beef, the report sees the maintenance of Irish beef's premium position in EU markets and closing the price differential between Irish and other premium competitors in those markets as the main challenges facing the sector. Against this background, the report recommends the development and enhancement of a number of policy initiatives to underpin the market performance of Irish beef. In particular, it envisages a focus on genetic advances to drive productivity and product quality. A combination of better quality breeding and better carcass quality at a younger age, together with genetic advances, can potentially deliver greater profitability at farm level. An important spin-off from the significant growth expected in the dairy sector will be an increased supply of calves for rearing and finishing. Complementary Teagasc initiatives, such as the better farm beef programme, offer the best route for producer viability and growth through the adoption of best practice at farm level.

Increased product differentiation, based on predominantly grass-based Irish beef, has the potential to build on the success of current marketing strategies. Collectively, these strategies can provide enhanced returns to the producer and close the current price differential for beef in high value EU markets. The beef industry has, in the 2020 report, set itself a target of 20% growth in output value over the next decade. Achieving this target will depend on increased communication, collaboration and consolidation across the supply chain. The Deputy can rest assured that my Department will continue to work with industry stakeholders in pursuit of the vision for the beef sector set out in the report. Food Harvest 2020 also includes specific recommendations for the sheep sector. It envisages that over the coming years, demand for sheep meat on the European market will outstrip production levels, which could provide opportunities for exporting countries such as Ireland. This should provide the potential for better returns, as long as the industry can continue the market and product diversification which has been evident in recent years. At producer level, there is likely to be improved price prospects, as long as an increased focus on production, efficiency and product quality is evident. Based on a renewed commercial focus by the sheep sector, building consumption on the domestic market and through the implementation of the recommendations of Food Harvest 2020, the industry has targeted a growth in output value of 20% by 2020.

Deputy Seán Sherlock: I appreciate the Minister of State's reply. I accept that the laws of supply and demand are among the dynamics in this instance. He said that "4% of sheep meat imports into Ireland last year came from New Zealand". How does that translate in terms of monetary value? I do not know if the Minister of State has those figures. If he does not, I will accept it and suggest they may be forwarded to me in the near future.

Deputy Seán Connick: I do not have the figures, unfortunately. The percentage value is 4% , as I have said.

An Leas-Cheann Comhairle: The Minister of State will forward the information to the Deputy.

Deputy Seán Connick: Yes.

Deputy Michael Creed: I would like to ask the Minister of State about the issue of imports into the Community from third countries. He has referred to beef imports from South America and lamb imports from New Zealand. I refer specifically to the issue of equivalence, which means the product that comes in should meet the standards foisted on producers in the 27 EU member states. I am speaking in the context of the report on the sugar industry that was compiled by the European Court of Auditors, the function of which is to protect the EU taxpayer. Given that producers throughout the 27 member states are assisted by the EU taxpayer in respect of the supports they receive, could it not be argued that allowing these imports undermines the commitment of the EU taxpayer? Is it time to invoke the assistance of the court of the European Court of Auditors in respect of third country imports that do not meet the equivalent standards and are driving producers, including Irish farmers, out of business?

Deputy Seán Connick: It is an interesting perspective on the matter. I would not be in a position to disagree with the Deputy in this respect. I am dealing with a similar problem in relation to fish. I am sure this difficulty is being encountered throughout the EU, across the various product headings. Like all Members of the House, I am acutely aware of the high standards that are required within the Irish market for the production of our beef and lamb. Funding in this area continues to be forthcoming from the Department. We are proud of the role Irish beef plays. As an aside, when we were eating in Brussels on Monday night, Irish steak — *entrecôte irlandaise* — was on the menu. It is important that the high quality of our product is recognised throughout the world. Perhaps it should be explored to a larger degree at European level. I would be supportive of any initiative in relation to that.

Deputy Andrew Doyle: The question of live imports, in particular those of lamb and sheep being brought through Northern Ireland from the United Kingdom mainland, was not addressed. These imports come at specific times when the market needs them in order to suppress the price. The Mercosur deal means that the type and nature of the imported product would be a serious threat. They would have access for specific—

An Leas-Cheann Comhairle: Please ask a question, Deputy.

Deputy Andrew Doyle: I am trying to make the point that we should be aware of the fact that any deals done with regard to the import of prime cuts of beef would undermine our market. The Minister referred to the steak in Brussels.

Deputy Seán Connick: The figures for sheepmeat importation are 84% from Great Britain and 6% from Northern Ireland. Most of those imports, including the 6% from Northern Ireland, were carcasses, so the live imports are counted in that figure of 6%. We are aware of the difficulties with regard to the Mercosur talks and to which Deputy Creed alluded, as regards our standards and standards in other countries. The EU-Mercosur talks are currently underway. We are keeping a close eye on those talks because we are aware of the impact of those talks on the beef sector. We have ambitious plans for the future growth of the beef and sheep sectors in Ireland.

Sugar Beet Production

14. **Deputy Michael Creed** asked the Minister for Agriculture; Fisheries and Food given the

potential of the sugar beet industry as a source of renewable energy as well as an employer and agri-food sector and on foot of the report published by the European Court of Auditors, if he is prepared to explore any future development of the industry here; and if he will make a statement on the matter. [45256/10]

Deputy Brendan Smith: As part of the reform of the EU sugar regime in 2006, a temporary restructuring scheme was introduced by the EU Commission with the aim of reducing EU sugar production in order to comply with WTO and other international obligations. The scheme provided an incentive for sugar processors to renounce sugar quota and dismantle the associated sugar processing plant and it provided compensation for affected stakeholders.

Greencore plc, the sole Irish sugar processor and holder of the entire Irish quota allocation, decided to avail of the restructuring scheme. Accordingly, the company renounced the quota and dismantled the last remaining Irish sugar factory at Mallow in compliance with the conditions of the scheme.

With regard to the potential of the sugar beet industry as a source of renewable energy, the Deputy may be aware that Cork County Council undertook a study to provide a factual evaluation of the viability of ethanol production from beet and wheat at the former sugar factory in Mallow. The results were published in September 2006. The study found that production of ethanol from beet and wheat is technically feasible at the Mallow site with the appropriate plant and equipment modifications and additions. Furthermore, an investor would need to consider capital investment of €55 million to €65 million for plant and modifications in addition to some €25 million to €30 million to purchase the site. By comparison, capital investment for a greenfield site would cost in the region of €100 million to €110 million, plus land purchase of €1 million to €2 million for agricultural zoned land or up to €15 million to €20 million for industrial zoned land.

Ethanol from beet or wheat in Mallow would require economic support to compete with petrol or imported ethanol. The support needed would be 26 cent for every litre produced compared to the full excise relief of 44 cent per litre available under the current excise relief schemes. Ethanol production in Mallow would employ some 50 people, which is less than 25% of the number employed during the sugar campaign. At full capacity the plant would require feedstock from 50,000 hectares. Ethanol would help overcome dependence on foreign energy, it burns cleaner than petrol and results in fewer emissions.

I understand that since decisions regarding the future use of the former sugar factory at Mallow were primarily a matter for the owners, anyone who expressed an interest in the possibility of utilising this factory for bioethanol production was advised to pursue the matter directly with Greencore.

There is no mechanism under the present regulations to allow for the re-instatement of the sugar quota for the growing of sugar beet in Ireland for the sugar industry. Any proposal to review the EU sugar quota regime would be a matter for the EU Commission in the first instance and any proposal to re-establish a sugar factory in Ireland would, subject to the availability of quota, be a matter for commercial decisions by interested parties. The Deputy will be aware that a quantity of sugar beet has always been grown in Ireland for fodder purposes and this continues. It is not affected by the EU sugar regime.

Deputy Michael Creed: The Minister's response is interesting. I ask him to place in the Oireachtas Library a copy of the agreement reached between the Commission and the Government in February 2006 because it is a difficult document to access and one that is critical to this debate.

[Deputy Michael Creed.]

The Minister has outlined the reasons for potential. I am aware of the report from Cork County Council. The problem is that the plant in Mallow has been razed to the ground. Whether the future industry can develop in Mallow or Middleton or elsewhere is a parochial issue which I do not wish to deal with in detail here. However, it is clear that a monumental mistake was made. Whether one blames the Government, Greencore or the farm organisations, the blame game is irrelevant now. What we need to do now is to salvage something from this situation. Will the Minister seize this issue and pursue it to its end objective? It is a very valuable crop from a tillage industry which will come under increasing pressure in the future. It offers a source of income to the tillage sector and also employment and it meets our future non-renewable energy objectives.

Let us leave aside the blame game. The monumental errors made by Greencore, by the Government, by the Commission and outlined by the EU Court of Auditors, are only of comfort in respect of “I told you so” — which is what some people in this House did, but that is water under the bridge. Can we salvage something now and will the Minister pursue it, take it on board and bring it to an end-game?

Deputy Brendan Smith: With regard to Deputy Creed’s comments, I do not accept that the Government made mistakes with the sugar regime. I said earlier in the House——

Deputy Michael Creed: The Government decommissioned a fully viable plant, it should look at the EU Court of Auditors document.

Deputy Brendan Smith: Deputy Creed is very well versed in this subject. He knows well that Greencore was the quota holder. It decided to exit the industry, not the Government.

Deputy Michael Creed: The then Minister, Deputy Mary Coughlan was at the negotiating table.

An Leas-Cheann Comhairle: The Deputy should not shout Members down. The Minister without interruption.

Deputy Brendan Smith: The then Minister, Deputy Mary Coughlan, was extremely active in opposing the European Commission in regard to sugar reform. Thirteen other member states initially supported the Irish stance and the Tánaiste chaired that group and led it at that time. When the decision came to the Council——

Deputy Michael Creed: The Minister should be ashamed of himself.

Deputy Brendan Smith: ——meeting about the sugar regime, Ireland did not have the support to block the Commission proposals. In that event, the then Minister had negotiated a compensation package to be available to the different stakeholders——

Deputy Michael Creed: Compensation.

An Leas-Cheann Comhairle: We have had this debate in the House. I am anxious that the specific question be answered.

Deputy Brendan Smith: Deputy Creed raised that issue and it was important that I give my view. I will come back to Deputy Creed in case I am inaccurate in any detail. I checked my information when we debated this previously. I understand that Greencore did some study on the possibility of starting a bioethanol facility. It stated at the time that this was not viable. The

issue has to be addressed in the term used. From recollection there was out of quota sugar. The sugar quota regime issue would still come under the present regime. I will check my information and I will write to Deputy Creed on that specific issue. I am speaking from memory.

Deputy Creed made the point about renewable energy. The Department of Communications, Energy and Natural Resources is the lead Department in this regard. Deputy Creed is familiar with the Food Harvest 2020 report in which we outlined a number of issues which we need to advance and which my Department will advance in conjunction with the Department of Communications, Energy and Natural Resources.

An Leas-Cheann Comhairle: I remind Deputies they have one minute in which to answer questions and I have already allowed the Minister three minutes.

Deputy Seán Sherlock: I ask for clarification. From where has the Minister derived the figure of the price of 26 cent per litre? Is this the amount that would make it sustainable? Is the Minister now saying that pre-2015 there is no possibility of subsidisation of beet growing for the production of ethanol? Is he saying there would be no Government support for the production of ethanol from sugar beet?

Deputy Brendan Smith: There is Government support for the renewable energy sector. Deputies questioned us regarding support for the growing of miscanthus and willow. This coming year provision has been made for a very substantial increase, the largest ever.

I wish to be accurate in my reply to Deputy Sherlock regarding the implications for the EU sugar regime, were a bioethanol production facility to be established in Ireland. I will communicate with both Deputies. I did not check that issue but I recall reading it prior to the last debate. The note I had at that time referred to out-of-quota sugar and the fact that Greencore had carried out some initial studies on the viability of such a plan.

Deputy Noel J. Coonan: In view of the statement by the European Court of Auditors that the sugar industry should never have been closed in Ireland, will the Minister use the CAP reform negotiations to pursue the agenda of reopening this industry?

The Minister mentioned the issue of money and the unavailability of sites. The first mistake was the closure of Thurles sugar factory. Is the Minister aware that Anglo American, the owner and operator of Lisheen Mine, which has a centre of excellence for renewable energy and a subsidy from the ESB, is focusing on this and has land that is zoned for the purpose? Will he enter into discussions with Anglo American with a view to basing this industry in Thurles, County Tipperary, in the midlands, where it should be? Will he avail of its offer and expertise? It has the capital investment to put into it.

Deputy Seán Sherlock: Tell that to the Fine Gael boys in Mallow.

Deputy Noel J. Coonan: That is the proposal. Is the Minister aware of it and will he pursue it with the company?

An Leas-Cheann Comhairle: I will take a brief final question from Deputy Creed.

Deputy Michael Creed: I understand the Minister's defensiveness about this.

An Leas-Cheann Comhairle: Quickly, Deputy Creed.

Deputy Michael Creed: There are many that should shoulder the blame, not least the Department, the European Commission and Greencore, but can we salvage something from this? I support the point made by Deputy Coonan. I am not preoccupied with the issue of whether a factory is built in Mallow or Thurles, but an industry can be re-established. Thousands of growers and factory workers were sacrificed on the altar of this deal.

Will the Minister leave the past behind, look at the report of the European Court of Auditors and decide this is a viable industry whose cornerstone is alternative energy? Will he run with it?

Deputy Brendan Smith: With regard to the point made by Deputy Coonan, I would not try to influence any company on where it might locate a potential industry.

Deputy Noel J. Coonan: Not even if it was going to Cavan?

Deputy Brendan Smith: Deputy Crawford and I would indicate the merits of locating industry in Cavan or Monaghan, but I would not try to influence anybody.

Deputy Seán Connick: What about Wexford? Wexford is very important.

Deputy Brendan Smith: I am not familiar with the potential project Deputy Coonan mentioned. Those people may have been in touch with the Department, although I am not aware of it.

Deputy Noel J. Coonan: They were in the House this morning to appear before another committee — the Joint Committee on Communications, Energy and Natural Resources.

An Leas-Cheann Comhairle: Please, Deputy. I ask the Minister not to be distracted but to finish his answer.

Deputy Brendan Smith: As Deputy Coonan knows, that is the lead Department for that industry.

Deputy Noel J. Coonan: Will the Minister co-operate with it?

Deputy Brendan Smith: Of course we will. I said in my initial reply that we have ongoing co-operation with that Department.

An Leas-Cheann Comhairle: I must move on to the next question.

Deputy Brendan Smith: In very difficult financial circumstances, we have made provision for 1,800 ha. of miscanthus and willow to be planted in the coming year.

An Leas-Cheann Comhairle: Question No. 15.

Deputy Brendan Smith: I will just answer Deputy Creed's question about the report of the European Court of Auditors. There has been public commentary about that, particularly on national radio. The report mentioned that Mallow could have been a viable sugar beet processing facility, but only if the European Commission reforms had not been carried out. That is always left out of the commentary.

Deputy Noel J. Coonan: Will the Minister use the CAP negotiations——

Deputy Brendan Smith: The reforms were carried out.

Deputy Michael Creed: That is not the point.

Deputy Brendan Smith: It is.

Deputy Seán Sherlock: The Minister is now deliberately provoking a debate on the issue.

Deputy Brendan Smith: No, I am not. That is the point.

Deputy Andrew Doyle: A Leas-Cheann Comhairle, I did not speak on this.

Deputy Seán Sherlock: The Minister had the last word, and then——

An Leas-Cheann Comhairle: The House will have order.

Deputy Seán Sherlock: The Minister is provoking a debate on this issue.

An Leas-Cheann Comhairle: Minister, we are moving on to question No. 15.

Deputy Seán Sherlock: That was a cheap parting shot.

Deputy Andrew Doyle: May I ask a supplementary question?

Deputy Noel J. Coonan: The House may have order but the country does not.

An Leas-Cheann Comhairle: Question No. 15.

Deputy Seán Sherlock: You could not be up to them.

Animal Carcase Classification

15. **Deputy Pat Rabbitte** asked the Minister for Agriculture; Fisheries and Food the measures he has taken to improve farmer confidence in the beef carcase classification system; his views on whether these machines are being operated correctly at all times; the deficiencies that have been found by his inspectors in the past; and if he will make a statement on the matter.

[45186/10]

Deputy Brendan Smith: In the European Union, carcasses of adult bovines are classified or graded in accordance with Commission Regulation EC 1249/2008 using the EUROP scale for conformation and a scale of 1 to 5 to indicate fat cover. Classification is used in many cases as the basis for payment to producers and it underpins the EU price reporting system for beef. Some member states further divide each main class into sub-classes in order to further refine the classification assessment of the beef carcase.

Traditionally, classification was based on a visual assessment of the beef carcase by a human classifier. Critics would regard such human assessment as subjective, prone to error and lacking consistency. A review of the beef industry in Ireland in the late 1990s recommended that mechanical classification of beef carcasses be investigated with a view to the introduction of an objective method of beef classification. It was considered that objective classification would enhance farmer confidence in beef carcase classification, promote the pricing of carcasses based on classification results rather than flat-rate pricing and provide an incentive for farmers to produce carcasses of the quality required by the market.

Following a successful authorisation trial carried out in accordance with EU regulations, mechanical classification was introduced over five years ago in Ireland and is now well established as an independent, objective and consistent system for classifying beef carcasses. There are now 23 machines operating in beef plants, accounting for over 90% of the national kill. In most cases the classification results form the basis for payment to farmers; therefore, it is

[Deputy Brendan Smith.]

important that the machines are working correctly at all times. To this end, the meat plants have a responsibility to ensure that the machines are maintained and serviced on a regular basis to achieve optimum performance.

Since the introduction in 2004-05 of mechanical classification of beef carcasses, the performance of the classification machine in each beef processing plant has been monitored by regular unannounced inspections by officials of my Department. The classification results previously allocated to beef carcasses are downloaded from the mechanical classification system onto a hand-held computer and the official assesses the results of at least 80 carcasses previously classified by the machine. This assessment of the classification for both conformation and fat is carried out using sub-classes for each main class. The performance of the machine is determined using the same scoring criteria as that laid down in the EU regulation for authorisation purposes.

Additional information not given on the floor of the House

If a machine is found to be operating outside the limits provided for in the EU regulations, the plant is not permitted to use the machine for classification purposes until it has been examined and repaired by an engineer. It must also be rechecked by Department officials before it can be used to classify carcasses following any work carried out by the engineer.

Over the past number of months, officials of my Department have held discussions with the various stakeholders involved in beef carcass classification. The aim of these discussions was to improve confidence in the operation of the mechanical grading system. Following on from these discussions, a number of measures have been introduced to enhance controls and procedures with the aim of ensuring the effective operation of the mechanical classification system. These measures include increased frequency of control visits by officials of my Department; enhanced monitoring of control and classification results; formal self-checks of machines in each meat plant; ongoing training of factory operatives on the operation of machines; and enhanced communications between stakeholders.

I am confident that with the co-operation of the stakeholders, these additional measures will further enhance the operation of the mechanical classification system.

Deputy Seán Sherlock: I do not know whether the Minister was about to get to it, but one part of the question was about deficiencies found by his inspectors in the past.

Deputy Brendan Smith: There has been constant discussion with the various stakeholders, and we want to ensure there is maximum confidence in the system. A number of measures have been introduced to enhance controls and procedures, including increased frequency of control visits by officials of my Department; enhanced monitoring of control and classification results; formal self-checks of machines in each meat plant; ongoing training of factory operatives on the operation of machines; and enhanced communications between stakeholders. I emphasise that the meat factories have a serious responsibility to ensure that all machinery is operating to the highest standards.

Deputy Andrew Doyle: Does the Croke Park agreement allow for a work practice whereby in-house Department officers will be able to carry out routine independent checks on a daily basis? How many people are assigned to routine random inspections?

An Leas-Cheann Comhairle: They are very specific questions.

Deputy Andrew Doyle: Yes. Is it the case, or is there a protocol in specific factories, that owners of livestock are no longer allowed down on the killing floor to view the grading as it takes place?

Deputy Brendan Smith: I do not know the exact numbers, but I can check if necessary. I presume some of the departmental officers involved in the work also have other duties.

There is also an EU inspection process. After the last inspection that took place, the conclusion of the EU audit team was that the standard of classification was very good for both conformation and fat cover.

We conduct regular unannounced visits to plants. In 2009, for example, a total of 45,266 carcasses were checked in the course of 472 control visits. As a Department we also publish an annual report detailing carcass classification statistics; this information is available on the Department's website. From the Department's point of view, at official level, we are very active.

Deputy Andrew Doyle: The annual reporting is all very well, but there should be more real-time reporting. There has been a major issue of confidence, as the Minister knows, and matters were not helped by one specific case. I ask that there be updates either bimonthly or quarterly at the very least.

Deputy Brendan Smith: In recent months, discussions have been held with all stakeholders with the aim of improving confidence in the operation of the mechanical classification system, which, as Deputies Doyle and Sherlock said, is important. A number of measures, which I have mentioned, have been introduced to ensure we have the best possible results for everybody involved.

Milk Quota

16. **Deputy John Cregan** asked the Minister for Agriculture, Fisheries and Food the closing date for the milk quota trading scheme for the 2011-12 milk quota year; and if he will make a statement on the matter. [45062/10]

Deputy Brendan Smith: In mid-October I announced the ninth milk quota trading scheme, which is the first of two trading schemes to allocate quota in respect of the 2011-12 milk quota year. The closing date for receipt of applications was Friday, 5 November 2010. The structure of the scheme is largely unchanged from previous years. It operates in respect of each co-operative area and is comprised of a priority pool and a market exchange. Sellers continue to contribute 30% of the total quota offered for sale to the priority pool. The method for calculating the market clearing price, including the 40% price corridor, remains unchanged. The 3:2 ratio governing the distribution of priority pool quota between young farmers and category 1 producers — those with quotas of less than 350,000 litres — remains, as does the option for sellers in certain co-operative areas to sell at 1 or 2 cent per litre less than their original offer price. However, I have reduced the maximum price at which quota is traded in the priority pool, from 6 cent per litre to 5 cent per litre. If the exchange price for a given co-operative area drops below 5 cent per litre, the priority pool price will be the same as the exchange price.

In addition, I have introduced a national component in each phase of the scheme that will allow sellers who have been successful in selling some, but not all, of their quota on the market exchange to dispose of their remaining quota, through a national pool, to purchasers in other co-operative areas who have been unable to have their full requests satisfied. Where necessary, this redistribution will be carried out by the Department immediately after each of the two

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stages to ensure sellers are not forced to retain some of the quota offered for sale because of insufficient demand in their areas. Such a re-distribution will not involve a separate application process.

I expect to be in a position to announce the results of the first exchange before Christmas. A second exchange will be announced in early January 2011. Full details of the scheme are available from co-operatives or on the Department's website:

www.agriculture.gov.ie/dairyingfarming/milkquotas.

Deputy Seán Sherlock: On the basis of the targets set out for increased production in that area, what bearing will the Food Harvest 2020 proposals have on this scheme?

Deputy Brendan Smith: As Deputy Sherlock is aware, I introduced a national component to the scheme this year, the first time this has been done. The Food Harvest report stated that we would review the existing milk quota trading scheme and I have already done so. Let us consider the line north from Dublin to Galway. The co-operatives in this area, including Connacht Gold, Lakeland Dairies and Town of Monaghan, expressed concern that there could be a loss of milk from the area. I am aware from speaking to some of the senior officials in those processing units that they are perfectly satisfied with the level of demand for milk quota this time around. Although the processing has only just begun in the Department, the provisional figures for the first exchange show a total of 542 applications from sellers and 2,707 applications from buyers were received by 5 November. This shows a demand for milk exists and it is a vote of confidence in our ambitions and the realisable targets we have set to double milk production by 2020. That was the first opportunity I had to make a change to the existing quota arrangements and, from the initial analysis, it appears to have proven successful.

Deputy Andrew Doyle: We will exit quota and quota increases in the coming four or five years. Does the Minister have any specific plans to deal with the extra quota coming on board, especially in the context of trading? Naturally, there is vast sectoral protectionism in this industry. Has there been some effort to try to get so-called "co-opetition" between processors in the long-term such that they could come together in a joined-up way to process and market produce? If the Minister intends to roll out this level of milk production what we have is a good indicator but we must know how the Minister intends to ease into the approach post-quota.

Deputy Brendan Smith: As part of the Food Harvest 2020 report I established a dairy activation group, chaired by Dr. Seán Brady. I have given the group until the end of November to report to me on several issues.

Deputy Andrew Doyle: Is it finished?

Deputy Brendan Smith: Yes, it is completed. The group is comprised of representatives of Teagasc and some processors and farmers, especially young farmers, from various parts of the country. I have not seen the report yet but one issue is to ensure we maximise the plant and machinery in place for processing. There must be co-operation among the plants. I have met the various processors, the farm organisations and the Irish Co-Operative Organisation Society. A realisation exists that we have the capacity in this country to increase milk production by 50%. However we must ensure that the relevant facilities are put in place and that we make maximum use of existing plant. There must be co-operation between various processors and I am confident this will take place. However, the first working group of the Food Harvest 2020 process has already completed its work on that issue.

Written Answers follow Adjournment Debate.

Adjournment Debate Matters

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 21 and the name of the Member in each case: (1) Deputy James Bannon — the need for the Minister for the Environment, Heritage and Local Government to provide funding for the restoration of Kilbixy church, County Westmeath, through the Heritage Council and other heritage available grants for this essential heritage project; (2) Deputy Seymour Crawford — the urgent need for the Minister to devise a support package for the pig industry in light of the fact that feed prices have increased dramatically yet product prices have decreased significantly, putting significant pressure on the profit and above all the cashflow of the industry, and the urgent need to sort out the long promised banking structure for the sector; (3) Deputy Pádraic McCormack — the need to protect subcontractors when main contractors go into examinership; (4) Deputy Simon Coveney — to need for the Minister for Finance to outline the rationale behind ending the tax incentive on patent royalties which has encouraged spending on research and development in the Irish economy and to explain the decision to backdate that change for several weeks; (5) Deputy Ciarán Lynch — to need for the Minister for Finance to debate the reduction or suspension in the disbursement of national lottery funds in light of the continued popularity of the scheme and fact that sales have increased by 20% during the past three years; (6) Deputy Thomas McEllistrim — the need to investigate mortgage systems; (7) Deputy Deirdre Clune — the need to address waiting times for orthodontic assessment and treatment in Cork; (8) Deputy John O'Mahony — the need to address the planned move of the ambulance control centre from County Mayo; (9) Deputy Joe Costello — the need for the Minister for Communications, Energy and Natural Resources to ensure that the ESB and Bord Gáis stop hounding people with whom they have agreements to pay arrears; and (10) Deputy Terence Flanagan — the need for the Minister for the Environment, Heritage and Local Government to house the 100,000 people on social housing waiting lists.

The matters raised by Deputies Pádraic McCormack, Thomas McEllistrim, Deirdre Clune and John O'Mahony have been selected for discussion.

Message from Select Committee

An Leas-Cheann Comhairle: The Select Committee on Health and Children has concluded its consideration of the

Supplementary Estimate for public services for the year ending 31 December 2010: Vote 40 — Health Service Executive.

EU-IMF Programme for Ireland and National Recovery Plan 2011-14: Statements (Resumed)

Minister for Finance (Deputy Brian Lenihan): I wish to inform the House that I am circulating to Members the five documents which set out the policy conditions for the provision of financial support to Ireland by European Union member states and the International Monetary Fund. These documents underpin the three year programme of banking and economic measures on which we have now embarked. The documents are: the Memorandum of Economic and Financial Policies 2010; the Memorandum of Understanding on Specific Economic Policy Conditionality; the letters of intent to the IMF and the EU authorities; and the technical memorandum of understanding attached to the letter of intent to the IMF. These documents are not yet finalised but they are not expected to change in substance.

The memorandum on economic and fiscal policies is the foundation document of the IMF and EU elements of the programme. It sets out the reasons for the programme along with its

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principal policy objectives, namely, banking reorganisation, fiscal consolidation and the renewal of growth. It outlines the substantial external financial assistance to support these policy objectives. The memorandum of understanding on specific economic policy conditionality sets out the conditions for the disbursement of the assistance being provided under the European financial stabilisation mechanism, the European financial stability facility and the bilateral loans by the United Kingdom, Sweden and Denmark. This document relates to the EU element of the programme although it does refer to the IMF. The memorandum sets quarterly targets for the achievement of the specified policy objectives and requires detailed quarterly reporting in respect of the achievement of these objectives. The document closely reflects our national recovery plan. It also requires the Government to consult with the European Commission, the ECB and the IMF about the adoption of policies not consistent with this memorandum.

The technical memorandum of understanding, as its name suggests, relates in the main to the definitions and reporting for fiscal aggregates. It also requires that foreign debt arrears are not incurred. The letters of intent are Ireland's formal applications for support to the EU authorities and to the IMF. The question of whether this support programme has the status of an international agreement has been raised. I am advised by the Attorney General that the programme and these supporting documents do not represent international agreements and do not require the approval of the Dáil. I am presenting the documents to Dáil Éireann for information and to inform discussion of the programme.

Amid the sometimes hysterical and contradictory reaction to the external assistance programme, it strikes me that one quintessential point has been overlooked, namely, without this programme our ability to fund the payments to social welfare recipients, and the salaries of our nurses, doctors, teachers and gardaí would have been extraordinarily limited and highly uncertain.

Of the €67.5 billion we will receive from our European partners and the IMF, €50 billion will go to fund those vital public services over the next three years. In those circumstances, the only responsible course of action for any government would be to accept the EU-IMF financial assistance fund.

We enter this programme not as a delinquent State that has lost fiscal control. We enter it as a country funded until the middle of next year, as a State whose citizens have shown remarkable resilience and flexibility over the past two years in facing head on an economic and financial crisis the severity of which has few modern parallels. In my discussions at the euro group level, I found the understanding and acceptance of the Irish position very strong indeed. Many of our partner countries in the EU pointed to the extraordinary resilience of the Irish people and the courage and determination of the Government in tackling these problems. This is one of the reasons Sweden and the United Kingdom, particularly, were anxious to join in the assistance.

The teams with whom we negotiated acknowledged our success in stabilising our public finances and endorsed our banking strategy. This is borne out in the documents I have circulated to the House. They have also accepted our four year plan for national recovery and have built their prescribed programme around that plan. This needs to be emphasised because it shows we have the capacity to get out of our difficulties and have already made considerable progress in that respect.

Our economy is showing signs of recovery. As I reminded the House last week, GDP will record a very small increase this year based on strong export growth. Exports are expected to grow by about 6% in real terms this year, driven by improvements in competitiveness and a strengthening of international markets. Conditions in the labour market are also beginning to stabilise. The outlook for next year is much improved. As forecast in the plan, growth is

expected to be approximately 1.75% next year again driven by a remarkably robust export performance.

The Fine Gael leader, Deputy Kenny, referred to the European Commission's less optimistic forecasts in the Dáil yesterday which, he suggested, undermined our four year plan. He ignored the substantial upward revision of the Commission's forecast on international trade which will benefit a small open economy like ours in which growth, by common consent, will be export led.

Under the programme, we have also been given an extra year to reach the deficit target of 3% of GDP precisely to take account of the Commission's lower growth forecast. I welcome this step but it does not alter our budgetary plans as set out in the recovery plan. The target of €15 billion of adjustments by 2014 will remain but there is further room for manoeuvre in the event that growth is lower than expected.

In the later years, the Commission's growth forecasts are similar to my Department's. It is also the case that others, such as the ESRI for example, believe the Department's forecast is too pessimistic.

The programme has adopted in its entirety the measures set out in the national recovery plan as a roadmap to return our economy to sustainable growth. The adjustment of €15 billion by 2014 has been accepted, as has the breakdown of €10 billion in spending reductions and €5 billion in revenue raising measures. The details of the first €6 billion of this adjustment will be contained in the Budget Statement next Tuesday.

The programme of structural and labour market reform aimed at improving our competitiveness has also been endorsed by the programme. It sets out a detailed quarterly schedule for the achievement of the agreed measures. The negotiations on the programme, which took place over ten days, were intense and at times difficult. They were conducted under my direction and that of the Governor of the Central Bank by the most senior officials from my Department, the Central Bank and the Financial Regulator, the National Treasury Management Agency and the Office of the Attorney General.

There has been the usual barrage of criticism of the outcome, accompanied by the personal abuse of those involved that has become commonplace in our debased public discourse. None of the critics, however, can explain how we could have secured the funds we require at less cost to the State. Indeed, the arguments put forward have been patently wrong.

For example, it is claimed Ireland will pay higher interest rates than Greece even though Greece is now seeking our terms. The interest on Greek loans is 5.2% for three-year loans; Ireland's is 5.8% for loans averaging 7.5 years. A basic fact of sovereign borrowing is that the longer a country borrows money, the higher the interest rate paid. Everyone who studied the operations of the secondary bond markets in recent months must be aware of that essential and undeniable fact.

I want to clarify the position of the €85 billion funding package and its impact on our debt levels. Of the total, €50 billion is to provide the normal budget financing. In other words, it is money we would have had to borrow over the next three years in any event. The programme provides these funds at a much lower rate than currently available to us in the market. This level of funding is already included in the plan. Of the remaining €35 billion, €10 billion is for immediate additional bank recapitalisation and the remaining €25 billion as a contingency fund, only to be drawn down if required based, for example, on the results of the updated capital assessments.

The State is in the happy position of being able to contribute €17.5 billion towards the €85 billion from its own resources, including the National Pensions Reserve Fund. It can do this

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without prejudicing the commitments in the four year plan to use moneys from the fund for projects such as the water metering programme and retrofitting.

The European Financial Stability Mechanism is managed by the European Commission and turns on a majority vote of all EU finance Ministers. The external assistance facility is a matter for the euro group members acting unanimously. Many of them must enact legislation in their national parliaments. One crucial element of the programme which impressed our partners was the capacity of Ireland to put up money itself for this programme. That has eased the parliamentary difficulties of securing approval of these loans in other jurisdictions.

The use of the National Pensions Reserve Fund has provoked the most bewildering criticism of all from parties which, having for years fundamentally disagreed with the very existence of the fund, have now become its most ardent protectors. On this point, the arguments make absolutely no sense. Why should Ireland borrow expensively to invest in our banks when there is money in a cash deposit earning a low rate of interest? How on earth can we ask taxpayers in other countries to contribute to a financial support package while we hold a sovereign wealth fund? We have a large problem with our banks which has forced us to seek this external assistance. In these circumstances, it is surely appropriate our cash reserves be deployed to help solve that problem. We have already amended the pension fund legislation precisely to permit investment from the fund into listed banks on the Stock Exchange.

The reason we had to seek external assistance is because the problems in our banking system simply became too large for the State to handle on its own. Our public finance problems are serious but we were well on the way to solving them. The combination of the two sets of difficulties in circumstances in which the entire eurozone was under pressure was beyond our capacity. Accordingly, the programme's primary aim is to support the recovery and restructuring of our banking system.

It has been clear for some time that our banks were facing serious challenges in terms of their liquidity position. Lingering concerns in the market regarding their capital position led to negative market sentiment. This was despite the substantial transfer of the banks' riskiest loans to NAMA and the detailed capital adequacy assessment made by the Financial Regulator in the summer, as well as the significant recapitalisation measures that flowed from that.

The programme does not propose any departure from existing policy, however. Its prescription is an intensification and acceleration of the restructuring process already being undertaken for the Irish banks. A key objective is to ensure the size of the domestic banking system is proportionate to the size of the economy and is appropriately aligned with the funding capacity of the banks overall, taking into account stable sources of deposit and wholesale funding.

The programme also seeks to demonstrate the capacity of the banks to accommodate any unexpected significant further deterioration in asset quality so as to rebuild market confidence in the robustness and financial resilience of the banking system overall.

The Central Bank is requiring the banks to meet a core tier 1 capital ratio of 12% — a key measure of capital strength. If the banks cannot source it themselves, the State will inject the necessary capital. This can be drawn from the €10 billion which is available immediately from the overall programme fund. A further remaining €25 billion will be available on a contingency basis.

A detailed and extensive review of the financial status of the Irish banks was undertaken by the external authorities in advance of the agreement on the EU-IMF programme. There was a very sharp focus in this work on the results of the Central Bank's prudential capital assessment review carried out earlier this year and updated in September last.

The Governor of the Central Bank recently confirmed that the external experts had found no fault with the methodology used for this assessment.

Under the terms of the programme, the Central Bank will carry out an updated review exercise on the capital position of the banks in early 2011, based on stringent stress testing and detailed reviews of asset quality and valuation. This exercise will take into account updated assessments of the macroeconomic environment. It will ensure that over the coming years the banks' capital ratios do not fall below 10.5%. This is a high standard in international terms and it should give confidence to the markets that our banks will be in a strong financial position. This in turn will provide the necessary reassurance to allow the banks to attract greater market funding in due course.

The Government will also undertake a process of significant restructuring and right-sizing of the banks to reduce their balance sheets. In this context, all land and development loans below €20 million in Bank of Ireland and AIB will be transferred to NAMA.

Further work will be undertaken in the short-term with the banks to identify how the sector can be reorganised to ensure that we have a viable and financially strong banking system which meets the needs of the real economy and has the confidence of international markets. This strategy, developed in collaboration with the various international organisations and endorsed by them, builds on the measures adopted by the Government over the past two years to resolve these difficulties.

The programme allows for an integrated approach to the restructuring of Anglo Irish bank and Irish Nationwide Building Society, building on the proposed asset recovery bank structure to seek to maximise value from their loan books. Revised restructuring plans for the two institutions will be submitted to the European Commission in early 2011 detailing the resolution of the institutions, and in particular the arrangements for working out of assets over an extended period of time.

I would like to reiterate that all deposits held with the domestic banking system are safe and covered by the deposit protection scheme for sums up to €100,000. In addition, deposits in participating institutions under the guarantee scheme are guaranteed in line with the terms of the scheme for sums over €100,000. That scheme has been extended in national law to the end of 2011.

In recent years, there has been much commentary about the need for senior bondholders to accept their share of the burden of this crisis. I have to say that there has been far too much discussion. When those who deplore the gradual erosion of the deposit base of the Irish banking system come to reflect on it, they will see the substantial contribution that was made to that by the amount of domestic noise generated in this area.

Now that we are out of the markets, however, I raised this matter in the course of the negotiations. The unanimous view of the ECB and the Commission was, and is, that no programme would be possible if it were intended by us to dishonour senior debt. The strongly held belief among our European partners is that any move to impose burden sharing on this group of investors would have the potential to create a huge wave of further negative sentiment towards the eurozone and the banking system. That apprehension was confirmed by Professor Honohan in an interview last Monday when he said there was no enthusiasm in Europe for this course of action.

There is simply no way that this country, whose banks are so dependent on international investors, can unilaterally renege on senior bondholders against the wishes of the European Central Bank. In any country where such experiments have taken place, the central bank stands behind the affected banks throughout the resolution of the resulting crisis. Those who think

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we could unilaterally renege on senior bondholders against the wishes of the ECB are living in fantasy land. Worse still, those who know we cannot do so but who nonetheless persist with this line are damaging this country and its financial system, and all for the sake of a cheap headline. It is a case of politics as usual, even at this most difficult time.

The idea, which is now commonplace, that somehow there are no costs associated with default, is entirely incorrect. This country is hugely dependent on foreign direct investment. These companies have large funds and investments in Ireland and, directly and indirectly, employ a quarter of a million people in this economy. Any default on senior debt and the uncertainty that would cause would undoubtedly impact on the future investment decisions of these companies.

Subordinated debt bondholders are in a different position. As I said in my statement on 30 September, there will be significant burden sharing by junior bondholders in Irish Nationwide and Anglo Irish Bank. These two institutions had received very substantial amounts of State assistance and it was only right that this should be done.

My Department has been working with the Office of the Attorney General to draft appropriate legislation to achieve this and it is close to finalisation. Parallel to this, Anglo Irish Bank has run a buy-back operation which will offer these bondholders an exchange of new debt for old but at a discount of at least 80%. This process is still underway and will be concluded shortly. Clearly this approach will also have to be considered in other circumstances where an institution receives substantial and significant State assistance in terms of capital provided to maintain its solvency ratios. I will be in a position to announce this legislation shortly.

We need a properly functioning banking system in this country. As I have indicated in the past, we need to shift to a banking system commensurate with the economy but one that is strong and capable of meeting our needs. That has been the overriding objective of all our efforts since this crisis began two years ago. I believe the considerable funds provided by this programme will enable us to bring this crisis to an end and secure the future of that system so it can play its full role in supporting our economy.

We have been through a traumatic two years. Of course, we would have preferred to avoid resort to external assistance but we can emerge from this as a stronger and fitter economy. The attributes that brought us the boom — the quality of our workers, our entrepreneurship and our pro-business environment — all remain intact. During the boom we built a top-class transport infrastructure, sport and cultural facilities, and educational sector. In the last two years, we have won back much of the competitiveness we lost during that era.

This three-year programme will provide the basis for funding us through our current difficulties. It provides the funding to restructure and recapitalise our banking system. In addition, it will guide us through the implementation of the necessary budgetary and reform strategies set out in the national recovery plan. We have every reason to be confident about the future of this country.

Deputy Michael Noonan: I thank the Minister for circulating the documents which underpin the agreement with the two European institutions and the IMF. In his reply to the debate, I would like him to explain the legal basis of those documents.

Deputy Brian Lenihan: There is none, as yet.

Deputy Michael Noonan: Yes, but when they are finalised what legal basis will they have under the European treaties, our Constitution and in Irish law? Are they an international agreement and, if not, why not?

I thought the Minister's speech was sad. He is still going on with this challenge to the Opposition. He challenges us to advise how we are going to pay the teachers, the nurses and the gardaí if we don't take the money from Europe. He says there is no alternative and he challenges us to come up with one. That is pathetic debating society stuff. The Minister is like a person who went from dry land to a ship, then to a lifeboat and from there to a life preserver. He is now spluttering on the shore as they resuscitate him, yet he asks us to explain what we would do. It is a silly argument. We have spent the last two and a half years explaining that we would not have got into this position in the first place because we had an entirely different attitude to banking policy.

It is principally the Minister's banking policy, associated with his fiscal policy, that has destroyed this country. It has destroyed the economy along with the jobs and future of so many families. It has also brought in the IMF, the European Central Bank and the European Commission who are knocking on the door. It has sorely diminished our sovereignty. The Minister is wrong to challenge the Opposition to come up with an alternative when it is clear from the record of the House over the past three years that, on any reasonable interpretation of the Opposition policies enunciated here, we would not have got into this position. It is the most pathetic argument I have heard for a long time and it is unworthy of the Minister.

What surprises me about this situation is how rapidly it developed. I cannot understand how a Government that is doing its job could have been left in a situation where, in the words of the Minister for Justice and Law Reform, - they all got mugged by the European Central Bank over a two-week period. Since the infamous meeting of the Minister's parliamentary party in Galway, the fiscal correction jumped quickly from €3 billion to €6 billion. Meanwhile, the overall correction jumped from €7.5 billion to €15 billion. The Minister's position was then, and still is, that somehow or another it all sneaked up on him — he was mugged and got no notice of it.

The figures are astronomical. Only a few months ago the Minister was talking about a total correction of €3 billion for the forthcoming budget. Now, it will be €6 billion. What happened? We received no accurate explanation for that. Only a while ago, the banks were sailing on to prosperity, there was going to be a wall of money and credit would flow everywhere as businesses were supplied with it. Suddenly, it all went wrong. Two weeks ago, there was a suggestion from sources in Europe, such as governors of central banks and spokespersons for the European Commission, that Ireland would have to be bailed out. The Minister's colleagues in government were as surprised as the Opposition because, according to themselves, they knew absolutely nothing about this. They denied it with great regularity over one long weekend. The Minister for Justice and Law Reform, who is now retiring, said this was all fiction. The Minister for Tourism, Culture and Sport, Deputy Mary Hanafin, said there was no basis to it and a line of Cabinet colleagues went into denial. Will the Minister finally tell us, two weeks later, whether he kept it to himself? Did he not brief them? Did the Minister for Finance and the Taoiseach decide the bad news would leak from Government and that they could not tell the Green Party or their Cabinet colleagues? Worse than that, they were provided with a briefing note and let onto the airwaves to explain that everything was fine and everything will be right in the best of all possible worlds. That is what those Cabinet colleagues are saying publicly and privately. There is the small matter of collective Cabinet responsibility.

Then, the most amazing event of all was that early one morning the Green Party decided to jump. Normally, when the minority Government party decides to jump, it actually jumps but the Green Party signalled it would jump in two months' time.

Deputy Damien English: They are in training.

Deputy Barry Andrews: Are we getting lectures in disunity from Fine Gael?

Deputy Michael Noonan: They are still in government and their leader yesterday explained how war weary he is, how difficult it was with sleepless nights, living in an asylum——

Deputy Damien English: He should be in a straitjacket.

Deputy Michael Noonan: ——and being under constant criticism and in no-win situations.

Deputy Brian Lenihan: I play the piano in the asylum.

Deputy Michael Noonan: The Minister for Finance has a role but I do not think he is the piano player.

Deputy Dinny McGinley: He is the organ grinder.

Deputy Damien English: He is giving injections.

Deputy Michael Noonan: If I can continue the image, Deputies will remember the sign in the western saloons, “Don’t shoot the piano player, he is doing his best”. Some of us may agree with that but in the past fortnight we are wondering if the Minister is doing his best because he did not share events with his colleagues.

Be that as it may, it was an appalling shock for everyone in this country to realise there was no possibility of saving ourselves through our own resources and the IMF, the European Commission and the European Central Bank were coming in. The Minister has never explained, to this House or to the public, the triggers that led to those events, what was going on in the background and how we got into this position. When negotiations came around, it was equally bizarre. There were European, IMF and Irish civil servants beavering away and doing their best but they were not under any political direction. At least, that is the position of the Minister’s colleagues. They said they did not know what was going on, that the Cabinet was not making those decisions and that there were no instructions coming from Cabinet. Was it a one-man band or a two-man band or was there any band at all? Was it left totally to officials?

Deputy Brian Lenihan: It was a 15-man band.

Deputy Damien English: On technical issues.

Deputy Terence Flanagan: And all out of step.

Deputy Michael Noonan: That is not what they are saying. This was a bad deal because it did not have the authority of the Government behind it.

Deputy Brian Lenihan: There was a full Government decision on all these matters.

Deputy Michael Noonan: There was some kind of a write-off at the end but it does not seem the Ministers were kept informed, step-by-step.

Deputy Brian Lenihan: I cannot produce documents but they were fully briefed.

Deputy Seymour Crawford: Then they are telling lies.

Acting Chairman (Deputy Johnny Brady): I ask Deputy Crawford to withdraw the word lies.

Deputy Seymour Crawford: I apologise, they are telling untruths.

Deputy Michael Noonan: The deal is interesting, with some €85 billion available, €50 billion of which is for financing the day-to-day needs of Departments as described by the Minister in his introductory remarks. The profile of the three budgets to come does not add up to €50 billion but I presume there is an element of refinancing contained in the €50 billion sum as it is rolled over and refinanced. Some €35 billion is for the banks, with €10 billion going into AIB and Bank of Ireland up front and the contingency sum of €25 billion in case further black holes emerge. The Minister owes the House his view on this. Members were assured by the Minister, on the authority of the new regulator and the new Governor of the Central Bank, that AIB and Bank of Ireland were adequately capitalised. We were told tier 1 ratios were up to 8%, ahead of European norms. We had a series of European stress tests that said this was sufficient for the ongoing lending of the banks. Now the policy is to overcapitalise the banks in accordance with the old criteria. The €5 billion for each bank will amount to a tier 1 ratio of 12%, which is far beyond what we thought was necessary when we received assurances from the Minister in early autumn. Will the Minister explain what is going on?

Members in this House are aware of the flow of deposits out of the banks and we know the ECB has provided an enormous amount of money from the Irish banking system, at 1%, to maintain liquidity. However, the case has not been made by the Minister to explain why the banks must be recapitalised to the tune of 12%. It is unclear what the contingency money is for. Even though the ECB is much criticised, it continues to be committed to providing liquidity necessary for the Irish banking system at 1%, to see us through this crisis. The €35 billion in contingency money is not for liquidity purposes. The €35 billion in reserve is for further recapitalisation. What are the circumstances the Minister envisages that will require further recapitalisation above 12%, when this is at the upper end of the recapitalisation of any bank in Europe at this point? I have been talking to people on the regulatory side and they are not aware of any potential black hole. Is it all a magic trick where confidence evaporated from the Irish banking system and the money in contingency will never be used?

There is a view that the amount required for the banks is in excess of €35 billion, a view recited by independent economists. Perhaps the Minister might clarify if the €85 billion is a unified pool of money that can be used at the Government's discretion on the fiscal side or on the banking side and that it is not really divided into €35 billion and €50 billion but the sums are interchangeable if much more is needed on one side rather than the other. The interest rate is also inexplicable. Greece borrowed at 5.2%, while Ireland is working out at 5.8%. On this side of the House, it is impossible to get a straight answer to a simple question of how was this interest rate built up. Is it calculated on the basis of the full €85 billion, including the €17.5 billion from the Irish pension funds and all resources? If it is, what interest is implied in this amount? Is it a notional 1% or a higher rate? If it is 1%, does that not suggest the money coming from elsewhere is at a much higher rate than 5.8%? I understand when everything is taken into account, including the transfer of a basket of currencies into euro, that the IMF money works out at approximately 5.5%. We cannot get an answer to the question of what interest rate is being charged on the two European funds. Is it variable, and is it really close to 7%, which one calculation would suggest? That is a composite rate of interest on a fund which is being drawn from four different sources. I want to know what is the interest rate on the European component and to what degree the Minister's negotiation with his colleagues in Europe was effective? Is it, as many people say, a punitive interest rate to teach the Irish a lesson or is it a market interest rate on funds that they will have to acquire on the open market?

What kind of resistance did the Minister put up to the use of the Irish pension fund? The fund was introduced by a predecessor of the Minister, Charlie McCreevy, at a time when the

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State was running surpluses. We had long debates on the matter in this House. The fund was always presented on the basis that a pension crisis would emerge around 2025 and that 20 years later there would be an unsupportable pension burden and that we needed to put money away to fund future pensions. It would not only be used to fund public service pensions but pensions payable to persons based on their PRSI payments. People were counting on that. Those who were hard working, who were fearful for their jobs, saw the fund as their safety net. They said that whatever happened in the economy an enormous pool of money was underpinning their future pensions. The fund gave the country a great sense of security. Of all the things that happened in the past week, the grab of the pension fund money to bail out an inept Government has been the biggest psychological blow to the people because that is on what they were building their hopes. They may have been wrong in the way they perceived the pension fund and that it would save their pensions in the future but the fact of the matter is that is what they thought about it, that is what they felt about it. It was very bad negotiation to pull the rug from under so many hard-working people in this country and to give the pension fund to the banks.

The banks are not very popular in this country. We are in the third year since the Minister introduced the infamous guarantee in the last days of September 2008. No file has yet gone to the Director of Public Prosecutions. I forget how many times I have said that in this House. The two investigations are ongoing. The previous time I asked a parliamentary question for written answer, approximately seven weeks ago, the Minister told me that of the 65 directors who were in the covered institutions at the time of the crisis in September 2008, some 32 are still in position. When companies go bust the norm is that the first thing one does is to take out the management team and put in a new one. As I said previously, I am not ascribing personal blame to the directors or the bank executives who were in place when the crisis occurred, but it happened on their watch.

There is such a thing as moral hazard. It starts with the individual management and board of directors and then it goes to the institutions. It is a principle of moral hazard in the context of liberal capitalism that if one behaves recklessly, one gets punished. One gets punished because one deserves to get punished and it is an example to everyone else in the system that if people behave recklessly they will be punished also. The principle of moral hazard applies not only to those who invested as shareholders and lost all their shares, as happened in Anglo Irish Bank. It also applies to those who borrowed recklessly, which has happened right across the banking system. It further applies to those who lend recklessly. The only part of moral hazard that seems not to be understood in this country is that those who lent recklessly can walk free and the taxpayers have their liabilities transferred to them. There is no work-out of the situation where the concept of moral hazard applies to the bondholders who lent recklessly and who fuelled the problem in this country by setting the country awash with cheap money.

I know that issue came up in negotiations and that there were different views among the representatives of the agencies at the other side of the table but at the end of the day the view of the European Central Bank prevailed that senior bondholders were untouchable. My view and that of my party is that if there had to be a work-out with senior bondholders it could only be done under the umbrella of the European Union. That was not the situation two years ago. Anglo Irish Bank could have been wound down. The State had no involvement in it whatsoever. It was a developer's bank. It was privately owned and underpinned by private shareholders. The State had nothing to do with it until the Minister nationalised it. Then bank debt became State debt and now there is a problem. Anglo Irish Bank is no longer a licensed bank. It is moving to a situation where it is no longer part of the Irish banking system.

Deputy Brian Lenihan: It is a licensed bank at present.

Deputy Michael Noonan: Yes, at present, but very soon it will no longer be a licensed bank.

Deputy Brian Lenihan: That is yet to be determined.

Acting Chairman (Deputy Johnny Brady): Deputy Noonan should be allowed to continue without interruption. His time has almost elapsed.

Deputy Michael Noonan: I ask the Minister to set out in so far as he can in the question and answer session what restructuring will take place of the banks. This started with the banks. It was all about the banks and suddenly there is nothing about the banks. We were promised great restructuring a couple of weeks ago but there has been no announcement. We do not know exactly what is going to happen.

Deputy Joan Burton: When the history books come to be written this rather modest, slim document will stand probably beside the treaty, the declaration of Irish neutrality in the Second World War, the decisions about joining the European Union, the issues dealing with the IRA and violence in this country, as probably one of the most important documents presented to the Dáil. It is presented on a snowy 1 December evening. Inevitably, because of the weather it has been difficult for Members to be present. True to form, the Minister has decided to sneak it in just as we approach early evening on a snowy December day.

Deputy Pat Rabbitte: It is a pathetic fallacy.

Deputy Joan Burton: It ill becomes the Minister not to have given it to the Opposition parties and to have allowed time for an analysis. The document is not warm from the printer so it is clear it was printed some hours ago.

The document will tie this country hand and foot to a bad deal that was negotiated on behalf of the Irish people at the weekend by a Minister who appointed as his plenipotentiaries rather anonymous senior officials in the Department of Finance with associated assistance from the Governor of the Central Bank and the head of the National Treasury Management Agency. I understand that the principals negotiating for the Minister were a small group of officials from the Department of Finance known to a few of us but I do not think known to the general public. This is on what the Minister has signed off.

For such an important document the Minister used some extraordinary phraseology in his presentation to the House. I made some quick notes on what was said but we can check the blacks later on. He said in regard to the bondholders that there was too much discussion, far too much discussion and domestic noise. The Minister is nodding in agreement.

Deputy Brian Lenihan: Yes, there was. That was absolutely the case.

Deputy Joan Burton: So this is what Fianna Fáil has to say to the citizens of this country who have the temerity to discuss for the sake of themselves, their children and their grandchildren what Fianna Fáil proposes to sign off on as a non-negotiable agreement, something it hopes will serve as a straitjacket for a future Government. I do not accept Fianna Fáil's claim of too much discussion and domestic noise.

Deputy Brian Lenihan: I am referring to the past two years.

Deputy Joan Burton: Two and a half years ago, Labour Deputies, including our leader and I, advised the House not to vote for the bank guarantee. I am sorry that other parties, such as

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the Green, Fine Gael and Sinn Féin parties, all voted wrongly for the bank guarantee. One reason people voted for it was that, as with today's document, it was sprung on us without an opportunity in a citizen's democracy and republic for the citizens and their representatives to read, discuss and examine its contents. Twenty minutes will not do this document justice. Several elements of it which I will briefly mention will require constitutional action. I will revert to this issue.

The Minister advocates austerity and front-loading. All of his cheerleaders among the newspapers' various columnists and all of the other advocates of austerity and front-loading told us that taking the pain now would see interest rates fall. This has been the Minister's mantra for the past few weeks but the reverse has occurred. There has been no relief in interest rates and bond spreads. On the contrary, the deal has spread the contagion to Portugal and other European countries.

Eurozone Ministers, ECOFIN, the European Central Bank and the General Affairs Council must give serious consideration to what this package will do to Ireland. This is debt deflation. As the great American economist Irving Fisher wrote at the height of the Great Depression in the United States when the Hoover Government was in charge, one could deflate an economy via debt deflation. Our economy is riddled with debt. It can be found in the banks and among many young people with large personal mortgages and many businesses that have lost trade and are unable to resource financing from the banking system.

On the night of the bank guarantee, the Minister claimed it would be the cheapest bailout in the world. This programme is the bill for that bailout. Were Ireland's fiscal deficit its only problem, we would have austerity for a couple of years and probably a change of Government to return to the type of economic management practised by my colleague, Deputy Quinn, the Labour Party's last Minister for Finance and a man who left this country with a small but important budget surplus and an economy that was growing by 1,000 jobs per week. The Minister has brought into the House a document that indicates we will be hobbled by a programme that makes no provision for economic growth.

The Labour Party advocated an adjustment of €4.5 billion. It would have been tough, but achievable. Fianna Fáil and Fine Gael have opted for a front-loading of the pain through austerity measures worth €6 billion. Speaking on behalf of the Labour Party, such front-loading is economically misconceived. Even at this point, the Government should seek to renegotiate the document and provide for growth in the economy and an orderly restructuring of the country's finances. The Minister's four attempts to fix the banks so far have ended in failure, yet here is another attempt.

I do not know whether the Minister is aware of a distinguished German commentator who is resolutely pro-European, Professor Barry Eichengreen. In the *Handelsblatt*, Germany's *Financial Times*, he wrote: "The Irish 'programme' solves exactly nothing — it simply kicks the can down the road". Kicking the can down the road for Ireland is a misconceived plan to kick the can down the road for Europe. Had the Minister been a better negotiator, he would have told our European partners that not only could they make the situation better for Ireland, they could engineer a better outcome for European economies and the European currency, which is entering an existential crisis. It does not even seem as if the Minister put this argument.

Deputy Brian Lenihan: How does the Deputy know?

Deputy Joan Burton: The Minister can tell us later. In the questions and answers session, will he answer all of the questions I put to the teams of international negotiators? He could outline how hard he fought for his country, a "What did you do in the war, Daddy?"

According to Professor Eichengreen, “Ireland will be transferring nearly 10% of its national income as reparations to the bondholders, year after painful year”. He uses the word “reparations” because almost every German who is literate in terms of German and European history knows about the Treaty of Versailles and the notion of what reparations do to a country. As described by a conservative German commentator, we will be making reparations to bondholders for ten years. How much time have I remaining?

Acting Chairman (Deputy Johnny Brady): More than nine minutes.

Deputy Joan Burton: Most of this document deals with the arrangements in respect of the banks. There is barely a mention of the domestic economy, the more than 450,000 unemployed people or the hidden assumption in the Government’s green-covered book on the four year recovery plan that 40,000 people will emigrate per year. What is the Government’s expectation of the likely level of annual emigration during the period of the so-called recovery programme? The adjustments in social expenditure that have been pencilled in, worth €3 billion per year for the four year programme, cannot be achieved even with the various control measures set out in this document unless significant annual emigration is assumed. What are the document’s underlying assumptions about emigration and unemployment?

We are buying Europe time to create something that will show European firepower to the bond markets. The Government claims — it suits many commentators to say it — that the remarks of the German Chancellor, Angela Merkel, less than two weeks ago about bondholders bearing responsibility in future caused the current wave of unrest and the attack on those European countries that are perceived to be weak. I do not agree, given the way in which the Irish crisis was approached and the many assertions by the Minister and the Government that Ireland was turning a corner. That turning of the corner never came. As a consequence, even among eurosceptics who were sceptical both about the euro and the capacity of countries such as Ireland to survive these adjustments, the Minister’s continuous avowals that we were turning a corner mean that Ireland has relatively little credibility. Mrs. Merkel’s comments, therefore, were perfectly justifiable, in my view. The bondholders are basically saying that in the new structures of European or world capitalism——

Deputy Brian Lenihan: The Chancellor was talking about sovereign debt.

Deputy Joan Burton: ——there should be no risk for bondholders. Capitalism, actually, is about the allocation of capital. That is where it gets its name, and the allocation of capital is never a risk-free project. We know pension funds, for instance, want a high degree of security and high levels of information. Clearly, what happened in Ireland as regards our banks has come as a terrible shock, not just to us but to them too because the regulation system set up by the Minister’s predecessor, former Deputy Charlie McCreevy and overseen by Deputy Brian Cowen as Minister for Finance, failed miserably and hopelessly. Added to that Fianna Fáil’s crony bankers and developers along with the former tax breaks introduced by former Minister for Finance, Charlie McCreevy for the construction industry all helped to create a bubble. The European Union obviously did not have the policy instruments to provide oversight in an adequate manner, and the regulators in Ireland failed miserably. I do not know what they were doing, but that is for another day. That is why Ireland has lost its reputation.

The Minister is now saying that in terms of debt deflation, we can grow the economy and take this level of debt burden while having this savage deflation. Like Fine Gael, the Labour Party obviously met the teams. It seemed to me to some degree that the IMF was playing soft cop, but I believe it has learned from its experience in Latin America and Africa — in particular relating to democratic stability — by having austerity programmes that are too great for coun-

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tries to bear. The IMF recently published very detailed research by Barry Eichengreen, which showed it could not find any examples of countries that have been able to successfully endure the type of inflation the Minister proposes to introduce next Tuesday in his budget and actually get back to recovery.

There is a question to be answered here. Clearly, we have a Government that is really exhausted, but has Europe reached its limit? Leadership from the European Union can provide a better way. Europe has the resources and our colleague in the Socialist group in the European Parliament, the head of the Party of European Socialists, Mr. Paul Rasmussen, at the start of the crisis more than two years ago put forward a proposal to effectively have eurobonds, where weaker European member states could have a mechanism for borrowing. The more conservative minded in the European People's Party and the Liberals to which Fianna Fáil is aligned have yet to be persuaded of the merits of this, but I understand they might be coming around to it. However, there are solutions to the problem. What Europe needs is a Rooseveltian New Deal outlook for countries that are troubled, as opposed to the Hoover Administration approach that the Minister and his counterparts in Europe, unfortunately, seem to be fixed on at the moment.

Deputy Brian Lenihan: Hoover let the banks collapse, just as a matter of historical interest.

Deputy Michael Noonan: There is a chicken in every pot, in time for the general election.

Deputy Joan Burton: Will the Minister say what is the future of the AIB rights issue and whether he is still going ahead with it? What is the story on the closure of Anglo? I am told Anglo wants to change its name, but wants to keep the words “Irish” and “Bank”. Here is a puzzle for after the Christmas pudding: What is a three-letter, or perhaps it is more——

Deputy Ruairí Quinn: The Irish tent bank.

Deputy Joan Burton: Yes, the Irish tent bank — we shall run this as the Dáil Christmas cracker quiz. It wants to keep “Irish” and “Bank” but is willing to let go of the anglophonic part of the name, apparently.

Deputy Ruairí Quinn: It could be the Galway tent bank.

Deputy Joan Burton: Yes, it could be the Galway tent bank. What shall we call it?

I also want to ask the Minister as well about recent court cases in relation to Anglo, featuring a senior executive of the bank who is in the newspapers this week, indebted for up to €50 million, perhaps, they suggest. The bank was still advancing loans to that particular individual and to developments he was involved in, several months after the bank guarantee was introduced.

In terms of dealing with the bondholders, this is the type of default mechanism that many people are talking about. In this regard the Minister has to take his courage in his hands. All the references he made in his speech to not seeking any sacrifice from the bondholders add up to a very serious mistake. He wants to introduce a fiscal stability law with fixed fiscal targets. We have taken legal advice because of course this came up before the finance committee. I understand that such a fiscal stability law as envisaged in this programme is not achievable without a constitutional referendum. I do not see any chance of people in Ireland voting for a constitutional referendum on a fiscal stability law some time in the middle of next year, in the detailed programme.

Deputy Brian Lenihan: The Deputy might have to explain it to them.

Deputy Peter Power: The Deputy should be careful what she wishes for.

Deputy Joan Burton: We had it researched by the Labour Party. I am glad the Deputies opposite find it funny because I find today rather sad when we see the details of what ordinary Irish people are to endure and to suffer. I want to draw attention in particular to table 1 on page 33 and the subsequent table, which I find frightening, in terms of the conditions they impose on Ireland.

Deputy Arthur Morgan: At the outset, I am half afraid to speak in critical terms of this proposal from the Government lest I incur the wrath of the Minister for Finance and his colleagues in Cabinet, although perhaps such fear is unnecessary because they were a complete roll-over for the IMF-ECB group of negotiators. I should have no concern, really.

Why is the Government pursuing this crazy loan bailout business at all, when it must know we simply cannot afford to repay it? We simply do not have the economic base in the State to be able to create the type of revenue necessary to repay this loan. Surely that is a fact of life, and our negotiators should have gone in with that information, and pressed it home to those with whom they were dealing.

This is really about saving the euro, I believe, as far as the Government and the ECB are concerned. However, from where Sinn Féin is coming it is also about the people of this State who are struggling, some of them in jobs, or unemployed and many more of them to be made unemployed shortly, I am afraid. It is about those people who are being required to pony up for the speculation the bondholders took, mainly in Anglo Irish Bank, but in the other banks as well, at a time when the Minister should know this country simply cannot afford to make those repayments. People currently cannot afford to pay their mortgages which themselves are grossly excessive because of the greed of speculators who in turn were cheered on by the Government and bankers. These people simply cannot afford to repay these loans.

Let us be clear, the cheap and easy credit pouring into this State came in under the nose of the European Central Bank, which, in my view, makes the ECB at least as culpable as the lack of regulation in this State. The Sinn Féin delegation told this to the ECB, IMF and Commission representatives when they met with them last week. They had no answer for us because they were at least as culpable for this mess as was the political misdirection of this State and our lack of proper regulation in this area.

Copies of the memorandum of understanding have just been circulated. It is difficult at a couple of minute's notice to give a substantial response to it. However, we already know some of what is contained therein. The Minister is going after easy pickings, namely, the minimum wage and VAT. Two years ago, the Minister for Finance increased the VAT rate by 0.5%, which resulted in businesses, in the retail sector in particular, within a 40 mile radius south of the Border being almost wiped out. The Minister now proposes to increase VAT by 2% during the course of the four year plan.

Deputy Brian Lenihan: At the end when the UK has lifted its rate during its fiscal correction.

Deputy Arthur Morgan: Watch this space and see what will happen. In any event, it is a regressive measure irrespective of what the British do. The Minister knows better than most that it is the families on low incomes that will pay a higher percentage of their income as a result of what will happen in respect of VAT. The percentage rate of 5.83% in respect of the EU-IMF loan amounts, in my view, to backstreet money lending, which is completely unacceptable.

[Deputy Arthur Morgan.]

The Taoiseach stated yesterday: “This country needs this package at this time. We believe we have brought forward a package which will serve this country well.” Does the Taoiseach really believe that or is he just playing politics and games? Is he for real? This State simply cannot afford to repay that loan. The Taoiseach’s comments are in my view another of those comments such as “the cheapest bailout in the world”. The Taoiseach and the Minister will be coming back to revisit the Taoiseach’s comments yesterday. The Minister for the Environment, Heritage and Local Government, Deputy John Gormley, shared some information with us yesterday afternoon in his contribution. He told us that the satellite vans had gone from here and were on their way to Portugal and Spain. That was useful information. Why have they gone to Portugal and Spain? They have gone there because they know, as do the markets, that what is proposed in this document will not work.

This project by the Government and its EU masters — I believe they are masters more than partners — seeks to appease the markets with notions that will not work. I accept that action is needed. What was also needed was hard nosed negotiation. I am not speaking about or being critical of the public servants involved in the negotiations, rather I am speaking about the political leadership involved, which amounted to sending in a bunch of kittens to be mauled by a German shepherd. We should not have sent in kittens, rather we should have had a properly thought out policy in regard to how to take on these negotiations. At the heart of these negotiations is the euro currency. We had aces to play in this regard but the Government chose not to hard ball it. It preferred to simply roll over and go along with it, all the while knowing that our economy could not afford to repay this loan.

I accept we need support but the fundamental question that will have to be answered in the future is whether we have received support from our friends in Europe or our masters in Europe. We should have given Allied Irish Banks and Bank of Ireland bondholders an opportunity to negotiate a deal and to put their spreads over a significantly longer period with them taking up a huge chunk of the tab. If they chose not to do so, I would have advocated burning them by reconfiguring their payments into the never-never. I believe that is reasonable because that is the “market”. These people took a punt. They have already made substantial gains from investments in the Irish market and elsewhere. I wonder where the question of moral hazard comes in. The consequences of the approach by the EU and the Irish Government is that no bank bondholder will fail. What will be the consequences of this in terms of how those bondholders behave in the future? This indicates to them that they can do what they like, that they can again give out money like crazy, thus creating another cycle of the mess we are now in for some future generation, be it in Ireland or elsewhere. What is happening here by way of policy in this regard is not acceptable. It is scandalous.

The Taoiseach also told us yesterday that we need to have the markets accept that what we are doing will work. The markets know this will not work. That is the reason the satellite vans, as referred to by the Minister, Deputy Gormley, have gone to Lisbon and Madrid. If this had any possibility of working those satellite vans would have returned to their stations. What the Government is doing, by way of this approach, is preparing the ground for more difficulties. There is no incentive to deal with the real problem. We all know the genesis of the problem, namely, that the Government became completely over-dependent on consumption taxes, including VAT, stamp duty and so on. The Government was happy when that cash was flowing into the Exchequer because it made Government look good. The speculators were happy because they were making fortunes and still have them. The banks, with their easy credit, were also happy. We all know that the senior bankers are not worried about this. They have gone off with huge pensions and bonuses, unlike their victims, the public. The public fell for it and

went for the easy credit because they thought the good times would last forever, which was the message put out from the political leadership. The current Taoiseach was the Minister for Finance all through this period. Is it any wonder, when one looks at that whole context, that our negotiations were such a push over for the institutions.

The Minister referred in his contribution to the national recovery plan projections. Let us measure them against the figures which Commissioner Rehn's office came up with the day after the EU-IMF bailout was signed. The figures apply in respect of the two year period 2011 to 2012. The Government is projecting a 5% growth in GDP. The EU speaks of growth of 2.8%, which is almost half that projected by the Government. In respect of GNP, the Government has predicted 3.5% growth while the EU states the percentage in this respect is 0%. We then come to GNI, which is GNP plus the transfers from the EU. When one takes away those transfers and the GDP, growth, according to the EU forecast will be negative.

In relation to consumer spending, the Government is predicting a 1% increase. The EU figure in this regard is -2.8%. On investment, the Government figure in this regard is -0.7% while the EU figure is -10%. The Minister for Finance was critical of the Fine Gael leader referring yesterday to these figures. I believe Deputy Kenny was right to put these figures on the record.

It is worth doing so again as it might highlight for the Minister of Finance and his colleagues how negative are these figures. The Government is projecting an increase in employment of 18,500 while the EU projects a decrease of 4,000. Many of those who are coming off the live register are aged under 25 and they are emigrating because emigration is now a central plank of Government policy. Now that the pension fund has been given away, who will be left to pay the pensions needed in the future? That is a problem we are facing. How can a tiny, open economy service the debts run up by private banks whose bad debts are allied to those of the State? How can the State grow its way out of this debt when the Government is cutting the economy to death and using the reserve fund, not for investment or job creation, but for bank bailouts? Ireland now faces an enormous debt load, made worse by deflation and stagnation. That is where the Government is at.

The State still has options. We can burn the bondholders in Anglo Irish Bank and people should know they deserve to be burned. We can offer the bondholders in AIB and Bank of Ireland hugely discounted rates to go away before the banks are fully nationalised and if they do not accept that, we can burn them too. This is a market solution to a market problem. This is bank debt, not Government or sovereign debt. The banking guarantee must be immediately abolished and only the guarantee for depositors must remain. This will show international markets we are serious about protecting our citizens and rebuilding our economy.

The Minister stated:

Our public finance problems are serious but we were well on the way to solving them. The combination of the two sets of difficulties in circumstances where the entire eurozone was under pressure was beyond our capacity.

I agree with those comments but I completely disagree with him regarding the solution. He has taken the wrong option and, more than two years on from the emergence of the crisis, the Government is still looking in the wrong direction.

When Sinn Féin supported the bank guarantee scheme in September 2008, it was on foot of private briefings by the Minister and information given to the House that there was a liquidity and not a solvency issue. On foot of those undertakings, we supported the scheme. As Deputy Burton said earlier, had we been given the real information and documentation, which we

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should have insisted on, it probably would not have saved the day. The banks were throwing all sorts of information at the Government and it would not have solved anything.

The Minister for the Environment, Heritage and Local Government said in the House yesterday that he has had sleepless nights and he referred to how difficult it is for him in the “asylum”, as he described Government Buildings. If I had a violin, I would have tried to play a tune or two to see if that would get him to nod off. Perhaps he gets a nap during the day but I almost felt sorry for him until all the families who are having sleepless nights and whose homes are about to be repossessed and all the people who are struggling to feed their children and making decisions on whether they should buy bread or milk came to mind. I am sure all Deputies meet these people, as my constituency office in Louth is in no way unique. We hear Ministers are under pressure but at least they have a job and a salary for the moment and they will have a pension on which they will live comfortably when they leave office. The victims of this Government who are suffering at the coal face will not have substantial ministerial pensions.

The Ministers for Finance and Environment, Heritage and Local Government have both said we need the bailout to pay the salaries of nurses, doctors and gardaí. There are way fewer of them than there has been and they have been fleeced by the pension and income levies imposed on public servants.

The Minister did not outline his negotiating strategy but I hope he can share it with us when he concludes the debate. Did he have any red lines or bottom lines? Did he decide to put it up to the institutions about the euro? Did he threaten to go it alone with a default, given the consequences of that for Europe? I do not believe a hard nosed negotiation took place. The Government simply rolled over and left them to it. A huge opportunity was missed.

I refer to the consequences of what has happened. The live register figures were published earlier. The number on the register has reduced and the Government parties are clapping themselves on the back but the reduction is down to emigration. If not, from where are the jobs coming? The Minister for Community, Rural and Gaeltacht Affairs is indicating this is not all down to emigration. No employment is being created.

In the Government’s statement last Sunday night, the Taoiseach said, “The State’s contribution to the €85 billion facility will be €17.5 billion, which will come from the National Pension Reserve Fund and other domestic resources”. This means external assistance will amount to €67.5 billion. Is this to be a consolation? The NPRF will be effectively liquidated. Should its title be changed to the national bank pension reserve fund? There is still time for Government backbenchers and Ministers to change their minds. I hope somebody will have a serious look at this. Perhaps if the pressure on the Minister for the Environment, Heritage and Local Government is maintained for another day or two, he may get sense and say this should not be the legacy of the Green Party’s time in government. Surely it can come away with better than this. If it cannot give political leadership, rather than agree to this bailout, it should step aside and let in people with the steel and backbone to negotiate a better deal for the public and to develop better policies on their behalf. It should step aside, let us go to the country and let the people decide on a real Government with a fresh mandate to sort out these matters for once and for all.

Minister for Community, Equality and Gaeltacht Affairs (Deputy Pat Carey): Táim buíoch as an deis labhairt tráthnóna faoin ábhar tábhachtach seo. Agus sinn ag tabhairt aghaidh ar na dúshláin éagsúla atá romhainn, ní foláir thar aon rud eile dóchas a bheith againn. Ach ní féidir dóchas a bheith againn gan cinnteacht a bheith againn. Is dóigh liom go dtugann an comhaontú

lenár bpáirtneírí Eorpacha agus an IMF an chinnteacht sin dúinn. Bheadh sé tubaisteach dá ngéillimis anois don éadóchas agus don dtuairmíocht mhístuama nach bhfuil aon teacht aniar i ndán dúinn. Ní dóigh liom gur dual don Éireannach géilleadh mar sin. Is daoine cróga, ábalta agus bródúil sinn. Tiocfaimid slán as an ngéarcheim ina bhfuilimid faoi láthair. Chonaic mé seanráiteas ó Aodh Mór Ó Neill i nuachtán an tseachtain seo caite, “beidh lá geal gréine go fóill in Éirinn”. B’fhéidir go bhfuil sé deacair é a shamhlú tráthnóna, agus an sneachta ag titim go tiubh, ach credim go mbeidh lá geal gréine go fóill in Éirinn.

Since the onset of the global economic crisis we have, as a Government, had to take difficult but necessary decisions in the face of unprecedented challenges. More recently, continuing uncertainty in the markets, particularly about our banking sector, has led to a situation where the cost of new borrowing is not affordable. While we are funded until the middle of next year, as John Maynard Keynes said, “‘the market can stay irrational for longer than you can stay liquid’. We have no way of knowing whether borrowing costs will come down to a reasonable level in the new year and we cannot afford to take a risk if we want to ensure the continuation of key public services. That is why we have agreed a three-year programme with our EU partners and the IMF; to ensure Ireland will have access to borrowing to fund social welfare payments, our health service and our education system. The deal was the best available for Ireland and will give us cheaper access to money we would have had to borrow in any case.

This is the reality of our current situation. These are the facts and no amount of wishful thinking or political posturing will alter those facts. The uncertainty, which was borne out of broader market conditions, had to be addressed and we have addressed it in conjunction with our European colleagues and with the IMF. The agreement we have reached will put an end to that uncertainty and allow us to begin restoring confidence in our banking system. Other speakers have taken issue with the agreement. I believe those arguments are sincere, but I also believe that what has been achieved is the best that could have been achieved in the circumstances.

The certainty that this agreement brings will allow us to continue our focus on the development of our real economy, which is showing real signs of recovery and offering a real cause for hope. For example, exports are growing and manufacturing has improved in eight of the past nine months. Figures announced today show that redundancy claims for the first 11 months of the year show a drop of 16,970, or 23%. This is further evidence that the labour market is stabilizing. Today’s live register figures show the biggest November fall since 1999. These are some of the important yardsticks we use to measure the strength of our real economy and they are showing signs of real improvement. While people are justifiably concerned and angry at our current situation, this is not a time for trying to make political capital out of that concern. Defeatism will get us nowhere. Alarmism will get us nowhere.

This is not a time for painting apocalyptic scenarios, for theatrics or for engaging in scare-mongering. Neither is it a time for presenting unrealistic propositions as realistic alternatives in the hope that an easy soundbite will become a cheap headline.

It is easy to make fine speeches about what we could do, or angry speeches about what we should have done. This was the best deal available to Ireland and to the people of Ireland. We did what we had to do. We did what we had to do in order to bring certainty to our economic situation. We did what we had to do to ensure we can go on paying for our public services. We did what we had to do to bring stability to our banks, and we did what we had to do so that we can continue to build on the foundations of recovery in our economy, to create jobs and to return to sustainable economic growth.

[Deputy Pat Carey.]

We need the certainty that this deal brings because it is futile to talk about hope without first having that certainty. We could not afford to take the risks involved in some of the so-called alternatives to this agreement being offered in some quarters. Now that we have the clarity that this agreement brings, we cannot afford to lose sight of the underlying strengths of our economy and of the great strengths of the Irish people. We accept that people are concerned and that the path ahead will be painful for all, but I do not accept what we are constantly hearing about a despairing people, crippled by shame. Unfortunately, this false narrative of a broken people in a broken country dominates much of our current discourse. It is doing damage to our economic prospects and our standing globally. I do not for a minute accept that this narrative reflects the mood of the Irish people or the determination of the Irish people to work at overcoming our current difficulties.

We are a resilient people, a proud people and a resourceful people. We will fight back as we have done before. We have a responsibility to each other and to future generations to work together to overcome our current difficulties, to build on our economic strengths and our strengths as a nation. We can have our political arguments on another day and the people will have their say on another day, but this responsibility goes beyond any personal interest or political belief. Of course people are suffering and of course people are looking for certainty and hope, but they do not want hope in the abstract. They want hope that is backed up by clear and constructive policies.

This agreement with our EU partners consolidates and accelerates the policies we have pursued as a Government in the past two years. The agreement and the negotiations that led to it were based on the credibility of our national plan for recovery. This programme will guarantee that the State has secure access to the funding it needs. As Governor Honohan has said, it will give us the time we need; the time we need to stabilise our finances and the time we need to build confidence in our banks so they can meet the needs of our economy.

We can and we will emerge from our current problems. Níor chaill fear an mhisnigh riamh é. Mar a dúirt mé ar dtús, a Chathaoirligh, beidh lá geal gréine go fóill in Éireann.

I have listened carefully to the debate on the plan for recovery and the agreement reached with our European partners, the IMF and with countries who are giving us bilateral assistance. It is relatively easy to cast alternative scenarios, including the regular call to burn the bondholders. I have to say that burning the bondholders seems to me, as someone who is not versed in economics, to be very similar to what unscrupulous employers might do when they realise they are in difficulties, where they simply close shop and turn their backs on their responsibilities to their creditors and to their employees. That simply was not an option. Whatever ideological views we might have on this, it is verging on the irresponsible for us to perpetuate the myth that this option does not have any consequences.

The debate has been useful at a critical time in the life of our country. However, we would be less than fair to the nation and to ourselves as parliamentarians if we tried to hide any of the realities out there. From the very beginning of this crisis, the Government has acted in good faith, put the good of the country and the best interests of its people to the forefront. While the next three to five years will be difficult, I have no doubt we will come through this and we will emerge as an even stronger people.

One of the privileges I have had as Minister in this Department is to be able to interact with some of the 24,000 community groups the length and breadth of this country, all of which are working tooth and nail to ensure Ireland is a more vibrant, resilient and richer place at the end

of this crisis. With the increase in the number of people who are out there looking after their neighbours and helping each other, such strength will stand to us in the years ahead and we will emerge a much stronger and more resilient and vibrant people.

Deputy James Reilly: I wish to share my time with Deputy O'Dowd.

There are many things wrong with this agreement. I see across the Chamber my colleague with whom I had a discussion this morning.

Deputy Peter Power: Sparring partner.

Deputy James Reilly: There is no bank resolution in this deal. There is no bottom line. There is more money for Ireland to borrow to throw at the banks. Where is the bank resolution? Where is the final place of rest for this problem? The people have been asked to shoulder more and more debt without any sight of an end, other than platitudes from a Government and the Minister. For the past two years, he has told us we will make money out of this, that it will be the cheapest bank rescue ever, that it will cost only €4 billion, that it will cost €16 billion, that it might cost €30 billion, and that it now stands at €50 billion. Where does it end? We have our sovereign debt and we must honour that.

I put it to the Minister that we have created a moral hazard. We have created a situation in which investors have lost all their money and borrowers find themselves in negative equity but those who engaged in reckless lending and who lent to them, both here and abroad, walk away scot-free, carry none of the burden and share none of the hurt. This is acceptable neither to me nor to the ordinary people, who had no hand, act or part in this mess, which was presided over by the Government through lack of regulation. These are the facts. The Minister of State, Deputy Peter Power, may wish to nod, shake his head or spin as much as he wishes but that will not change the facts.

Deputy Peter Power: The Deputy's finance spokesperson said something else last night.

Acting Chairman (Deputy Johnny Brady): Allow Deputy Reilly to speak without interruption.

Deputy James Reilly: What else is wrong in this regard? I note that it appears to be perfectly all right for Angela Merkel to indicate that bondholders should be negotiated with. Furthermore, it appears quite clear that under the draft Basel agreement for banks currently under discussion, in future bondholders will be negotiated with. Consequently, I do not see a reason for Ireland to take on this full burden itself. Moreover, I dislike the phrase, "burning the bondholders", because that predetermines the outcome of negotiations.

This memorandum of agreement, on which the Government refused to allow the people to vote and on which it refused to allow this Parliament to vote on their behalf, fails because of the absence of bank resolution and the lack of a growth plan. Moreover, the Government's own growth figures that were included already have been contradicted by the IMF and the European Union as being utterly unrealistic. They are utterly unrealistic because neither a growth package nor a jobs stimulus package was included. However, worst of all, the Government has saddled the people with what many consider to be a penal rate of interest. It certainly is a highly punishing rate that means that by 2013, we could be paying as much as €11 billion in interest payments. I believe the Government has been inept in this regard and put out the wrong people to negotiate. Moreover, I fail to understand how it could allow its negotiators to throw their hats into the ring at 4 p.m. when the opposition — which is how one must look at

[Deputy James Reilly.]

it when in negotiations — had a deadline of 7 a.m. the following morning with the markets. Why were they not held there until 6.57 a.m. to extract what should have been a much better deal than we got?

This morning I asked the Taoiseach whether there was any inference for Ireland, given that Greece now has been given the same deal as us, even though everyone is familiar with the problems the Greeks had with their annual reporting. Have Members become too busy in being good Europeans instead of remembering that their first duty is to be good Irish men and women and to stand by the people and the Republic? The Minister, Deputy Pat Carey, was correct when he suggested that we will come through this. While we will come through this, it will not be because of the Government but because of the people themselves, who have shown they have the energy, enthusiasm and innovation to get through this. However, this will be achieved much quicker with new leadership and a new Government that speaks to and for the people and that listens to the people. If Members opposite truly wish to put the interests of Ireland first, this evening they will support the motion that Fine Gael has tabled. They will allow for all the attendant legislation pertaining to the budget to be dealt with before Christmas, thereby affording a clean slate going into January and offering the people new hope and a new dawn.

Deputy Fergus O'Dowd: Dúirt an tAire go dtiocfadh an lá geal gréine agus an lá go mbeadh buarthaí na tíre seo thart, ach ní thiocfaidh sé go dtí go ndíbreofar an Rialtas seo as oifig. Is ansin a bheidh an breacadh nó fáinne geal an lae againn, nuair a bheidh lucht Fhianna Fáil imithe as Rialtas, do chum glóire Dé agus onóra na hÉireann. Caithfidh sin a tharlú chomh luath agus is féidir. Beidh toghchán ginearálta againn sar i bhfad chun sin a chur i gcrích.

The time is here and the time is now for change. This country obviously needs a change of Government, as well as a new dawn to which the Minister referred. However, it should be a dawn that is without the soldiers of destiny and without the legacy they have left behind. It is the most appalling legacy ever in the history of this State. This is best measured by a press conference that was held after the Government press conference last week. It was held in Government Buildings in the heart of the Department of the Taoiseach, right under his office, but it was the IMF that was holding forth. This is a sign of who Fianna Fáil has left running this country at present. The IMF and the European Central Bank are dictating policy to us in respect of things that will and must happen. Not alone are they dictating this from the heart of the Taoiseach's office but they also will inspect the Government's homework on a three-monthly basis. Every quarter, the progress that has or has not been made on their terms — not on the Government's — will be decided and depending on what that might be, I presume there will be changes under the memorandum of understanding. For instance, there could be changes in our interest rate and they will be dictating to us once again.

Most of all, this country desires change and reform and hope. The only way to get hope is by having a change of Government and by having new policies, new Ministers and new parties in government that will bring about such change. In the dying days of the Government, one must put behind one the fact that the Government's day is done and its race is run. It now is time for a new Government to come into being. Members on this side of the House must articulate the policies and changes they seek and to offer that hope, change and reform that is so badly needed.

In respect of education, if there is to be a future for the citizens or hope for change for the future, it will be with young people. Such hope must reside in how the education given to them

may be improved and how they can be made more fit for the new jobs that will come down the road. This will not be easy because many of our young people will be obliged to leave our shores because of the lack of employment opportunities at present. Nevertheless, it is an appalling disgrace that the Tánaiste and Minister for Education and Skills today is returning €5 million out of the FÁS apprenticeship course budget that she was unable to spend. I refer to money that should be spent on retraining or to help the 7,000 apprentices who are unable to qualify because of the absence of jobs and places for them to train. In respect of education and training, the Minister of State, Deputy Haughey, is aware that approximately 180,000 citizens require upgrading from FETAC level 3 to FETAC levels 4 or 5. However, €22 million in total is being returned from the FÁS budget and will be spent elsewhere this year because the Government has failed to deliver training to the unemployed and has failed to deliver a new future to the aforementioned 7,000 apprentices who are without work and qualifications.

Moreover, the Government no longer is looking forward and most of its members are looking backwards. Last night witnessed the sad saga of Deputy Gormley talking about his sleepless nights. At least he has a bed in which to sleep, a car to pick him up and a job to go to even if he will become unemployed shortly. The point is that hundreds of thousands of people do not have those comforts but endure the same sleepless nights. The only hope one can give and the only change one can make is a general election and a new Government. When that comes, the changes that are needed will take place. An bhfuil mórán ama fágtha agam?

An Ceann Comhairle: Cúpla noiméad.

Deputy Fergus O'Dowd: I was unsure whether my time had elapsed, given the manner in which the Ceann Comhairle was looking at me. The *lá geal gréine*, that is, the new start and new beginning must come. In the sphere of education, one must ensure——

An Ceann Comhairle: Tá an t-am caite.

Deputy Fergus O'Dowd: I did not realise that. Gabh mo leithscéal. I will have a go at the Minister of State next week.

Minister for Defence (Deputy Tony Killeen): Ba mhaith liom mo chuid ama a roinnt leis an Teachta Fahey, má thagann sé.

An Ceann Comhairle: Is that agreed? Agreed. The slot has ten minutes in total.

Deputy Tony Killeen: Part of this debate has been conducted as though, were the arrangement with the European institutions and the IMF not to be entered into, Ireland could operate without any borrowing whatsoever. Some of those who appear to put forward this idea simultaneously appear to operate as though it would be possible to operate exactly as we do at present, with borrowings of approximately €18 billion per annum. We need to establish clearly what are the exact parameters. One of the parameters, of course, is that if we were not accessing this funding from the European institutions and the IMF, we would be accessing it in the markets. An element of this discussion has centred on the interest rate we are paying for this facility. Those who have been talking about such matters forget that the last time Ireland went to the market — last September — eight-year money was costing just over 6%. In fact, the entire borrowing in this deal, which is for an average duration of seven and a half years, costs an average of 5.83%. It is cheaper than the last time Ireland went to the market to borrow money for a commensurate length. That point about the interest rate should be noted. At that point, which was in September, there were no complaints about the rate of interest on our

[Deputy Tony Killeen.]

borrowings. In fact, there were few enough complaints about the fact that we were borrowing to the extent we were.

Deputy Damien English: We were highlighting that at the time.

Deputy Tony Killeen: I wanted to put the interest rate point in a particular context before I set it aside.

Deputy Damien English: The Minister of State may be confused.

Deputy Tony Killeen: I am sure the Deputy will have an opportunity to speak eventually. When we were still in the market, we were paying more in interest to borrow money for approximately the same length of time. We are no longer in the market. We have entered into a programme for a period of years. It allows us to stay out of the market, in the first instance. It also gives us an opportunity to re-enter the market when conditions settle. At that time, we will be able to avail of a cheaper interest rate. It is important to bear in mind that as a country, we need to have a range of borrowings in order to be able to do business in the way we do. Some borrowings are over a relatively short period of time, perhaps three years. Other borrowings are over a much longer timeframe, perhaps nine or ten years.

Many people choose to ignore the fact that if we were to continue to borrow €18 billion per annum, we would have to do so in the open market at an interest rate of 9% or 10%. It would be entirely unaffordable for the country to enter into such a long-term commitment. It is important that we look at the four year plan, the borrowing requirement and the availability of money under the facility in those terms. If one considers those factors in an objective manner, one will agree that the interest rate is better than it was the last time we were in the market for borrowing of the same duration.

Deputies on most sides of the House agree that the four year plan sets out a programme that is difficult but attainable. It is difficult because a gap of approximately €18 billion has developed between the State's income and the cost of the services the State provides. It is clear that such an unsustainable gap has to be reduced. We are reducing it by €6 billion, which is a big chunk, by making this year's alteration, the details of which will be made available next Tuesday. I do not doubt that they will be debated at length before they are voted on. That element of the programme will be dealt with in such a manner. Lesser amounts will have to be dealt with in each of the following three years. One of the elements of the programme is that an additional year is available. If the 3% target is not reached — I think it will be — we can take another year to reach it. That is another advantage of the manner in which the programme has been laid out and the opportunities presented by it.

When Deputy O'Dowd was talking, I was reminded of the comment of the US satirist, P.J. O'Rourke, that a country cannot vote itself richer. He said a lot of other interesting things, not all of which I would choose to quote. The over-concentration on the idea that an election will sort everything will present enormous difficulties for the parties that will be on the Government side of the House after we go to the polls. Before I let in my colleague, Deputy Fahey, I want to mention that last night I went into some of the problems I see being created. I made the point that there is a particular onus on people in this House. It is different from the onus on commentators and others. We should give some thought to that.

Deputy Frank Fahey: I thank the Minister of State, Deputy Killeen, for sharing his time with me. Both main Opposition parties have opposed every measure this Government has taken to

tackle the financial crisis. Our efforts have been endorsed by the European Commission, the European Central Bank, the International Monetary Fund and the Organisation for Economic Co-operation and Development. Neither Fine Gael nor the Labour Party has offered a credible alternative banking strategy. Fine Gael's plan for a national investment bank seems to have been dropped since Deputy Noonan returned to that party's Front Bench, as has the NewERA policy. Similarly, the Labour Party's policy plan to establish a strategic investment bank has not been endorsed by any international bodies or commentators.

Deputy Damien English: We own AIB now. What is the Minister of State on about? We can use that.

Deputy Frank Fahey: Perhaps Deputy Rabbitte can state whether the strategic investment bank proposal has been examined by the European Central Bank, the European Commission or any other body. As far as I am aware, nobody has endorsed the idea.

Deputy Damien English: The head of the Credit Review Bureau has advised that such a bank be created.

Deputy Frank Fahey: I am talking about the Labour Party.

Deputy Damien English: I am trying to be helpful by mentioning the advice that has been given by a Government employee.

Deputy Frank Fahey: The Labour Party has suggested that it can take €2 billion from the National Pensions Reserve Fund, in the present economic climate, before going to the market to raise another €18 billion. It is the most ridiculous idea that has been proposed in this House for a long time. I ask Deputy Rabbitte and his colleagues to spell out where they will borrow the €18 billion that is the cornerstone of their economic policies. In the past week, both parties have been completely disingenuous when talking about the terms of the EU-IMF assistance. The idea that things in this country will magically improve overnight if the Labour Party and Fine Gael get into government is not credible. They know, as I know, that there is no magic solution to our economic woes. It would be fairer on the electorate if they made that clear at this stage. If the Labour Party intends to raise half the moneys needed in taxation, that clearly must mean a significant property tax for the middle classes in this country. I was shown an advertisement recently that purported to be from a political party that intends to introduce a property tax, but cannot say so yet. It ended with the words "Vote Labour". That is the kind of magic myth the Labour Party is portraying in society at the moment. That is the kind of con job in which the Labour Party is involved. It will do the greatest U-turn that has ever been done——

Deputy Pat Rabbitte: Will the Deputy take a point of information?

Deputy Frank Fahey: I do not want to waste my time.

Deputy Pat Rabbitte: Did anyone tell the Deputy that a property tax is provided for in the document we are discussing?

Deputy Frank Fahey: The Deputy can give me a point of information, but he cannot——

Deputy Pat Rabbitte: It includes a provision to increase the property tax in each successive year.

Deputy Frank Fahey: We have spelt out our plan. We await with interest the Labour Party's plan. The reality is that the middle classes of this country will get a hell of a gonc when they see the way the Labour Party intends to tax them out of existence.

Deputy Brian Hayes: Perhaps the investor class will feel likewise.

Deputy Frank Fahey: I listened carefully to one of Deputy Rabbitte's contributions. He was very bitter about the performance of this Government.

Deputy Damien English: The electorate will have its say soon.

Deputy Frank Fahey: I think it was in the beginning of 2003 that Mr. Dermot Gleeson, who was the Attorney General in the Government led by Mr. John Bruton, became the chairman of AIB. He took over from Mr. Lochlann Quinn, who stepped down around that time. Given that Deputy Rabbitte knows so much now about the mistakes that were made, it is a wonder he did not speak to his former Cabinet colleague about the moneys being given out by AIB. During Mr. Gleeson's chairmanship of AIB between 2003 and 2007, the total outstanding credit from the Irish banks increased from €160 billion to €380 billion. Why did Deputy Rabbitte, who knows everything about what went wrong, not take the opportunity to speak to his former Cabinet colleague, who was the chairman of AIB when things went so badly wrong? When the Deputy comes into this House, he lambastes everybody all over the place. He sat in Cabinet with the chairman of AIB, who led the bank when it was involved in reckless lending. It is wrong to say the Government made all the mistakes. I agree we made mistakes but I never heard in any of that time any Opposition spokesperson, from the Labour Party or from Fine Gael, say in this House that the banks were paying out too much money, that they were lending too much money or being reckless. The members of the Opposition have to take responsibility for having their eyes off the ball during that period just as much as the Government.

Deputy Pat Rabbitte: I sat in Cabinet with the Attorney General.

Deputy Frank Fahey: I am referring to the period when Dermot Gleeson was Attorney General. He was the person who was chairman of Allied Irish Banks——

Deputy Brian Hayes: After that time.

Deputy Frank Fahey: Yes. I wish to clarify that between 2003 and 2007, the outstanding credit from the Irish banks was increased from €160 billion to €380 billion, an increase of €220 billion. This was during the time when the former Attorney General, the Cabinet colleague of Deputy Rabbitte, was the chairman of Allied Irish Banks. I ask Deputy Rabbitte to answer my question. How come he did not say, "Dermot, what the hell are you at?"

An Ceann Comhairle: We cannot have this sort of exchange now.

Deputy Brian Hayes: It is clear that Deputy Fahey never got a loan from Mr. Gleeson, despite the offers that may have been made at the time.

In the short time available to myself and Deputy English——

An Ceann Comhairle: Five minutes each.

Deputy Brian Hayes: I was aware that when the IMF and the EU were coming to town, this was a project about saving the euro, that it was not about a bailout. The first letter in the document circulated to Members today states:

Ireland faces an economic crisis without parallel in its recent history. The problems of low growth, doubts about fiscal sustainability, and a fragile banking sector are now feeding on each other, undermining confidence.

This letter is written by the Minister for Finance, Deputy Brian Lenihan, to Mr. Jean-Claude Juncker, Mr. Didier Reynders, Mr. Olli Rehn and Mr. Jean-Claude Trichet. If ever there was an example of the level of the crisis we face it must be this recent letter.

I was under the illusion that Ireland would get the interest rate on the three parcels of money, the emergency fund, the bilateral loan facilities and the IMF money, as making up the €85 billion but at no stage in the memorandum are we informed as to the specific interest rate. I would have thought this memorandum of understanding from a negotiation would state the specific interest rate about the facility that is to be given.

Like the invasion of Iraq, the bank guarantee scheme was based on a falsehood. The Minister for Finance informed this House in September 2008 that the problem with the banks was liquidity. This was untrue. The problem was much more serious. Certainly, in September 2008, the banks had a liquidity problem but the liquidity problems of the banks at that stage were merely a symptom of a much deeper malaise. That deeper malaise was a solvency issue. The bank guarantee of September 2008 has brought this country to its knees and contributed significantly to the wider financial crisis now threatening Europe. Things should never have reached this stage.

The warning signs were flashing amber as far back as summer 2007. In a recent article in *The Irish Times*, Mr. Michael Somers, the former head of the NTMA, referred to the fact that the banks had funding problems in August 2007. The collapse of Northern Rock in Britain in September 2007 was the first collapse of a retail bank in Britain in 150 years. That should have been a red light warning to all Irish banks, to the Financial Regulator, to the Central Bank and to the Government. Warning signs were to follow. All through the spring and summer of 2008, there were clear indications that the Irish banks were in trouble. This Government's banking policy has been a catastrophic failure in every respect. For more than a year, the Government ignored the clear signs. Its analysis and diagnosis of the problem was flawed. The bank guarantee and the bank bailouts which followed have cost €60 billion to date with another €25 billion on stand-by. All this money has failed to stabilise the banking system. Anglo Irish Bank, which the Minister informed us was of systemic importance, may cost the State €35 billion and possibly more. It is now no better than a beaten docket on the floor of the Fianna Fáil tent at the Galway races. Of course, it was the Galway tent school of economics that has brought this country to its knees.

For more than two years, this Government's banking policy has sucked this country deeper into the red. The Government now tries to present the bailout from the IMF and the EU institutions as a good deal for Ireland. It does not even deceive itself on this one. Yesterday, the soon to retire Minister for Justice and Law Reform, made it clear on RTE radio that the Irish Government was mugged and forced to take the money. This was the truth and not fiction. Even the Governor of the Central Bank has admitted that this was not his preferred option. This Government put the country's hand into the dog's mouth and had it bitten off.

[Deputy Brian Hayes.]

If we are to get out of this economic mess, a crucial first step must be a clear recognition that the banking policy pursued by the Government has been an abject failure. Other countries have been forced to accept policy failures and a change of course. This has been the case with America after the Vietnam war, with Russia after Afghanistan, with NATO forces leaving Iraq. Britain has set a date for its troops to leave Afghanistan. We must do the same with the bank guarantee. A clear exit strategy is now required. The idea that an open-ended guarantee can exist in perpetuity will further the downward spiral in our economy.

We must also demand of the ECB that it assumes its responsibilities as lender of last resort. The Irish Government and people have carried the burden for too long and the burden must now be shared by the ECB and the bondholders and there must be a pan-European response. No one should underestimate the cost of this bailout, not just in cash terms but also the reputational damage done to this country. If Ireland is the last battleground in a campaign to save the euro, we need to know that EU partners have stood with us in that battle. We have paid a heavy price for this battle. Can we say that solidarity was shown to us, particularly from those institutions that stood back and allowed cheap money to flow into this country for more than a decade?

I hope that the dark sinister forces, be they from the hard left or the hard right, will not be unleashed on this country because of the difficult terms that have been imposed by the bailout. Has Europe stood with us as we face this challenge? That is the question I will leave for history to answer.

Deputy Damien English: The Minister for Finance has stated he is shocked that the Opposition is opposing this deal and that there was no choice in the matter. He said that without this programme, our ability to fund the payments to social welfare recipients, the salaries of nurses, doctors, teachers and gardaí, would be extraordinarily limited and would be highly uncertain. He tells us we have no choice. This is the same Minister who stood in front of many interviewers and said the only reason we were going to the IMF and the EU for a bailout was to help the banks and that it was the fault of the banks. This is not true. The Government needs this bailout to run the country because it completely and utterly mucked up and got it wrong. The majority of this bailout, €50 billion, is to be used to run the country for the next three years. However, in its own plans, the Government maintains it requires €60 billion to run the country in the next four years. I wonder why the Government stopped short at the last €10 billion.

In 2014, a significant level of existing Government debt is due to be renewed and rolled over. What will happen then? The new Government will probably be still in office in 2014 and will have to find a lot of money to repay the debts this Government has already run up. It is not all to do with bailing out the banks.

Fine Gael's problem with this deal is not the deal itself which we know is inevitable because of the wasters in government. It is the cost of the deal and the interest rate of 5.8% which could go higher depending on market conditions. This rate is moveable. The Minister is surprised we are annoyed about the use of the National Pensions Reserve Fund. We wanted to invest the National Pensions Reserve Fund in projects which would create jobs and give a guaranteed rate of return to the fund. I refer as an example to the M3 motorway which goes through my county. That could have been built with funds from the National Pensions Reserve Fund thus giving a return to this country, not to business people in some other country. It could be also used in the production and delivery of gas, electricity and so on. These are guaranteed utilities

— they will always be paid — so there is a guaranteed rate of return. What the Government is doing with the pensions reserve fund is to throw it into the black hole of the banks and say goodbye. It is “Goodnight, Irene”. That is not what we want, and that is what we are annoyed about. We are also annoyed that there is no growth strategy; there is no strategy whatsoever to create jobs. Yet the Minister says we have the capacity to get ourselves out of this difficult situation. We have the capacity, perhaps, to pay the interest, at a major loss to many other projects. The opportunity cost will equate to fewer school classrooms and higher pupil-teacher ratios. Health services will get worse and waiting lists will become longer. Roads will fall apart. The snow will be needed to cover the potholes — that is how bad they will get. That is what will face this country when we have to pay out €10 billion or €11 billion in interest every year. That is just the interest, not the capital.

The Minister says we have the capacity. We can barely carry the cost of the interest, with serious difficulty, but where is the capacity to pay back the capital without some kind of strategy to create money in this country? This is a silly, stupid deal. The Minister claims that Ireland entered the negotiations not as a delinquent State that had lost fiscal control, but as a country that is funded until the middle of next year and a State whose citizens have shown remarkable resilience. He claims he went into this game of poker, as the Minister for Enterprise, Trade and Innovation, Deputy O’Keeffe, calls it, in good condition. If that is the case, why did he come out with such a useless deal for this country, which will break the hearts of many taxpayers over the years ahead? We cannot afford this rate of interest. Our counterparts in Europe wanted us to take a bail-out. That was our bargaining power, which we should have used to get a deal with much lower interest. Instead, we have one with an interest rate of 5.8% at least, and even more in some areas.

Minister for Enterprise, Trade and Innovation (Deputy Batt O’Keeffe): I welcome the opportunity to discuss the EU-IMF programme and the Government’s national recovery plan in the House. The two, of course, are inextricably linked. As was outlined earlier, the provision of €85 billion of international financial support to Ireland is on the basis of a specified programme, the details of which closely reflect the key objectives set out in the national recovery plan that was published last week. As Minister for Enterprise, Trade and Innovation, I will focus my contribution on the areas of the plan that are most pertinent to our enterprise sector.

The plan has three critical factors. First, it provides certainty. It is an extensive document containing a detailed set of measures which will put the public finances in order, drive growth and support employment. Having read the plan thoroughly, one could not fail to be absolutely clear about the nature of the task facing us, the strengths we bring to that task and the actions we will take to achieve stability and growth. Second, the plan solidly establishes the credibility of our proposed actions as a Government and as a people. The plan has been endorsed by our international colleagues as a credible and appropriate set of actions to make the necessary savings of €15 billion and reach the broadly accepted deficit target of 3% of GDP. By introducing this plan, we have presented to the domestic and international audience a credible set of actions to bring us to where Ireland needs and wants to be. Third, our national recovery plan represents confirmation of our objective: enterprise- and export-led growth. As Minister for Enterprise, Trade and Innovation, I especially welcome the acknowledgment of and consequent commitment and investment to the enterprise sector. The capital investment of almost €2.2 billion in the enterprise sector and the maximum support and protection afforded to businesses throughout the plan are important, as are the measures to tackle high input costs for businesses,

[Deputy Batt O’Keeffe.]

actions to remove barriers to employment, and enhanced job creation measures. All of these are, appropriately, included in the plan.

In addition to the benefits from improved infrastructure and the direct employment from construction, the new four year capital expenditure programme recognises the critical importance of the work supported by my Department and its agencies in achieving economic growth. This is obvious from the allocation of €2.2 billion to enterprise over the next four years.

I often hear people asking from where the investment, growth and jobs will come. The multi-billion euro investment by the Government in this plan means we will continue to win foreign direct investment, increase indigenous exports and tourist numbers, further our smart economy objectives and, most importantly, create 300,000 new jobs by 2016. It is expected that unemployment will fall to below 10% by 2014. Today we have further cause for optimism regarding growth, trade and employment. Activity in the manufacturing sector was steady in November, with output and the number of new orders rising. The NCB purchasing managers’ index is rising, with new business boosted by a strong increase in new export orders.

New figures for redundancy claims in the first 11 months of the year show a drop of nearly 17,000, or 23%, on the number filed for the same period last year. Today’s live register numbers show the lowest monthly total since December 2009. Although the live register has risen in November in each of the past five years, in 2010 we have seen the first fall since 2004 and the largest fall since 1999. The numbers are almost 42,000 lower than at the end of August. This is further evidence that the live register numbers are stabilising and that our targeted investment in growth to date is working, although there is still much to be done.

We will continue to invest for further growth under this plan. The IDA Ireland investment to embed, transform and increase the foreign direct investment base in Ireland in support of jobs and exports has been completely protected. The total sales of the companies concerned were €119 billion in 2009, while the value added by these firms was equivalent to more than 47% of GNP. Enterprise Ireland will receive a 7% increase in its capital allocation for activity in the area of science, technology and innovation. This increased funding will be used to put Irish companies ahead by enabling them to develop the important competitive advantages that innovation will deliver.

Under the plan, we will make multi-million euro investments to encourage collaboration between industry and third level institutions. This will include the allocation of nearly €8 million to create new high-tech competence centres that will undertake an industry-led research agenda. The target is to double the number of competence centres to 16 by 2015. The increased allocation to Science Foundation Ireland in 2011 sends a strong message, nationally and internationally, that the Government’s focus is on driving the smart economy. This investment has been critical to the IDA’s capacity to secure research and development investments, currently running at €500 million every year. The allocation will allow the commencement in 2011 of the projects approved under cycle 5 of the programme for research in third level institutions. It also supports indigenous companies that are reliant on knowledge for growth and job creation.

In addition to the significant investment in growth, jobs and innovation under the plan, it also sets out clear measures to improve our competitiveness further. These measures will reduce energy costs and drive down waste and transport costs. Under the plan we are committed to appropriate State investment in next-generation broadband where the market fails to deliver. There is also a series of actions to reduce the cost of professional services. Property costs will face increased downward pressure. With regard to Government-influenced costs, we will extend

the 15-day prompt payment rule to the wider public sector, avoid increases in administrative charges, and fully examine the scope for reductions.

Since 2007, measures we have implemented have saved small firms almost €53 million in red tape overheads. We will expedite work to achieve the targeted 25% reduction in the regulatory burden on business, and we will minimise local authority charges based on the local government efficiency review group. Regarding labour costs, we will reduce the minimum wage by €1 per hour. I note that Fine Gael has signalled its intention to reverse this proposal, if it has the chance to do so. That would involve completely ignoring the research, which shows that a reduction in the minimum wage would result in an increase in employment in the medium term. It would also involve completely ignoring the needs of the sectors where the wage is most concentrated. We will review the other sectoral pay agreements including employment regulation orders, EROs, and registered employment agreements, REAs. I am determined to reform any agreement that constitutes another form of labour market rigidity by preventing wage levels from adjusting.

I welcome the labour activation measures set out in the plan. We have already provided 165,000 places this year to train and provide work experience for the unemployed. The enhancements in the plan are an important element of our overall approach to recovery and growth and will further ensure the proper functioning of our competitive labour market.

The plan has been especially successful in balancing new taxation measures. While taxation will contribute €5 billion to the overall €15 billion adjustment, this will be done in a manner least harmful to enterprise. Our competitive 12.5% corporation tax rate will not change. Our marginal tax rates will not disimprove and our tax wedge will continue to remain competitive.

The EU IMF programme and the linked national recovery plan are an important part of Ireland's path to growth. In addition to the upcoming budget, I urge Members to examine closely what it contains and to consider the certainty, credibility and hope it offers and to base to any assessment on these facts rather than short-term political considerations.

Deputy Pat Rabbitte: This document, which we received a couple of hours ago at the beginning of the debate, is a hospital pass. At the moment we are fortunate to have an exceptionally gifted generation of rugby players. However, this document is a hospital pass by this discredited Government to the next Government.

Let us consider the document. It is remarkable that the Ministers can come in here, one after another, and lecture us on the language used in debating the fact that the IMF is now running the country. The budgets are set out in this document for 2011, 2012 and 2013. They are in the document down to considerable detail. Let us examine it. Page 7 contains the budget for next year, page 10 contains the national minimum wage reduction, page 15 contains the budget for 2012 and page 18 contains the budget for 2013.

Deputy Fahey came into the House and lectured me, suggesting that if the Labour Party gets into government we might introduce a property tax. It is a pity he did not read his own document. Not only does it contain a property tax but in successive years there is provision for an increase in the property tax. Deputy Fahey is fearful that we might slap a tax on any of his properties but it is already here.

I am unsure what the next Government is expected to do. I offer a sample of the budget for 2012. We will take out €3.6 billion from the public finances, some €1,500 million of which will be in increased taxes. We will lower the personal income tax bands and credits. We will introduce a property tax. We will reduce the general tax expenditures. On the expenditure side, we will cut spending by €2.1 billion on what is euphemistically termed "social expenditure reductions" and we will reduce the number employed in the public service. That is what this document

[Deputy Pat Rabbitte.]

states. Although I use the term “we”, this document was negotiated by the Government of the Minister of State, Deputy Roche, by Fianna Fáil, the IMF and the EU.

This is the document before me and it is all tied up. In case there is any doubt about it, let us turn to pages 22 and 23, which are fantastic. They are the monitoring pages. What happens if a Government should err? These pages set it down clearly. Every month, ten days after the end of each month, the Department of Finance will send all data on budget targets to our masters in Frankfurt and Brussels. Information on the main Government spending and receipt items will be sent by the Department of Finance weekly, every Friday. The NTMA is required to send weekly information on the Government’s cash position with an indication of sources as well as the number of days covered on Fridays, reporting on the previous Thursday. It is no wonder the Minister of State, Deputy Roche, is quiet. I have not seen him this quiet in all my years in the House.

Deputy Dick Roche: Would Deputy Rabbitte prefer if I heckled him?

Deputy Pat Rabbitte: I would feel more at home with it.

Deputy Joan Burton: He is probably speechless.

Deputy Pat Rabbitte: This document is a straitjacket. I doubt whether the Ministers of State, Deputies Roche and Mansergh, knew about it. Certainly Deputy Fahey did not know about it. He came in here and asked what would happen the middle class of Ireland if the Labour Party came into government and introduced a property tax, without knowing that the property tax is contained in the document and signed up to by the Minister, Deputy Brian Lenihan, and the Taoiseach, Deputy Brian Cowen. In case they were unhappy with bringing in the property tax, they make provision for it to be increased in subsequent years.

The new Government will be in a straitjacket and is getting a hospital pass from this Government. It seems to me the Opposition made a mistake and it may as well be admitted. My party considered a motion of no confidence in this Government some weeks ago when this broke. We decided, to use the hackneyed phrase, in the national interest not to proceed because the Government was about to publish a four year plan and it was in negotiations with the IMF, the EU and the ECB. We decided it would not be responsible. It seems to me we have made a big error and a mistake. We ought not to have let this Government carry out the negotiations with the IMF and the EU because it has given us a document that ties the hands of any future Government in this country for more than the next three years. We ought not to have permitted the members of Government to do so because they have gone, knowing they will not be here, and agreed to whatever was thrown at them.

Earlier, Deputy Burton dealt with the implications, as we see it, of taking €6 billion out of the public finances in this budget. I endorse everything she said in that regard. The Minister may correct me if he knows differently but my information is that the IMF agreed that to take more than €4.5 billion out of the economy in the coming budget would send us into a further tailspin in terms of growth and employment. Of course, the Government, always being one step behind the action, had already committed to €6 billion in cutbacks in the vague hope it would stave off the IMF and be able to source money in the markets at a cheaper price. It had already sold the pass but the markets responded by raising interest rates on bonds.

Deputy Fahey came into the House to wave around his written script and ask me why I did not intervene with the chairman of Allied Irish Banks when I saw the explosion in credit. His case rested on the fact that I had sat in Cabinet with an Attorney General who subsequently became chairman of Allied Irish Banks. Deputy Fahey demanded I answer this case. Will

Deputy Fahey answer this? Why did his buddy, the Taoiseach, Deputy Brian Cowen, when Minister for Finance, not intervene with the chairman of Allied Irish Banks, especially as he had the figures and I did not? It was his job to supervise the regulation of the banking system. The question that must be asked is why did he not do his job.

This is an appalling day for this House. Our sovereignty has been yielded to others. We are stuck with a document that sets out inexplicit parameters for the budgets this House is expected to follow in the years ahead. The Government takes the position that this is not a matter for the House to approve or reject this document. How, in the name of heavens, can the Government maintain such a position? It thinks it can escape by permitting statements on the deal while claiming it does not require approval. On Monday, I set out my views why it does require a decision of this House.

I have also raised the long-term implications from the abuse of derivatives by the Irish banks. Yesterday, the Taoiseach sought to dispose of the issue by claiming Monday's interview by the Governor of the Central Bank, Professor Honohan, had cleared the matter up. It did not. Professor Honohan said the issue is now under control, which I welcome. That, however, does not tell us of the implications down the road with the legacies of covered bonds, credit-linked notes and the like.

It is a great shame the time is not provided in the House to go through the implications of this programme paragraph by paragraph. Never since we won our independence has a prospective Irish Government found itself in a position where the key decisions on social, fiscal and economic policy for the next three years are already made for it. Unless the new Government can re-negotiate this programme, it will be a prisoner of this bankrupt document and confined to a strait-jacket for the first three years of its term of office.

Minister of State at the Department of the Taoiseach (Deputy Dick Roche): I wish to share time with the Deputy Mansergh.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Dick Roche: The Labour Party leader has made big play that he will renegotiate the document. The financial package that has been agreed with our EU partners and the IMF is a good deal for Ireland. It will ensure Ireland will have access to funds to maintain social welfare, the health service, the education system and other services. It will help to resolve the remaining issues in our banks. The package will provide funding for both actions at a lower cost than is available on the market and, accordingly, relieve the burden on Irish taxpayers.

The Opposition parties have sought to propagate the idea that they could have done a better deal for Ireland. To do a better deal, they would first need to be in agreement. The Opposition parties have such fundamental disagreements that it would have been impossible for them come to any agreement with international negotiators.

The facility that has been put in place accepts the basic strategies in the Government's national recovery document. That is why, as Deputy Rabbitte pointed out, that a great deal of the detail in the national recovery document is contained in this document. The Opposition disagrees, as it does from time to time with the Government, on some of the most fundamental aspects of the national recovery plan. What is remarkable is the level of disagreement that exists between the Opposition parties.

Deputy Damien English: Here we go.

Deputy Dick Roche: Sinn Féin's sole policy is to foment as much public anxiety as possible, to propose tax increases twice the rate of even the Labour Party and cut public expenditure by a fraction of that proposed which every observer suggests is necessary. As we see from the Northern Ireland Assembly, Sinn Féin is paralysed at the prospect of taking any hard economic decisions.

More surprising, however, are the extraordinary differences that exist between Fine Gael and Labour. A recent and very perceptive article in the *Irish Independent* compared Deputy Gilmore's position to that of the deluded emperor in Hans Christian Andersen's, *The Emperor's New Clothes*. Members will recall how in that tale the child went up to the royal carriage, looked in and proclaimed, "The Emperor is naked". Deputy Gilmore has no clothes — no coherent policies.

His position exposes a fundamental flaw not only for the Labour Party but for its potential allies in Government. The differences between Fine Gael and Labour on where they stand on issues of fundamental importance to this country are so vast that they are dangerous. They are so dangerous they will undermine the process of national recovery.

On the scale of the adjustment that is needed to bring the public finances under control, Fine Gael claims it should be €6 billion. Its finance spokesperson, Deputy Noonan, said on 10 November, Fine Gael has agreed that €6 billion should be a working target for the scale of the adjustment next year. Deputy Burton, the Labour Party spokesperson, however, took a different view and believes it should be approximately €4.5 billion. She castigated Fine Gael when she said imposing a cut of €6 billion would risk damaging the fabric of the economy. I am not one to argue with this.

Deputy Joan Burton: The Minister of State then agrees I am correct.

Deputy Dick Roche: A Cheann Comhairle, can I have your protection? I did not interrupt the last speaker.

Deputy Joan Burton: Protect him, a Cheann Comhairle.

An Ceann Comhairle: One speaker at a time. If we allow things to break down we are in trouble.

Deputy Dick Roche: There is a critical difference between Fine Gael and Labour on the balance between cuts in spending necessary to reach the 3% figure. Deputy Gilmore, told the Dáil on 28 October he believed roughly a 50:50 balance between taxation and spending cuts was needed in the national plan. Fine Gael suggests the ratio should be 3:1.

On property tax, about which Deputy Rabbitte was getting into a tizzwazz, Deputy Gilmore told "Morning Ireland" it would be perverse to ask people to pay a property tax. During the building boom he favoured cutting stamp duty. In its New Politics document Fine Gael proposes broadening the tax base, with which I agree.

Fine Gael also proposes introducing a modest water charge. Deputy Gilmore prevaricated on this and told the *Irish Examiner* he was against water charging as water is a necessity — talk about stating the obvious — and that a flat household charge would be unfair.

If his party rules out all of the basic points that his potential partners in Government are proposing, where does it leave this country in the period ahead? The reality is that the Labour Party has ducked and dodged, and has avoided making any coherent policy issues. It comes in here with the kind of trite nonsense we have heard for the last five minutes.

Minister of State at the Department of Finance (Deputy Martin Mansergh): I, of course, regret that it should be necessary for this country to require EU-IMF assistance, but it has arisen due to circumstances beyond our control at the present time. With regard to the apocalyptic interpretation of these events, they depend, first, on an exaggeration of our sovereignty in the past — from 1922 to 1979 we were part of the sterling area with no control over our own currency — and, second, the degree of alleged loss of autonomous decision making in the present. In 1969 and 1976, Britain sought and obtained IMF assistance without any obvious long-term loss of either sovereignty or national identity.

While we have to reduce borrowing to under 3% of GDP within five years, we retain a considerable degree of latitude with regard to how we achieve this. We should be able to maintain, albeit on a significantly more economical basis, the vast majority of our public services. Financial assistance is essential if we are to keep these services going to pay cheques to pensioners, civil servants, farmers, suppliers and others.

We have protected two other bottom lines — the 12.5% corporation tax rate and the Croke Park agreement. One of the critics of our corporation tax rate, the former Welsh First Minister, Rhodri Morgan, wrote a letter to the *Financial Times* on 26 November claiming that: “Ireland’s hyper-competitive corporation tax has enabled it to sweep the board when it comes to attracting high-profit, low-capital-spend, foreign direct investment in sectors such as software, pharmaceuticals and so on.”

It is key to recovery through export growth and to have removed it would have undermined confidence completely in our ability to recover. In a negotiation it is not possible to make everything a fundamental priority. The National Pensions Reserve Fund, which was one of the best things Charlie McCreevy created — and which all the Opposition parties had it in mind to use, in part to fund their election policy platforms — has been drawn in. It could hardly be otherwise.

There are misconceptions about how negotiations are conducted by governments. In nearly all instances, detailed negotiations are in the first instance conducted by diplomats or officials. Recently, there was a quiet celebration — attended by my ministerial colleague, Deputy Roche — of the 25th anniversary of the 1985 Anglo-Irish Agreement. It was one of the major achievements of the Garret FitzGerald-led Fine Gael-Labour coalition. That negotiation was conducted primarily between senior Cabinet officials and diplomats on both sides, of course, under the direction of and subject to the final approval of the Taoiseach and the British Prime Minister.

Deputy Joan Burton: Fianna Fáil sent the then Minister for Foreign Affairs, Brian Lenihan senior, to the United Nations to object to it. I thank the Minister of State for reminding me.

Deputy Martin Mansergh: That is totally irrelevant to the point I am making. Mrs. Thatcher was reportedly not very happy with the result. In the present case the Irish authorities were negotiating with senior EU, ECB and IMF officials, subject of course to political direction, arbitration and approval. Principals — Heads of Government, EU Commissioners and Finance Ministers — generally hold themselves in reserve for consultation as negotiations progress. It seems to me that some criticism of the deal has been based on a misunderstanding of how negotiations are normally conducted.

Developments across Europe illustrate that Ireland is part of a wider drama across Europe, potentially relevant to financial and monetary stability in the developed world. Economists, bankers and other commentators may have an entirely different view on what it would have been right for Ireland to seek to do, for instance, concerning senior bondholders. Some of the discussion of this in recent months, both at home and abroad, has had a destabilising effect both on our situation and that of others. We urgently needed funding, while our partners

[Deputy Martin Mansergh.]

urgently needed a plan for stability. We had to reach an agreement with agencies and partners that also had broader preoccupations and that had to calculate the knock-on effects of what they agreed with Ireland.

I do not believe that any alternative Irish Government could have achieved a better deal at this time, but if the next Government is subsequently able to negotiate improved terms and conditions, I wish them well. In my view, they will not be in an asylum or straitjacket, but will have to create their own margin of manoeuvre. Improving our public finances is the first step.

Deputy Kieran O'Donnell: We received this EU-IMF programme of financial support for Ireland earlier this afternoon. I noted with interest last night that the Minister of State, Deputy Mansergh, said he was not aware of the details of this agreement. Now, however, he seems to be an authority on it. In one breath the Government is saying there was no political involvement, yet it seems to know everything about it.

Scanning through the requirements in the document, the Government has effectively put this country in the position of a schoolboy applying for pocket money. If he does not do A, B and C he will not get the funding. This is due to the Government's recklessness over many years, but in particular from 2003 onwards. Not only did it get the property bubble incorrect by inflating it through tax incentive schemes and not regulating the banks, but it has also compounded it with a series of measures on the banking crisis. This started with the bank guarantee scheme and followed on with NAMA and the nationalisation of Anglo Irish Bank.

In the period since this issue arose in September 2008, over two years ago, we have not seen one person from the banking system brought to book. We have seen no proactive measures to deal properly with the banking crisis. Where is the resolution regime the Government promised? When it brought in the bank guarantee scheme, it could have effectively put a temporary scheme in place and during that period brought in a resolution scheme for Anglo Irish Bank to wind it down. Anglo Irish Bank became the lightning-rod for this country in terms of international markets. They saw €30 billion going into a bank that was never going to lend a red cent. The IMF told Governor Honohan that it wanted to see the brass plate coming down off Anglo Irish Bank's door. Anglo Irish Bank is a symbol of failure and the Government's brass plate will shortly be taken down also. We need a new vision and a changing of the guard. If one has a bad workman, one does not continue to hire him.

Page two of the agreement refers to the National Pensions Reserve Fund, as follows: "The judicious use of our own existing financial resources (€17.5 billion) will also help ensure financial stability as we restore market confidence and return to durable growth." These are not the Government's own resources, however, they are the taxpayers'. The Government is raiding the piggybank of the National Pensions Reserve Fund and other reserves to put it into institutions from which taxpayers may never get a return. The Government has put the economy and the country in this position, yet it seems to have no shame. It questions what is happening now but takes no responsibility for having got us to this situation.

The Taoiseach should allow the budget to go through with immediate effect, as well as all the legislative budgetary measures to go through before the end of the year. He should then call a general election and let the people have their say. Many of the measures introduced under this plan would be coming through under the next Government's watch. The Government negotiated this deal, so it should be ashamed of itself given the poor quality of it and its repercussions for citizens.

Deputy Lucinda Creighton: There has been a lot of finger-pointing and hand-wringing over this deal. It is quite clear, even from the response of Government Deputies and Ministers, that

there is an agenda, which will probably run up to the general election, to blame the European institutions and our European partners for the home-grown mess that the Minister and his colleagues have created.

Deputy Martin Mansergh: I did not do so.

Deputy Lucinda Creighton: Of all people, the Minister of State was particularly associated with Deputy Bertie Ahern, the architect of this country's downfall. I have heard the Minister of State defend him at some length. Were it not for his grossly self-serving political agenda of waste and expenditure in this country, we would not be in the mess we are in. If this Government had any respect for the electorate, the Parliament, or the people of this country, it would have involved Fine Gael and the Opposition parties in these negotiations. The Government would not have concluded a shambolic deal with the IMF without input from the incoming Government. That is an indictment and shows where the patriotism of Fianna Fáil lies. It shows where the commitment to this Republic stands.

I am disappointed that we have heard no talk of job creation. We have seen ridiculous, fantastic growth predictions in the four year budgetary strategy and we have heard many comments from Ministers over the past number of weeks in respect of growth. The growth projections for the next and the following three years are aspirational. There is no plan to generate that growth and no plan for job creation. The agenda of job creation has gone off this Government's agenda, with the logic being that it will not be the problem of this Government, but it is a national disgrace. The way this Government has tied the National Pensions Reserve Fund does a disservice to the country. It makes it impossible for future Governments to utilise those as part of a stimulus plan. This Government has not given any focus or attention to the enterprise economy and how we can stimulate job creation and protection in this country. The only good news I have heard is the assurance the IMF gave to Fine Gael today that we can propose the sale of State assets after the next election for investment in this country with a view to job creation. That is the only silver lining on this sad, sorry mess.

Deputy Billy Timmins: It is ironic that banks were given money but they were not regulated by the Government or the people who provided the money. Now the institutions that provide the money want to lend to the same banks so they can be repaid the money they provided in the first instance, with no responsibility attaching to the money. Ultimately, the taxpayer must foot the bill. The irony is that the same taxpayer entering a bank looking for credit is refused. Circumstances and conditions have been created by our banking system and the taxpayer is bailing out this system. Is it any wonder the public is so angry? No one believes this Government. In the initial stages, the bailout of Anglo Irish Bank was to cost nothing, then it was €4 billion, then €12 billion, then €35 billion. The bank bailout will amount to some €50 billion but some commentators suggest it could go as high as €80 billion. Who do we believe at this stage? All we know is that the money is going into a black hole and no one seems to be responsible. No one believes the proposals the Government is putting forward.

The policy on senior bondholders seems to be set in stone but I believe this will change in the years ahead because this country and the European Union cannot carry such a luxury. The Minister alluded to the National Pensions Reserve Fund. It was part of the Fine Gael policy to use the money but for a growth package, which the current Government has failed to include in any policy documents. Much of what is in the memorandum of agreement has been spoken about over the past number of years. The Government produces documents and talks the talk but does absolutely nothing.

[Deputy Billy Timmins.]

I listened to Mr. Danny McCoy recently and he spoke about the emphasis on those growing the cake as opposed to those slicing the cake. For too many years in this country, those who sliced the cake had an input. There is a political tsunami on the way and I know that socialism and a move to the hard left is not the answer.

Deputy Finian McGrath: The soft left.

Deputy Billy Timmins: It has no solutions, only rhetoric. Let us not throw the baby out with the bathwater. We need to get rid of this Government but we should not move to the left. We have enough cake slicers in this country.

An Ceann Comhairle: Is it agreed to give Deputies Finian McGrath and Maureen O’Sullivan one minute each before going into the question and answer session? Agreed.

Deputy Finian McGrath: I thank the Ceann Comhairle for allowing me to speak on this urgent national debate on the EU-IMF programme for Ireland and the four year plan. Before I go into the detail of the measures, I will judge these matters on how the Government treats the unemployed, the low paid, people with disabilities, cystic fibrosis patients, carers, small businesses, senior citizens and the weakest sections of society. That is my agenda and that is the mandate I got from the people of Dublin North-Central. This debate should be about the issues and the people of this country. It is not about personalities and some of the recent personal attacks and abuse should have no part of Irish democratic politics. The focus of my criticism and dissent will be on the Government as a collective group, senior bankers and the fat cats who destroyed our country.

My vision for our country is a radically different alternative to the Government’s plan, based on increasing investment on a sustained and substantial basis in order to promote growth, employment and fiscal stability. I will address these later. We must start at the top. All Ministers, party leaders, Deputies and Senators must show leadership in these difficult times. All wages and expenses should be cut immediately.

Deputy Maureen O’Sullivan: I am reminded of the lines Mercutio spoke in “Romeo and Juliet” when he was caught between the feuding families, when he said:

A plague o’ both your houses! They have made worms’ meat of me.

That is the feeling of many people in this country. Our political, banking, economic and financial institutions have made mincemeat of people. The problems facing the country are massive and it would be very foolish to minimise them. Irish people are the most generous and caring in the world and would totally embrace a recovery plan for our country if it was fair, just and if the sacrifices and pain were proportionate. It is unclear from the plan that they were proportionate.

An Ceann Comhairle: After the question and answer session I will call the Minister at 6.55 p.m. to respond for five minutes.

Deputy Joan Burton: As the Minister of State, Deputy Mansergh, has remained in the Chamber perhaps he can confirm his references to the 25th anniversary of the Anglo-Irish Agreement. Did the then Taoiseach, Charles Haughey, send the then Minister for Foreign Affairs to the United Nations to contest and campaign against the Anglo-Irish Agreement? I think the then Minister for Foreign Affairs was the father of the current Minister for Finance.

Deputy Brian Lenihan: Deputy Burton has got it all wrong. There was no visit.

Deputy Joan Burton: When the Haughey Administration came into government, it worked the Anglo-Irish Agreement. When the Minister of State was recalling the Anglo-Irish Agreement and praising that particular coalition Government, it might be historically useful for the Minister to confirm that Fianna Fáil campaigned and lodged objections against it at the UN.

Deputy Brian Lenihan: Not at the UN.

Deputy Joan Burton: That is Fianna Fáil for you.

When is the first review? From conversations with Mr. Chopra of the IMF and from this document, I understand the first quarterly review is due by the end of January. As my colleague, Deputy Pat Rabbitte, pointed out there is a requirement for weekly and quarterly reporting on an extensive basis——

An Ceann Comhairle: Can we agree to ask questions with a minimum of embellishment?

Deputy Joan Burton: Did the Minister make any attempts as the principal of the negotiators to have the bondholders bear some responsibilities and losses in the banks? Did the IMF indicate that it was not opposed to approaches being made on that? Could the Minister confirm that it was the European Commission that was not willing to adopt such an approach and that the Government agreed that the bondholders should bear no share of the losses in the banks?

In these discussions, in terms of democracy in this country, did the Minister offer at any stage — it is absent from the document — to provide any mechanism whereby the people in the banks, the regulators, and the Central Bank who were in default of their duty, would face any accountability of any kind in this country either through fora in the Houses of the Oireachtas and appropriate committees or through other accountability mechanisms that exist under the Constitution?

There are very tight proposals to have financial stability ceilings. We are to be monitored on a quarter by quarter basis, and on a month by month basis. The document provides for a list of actions to be performed. The intention is to introduce a medium-term expenditure framework with binding multi-annual ceilings on expenditure on each area. That is to be introduced by July 2011 and the reference is to a structural benchmark listed on page 34.

This issue arose in a paper by——

An Ceann Comhairle: We have limited time for questions and answers.

Deputy Joan Burton: ——the Joint Committee on Finance and the Public Service. The Labour Party got legal advice on the matter. We were told that the particular proposal is likely to require a constitutional amendment. Has the Minister sought legal advice on the particular proposal as set out? Who in the country is supposed to vote for this constitutional amendment when it is put?

Deputy Brian Lenihan: To which page does the Deputy refer?

Deputy Joan Burton: It is on page 34. It is the last action on the structural benchmarks under the programme the Minister agreed to.

Deputy Brian Lenihan: There were so many questions I am trying to catch up with them. First, it is not correct to state, as Deputy Burton suggested, that the Government is not imposing burden sharing on bondholders. It is very clear if Deputy Burton reads the report

[Deputy Brian Lenihan.]

that this is one of the first steps that is being taken under the programme. It is an action for the first review, where burden sharing by holders of subordinated debt — junior bondholders——

Deputy Joan Burton: No, I am sorry, I wish to revise my question to refer to senior debt.

An Ceann Comhairle: Please, Deputy. Other Members are offering.

Deputy Brian Lenihan: If we are going to have informed——

Deputy Joan Burton: The Minister should answer the question.

An Ceann Comhairle: Deputy Burton should please allow the Minister to continue without interruption.

Deputy Brian Lenihan: If we are going to have informed debate about these matters, let us not throw out references at large without any precision. Deputy Burton directly stated in the House a few moments ago that nothing had been done about bondholders. I have indicated that one of the first actions required in the first review period, which is a quarterly period — Deputy Burton inquired about that. The reviews are quarterly but the reporting requirements in regard to——

Deputy Joan Burton: What is the date of the first review?

An Ceann Comhairle: Deputy Burton should allow the Minister to speak without interruption.

Deputy Brian Lenihan: The first quarter of 2011. The end of March 2011.

Deputy Joan Burton: No. Mr. Chopra said it would be the end of January.

An Ceann Comhairle: Deputy Burton should allow the Minister to continue without interruption.

Deputy Joan Burton: Otherwise the Minister cannot draw down the money. That is what he told the Labour Party.

An Ceann Comhairle: Deputy Burton.

Deputy Brian Lenihan: Deputy Burton will notice that the most important elements of what has to be done in the first quarter is the budget and certain banking changes. They will be substantially in place by the end of January or at the latest by the end of February. That is the envisaged timescale. Let us not play with words.

Deputy Joan Burton: That is not the end of the first quarter of 2011.

Deputy Brian Lenihan: The formal obligation however is in the first three months. The agreement is expressed as the first quarter of 2011. Clearly the budget in practical terms is the first instalment of the four year plan which has been endorsed in this programme. The budget is the decisive signal on the implementation of this whole programme.

On bondholders, first, having clarified Deputy Burton's inaccurate references to the fact that this programme contains no reductions for bondholders, which it does, and that the junior bondholders are subject to burden sharing in the agreement, she then asked the question about——

Deputy Joan Burton: What about senior bondholders?

An Ceann Comhairle: Deputy Burton should please allow the Minister to continue without interruption.

Deputy Brian Lenihan: —senior bondholders. I am now turning to senior bondholders in answer to her question. Senior bondholders, in turn, have two categories. Some senior bondholders in the banks have obtained Government guarantees on the bonds in question, under the previous guarantee or under the eligible liabilities guarantee, ELG, scheme. There are guaranteed bonds and un-guaranteed bonds. It is important that we make this clarification.

The Government raised the issue in the course of the negotiations as to whether such un-guaranteed bondholders could be subjected to a discount. That issue was examined. The Government made a case in that regard. Deputy Burton asked about the response to that case. She should understand that the European Commission is the lead partner in the discussions. The IMF is there to assist, as is the European Central Bank. A common position is arrived at by the negotiating team on the other side. It is important to understand that. One cannot unilaterally come to an arrangement with the IMF. It does not make unilateral arrangements with European countries without reference to the European Commission with whom it co-operates in these negotiations. If there was a difference of emphasis between the different parties on the other side to the negotiation that is a matter they resolve among themselves. It is not a matter I can resolve. The position as communicated to me by the Commission was that were we to look at un-guaranteed senior debt a programme would not be possible. The European Central Bank was of the same view. Naturally the IMF look at all the options, as the Government did.

Deputy Joan Burton: Could the Minister answer the question about the constitutional amendment that is required by the action on page 34?

An Ceann Comhairle: Please, Deputy Burton. It is virtually 6.50 p.m. and a number of other Deputies are offering. I call Deputy Noonan.

Deputy Brian Lenihan: I am not convinced but, again, I will seek the opinion of the Attorney General on the matter. It seems to envisage a multi-annual framework. I fail to see how that infringes the Constitution. The four year plan does not infringe the Constitution.

On Deputy Burton's demand for accountability, there is a commission of inquiry in session under Mr. Nyberg.

Deputy Michael Noonan: When the Governor of the Central Bank was explaining the new structures for Anglo Irish Bank the other morning I did not quite follow him. Perhaps the Minister could explain it to the House.

Deputy Brian Lenihan: I will if Deputy Noonan bears with me for a moment. On 29 November the Governor of the Central Bank stated in an interview on RTE's "News at One" that Anglo Irish Bank would be out of the system in a number of weeks. The Central Bank issued a clarification statement further to the Governor's appearance in which it stated, as outlined by the Governor, Patrick Honohan, that the Central Bank is working on a proposal agreed with the other authorities as part of the package of measures to submit a revised restructuring proposal in compliance with European Union competition law for Anglo Irish Bank. The objective is to submit and agree this by the end of January 2011.

This timeline has been agreed between the Irish authorities and the European Commission. Any wind-down of the loan book of Anglo Irish Bank would however be over a multi-year

[Deputy Brian Lenihan.]

period, as in the current restructuring. These measures are designed to provide an orderly resolution for the future of Anglo Irish Bank in a manner that is consistent with European Union competition law and agreed with the European Commission. In summary, a revised restructuring plan for Anglo Irish Bank will be submitted to the European Commission early in 2011. The plan will outline the future for the bank, including the working out of assets. The revised plan will build on a number of elements in the restructuring plan submitted in October, but will take account of the discussions with the external authorities in recent weeks and the future restructuring of the banking system. Any working out of the banks' assets would need to be done over a period of years. A renaming of the asset recovery institution is under consideration.

Deputy Pat Rabbitte: Will the Minister run a competition to name it?

Deputy Brian Lenihan: I would like to emphasise that all deposits held with Anglo Irish Bank are safe and covered by the deposit protection scheme for sums of up to €100,000.

Deputy Joan Burton: It will be called "TENT".

Deputy Brian Lenihan: I heard that suggestion earlier.

An Ceann Comhairle: A number of people are offering and I wish to accommodate as many as I can. Some brevity would be much appreciated.

Deputy Pat Rabbitte: I will be brief because I feel somewhat like a victim in a Frederick Forsyth novel. This is a hospital pass to the next Government.

Deputy Joan Burton: The Minister does not play rugby.

Deputy Pat Rabbitte: Does the Minister agree that the next Government has been Shanghaied by this agreement? I will put it to him in more temperate terms. As the principal negotiator, what freedom broadly speaking does the Minister believe the successor Government will have to change the agreement, given how it sets out the parameters of each budget between now and 2014 and the rigorous monitoring of the Department of Finance, Central Bank and the National Treasury Management Agency, NTMA, by the authorities in Brussels?

Deputy Leo Varadkar: We all hope the deal works and that we will turn this vicious cycle that is working against us, this perfect storm, the other way and create a virtuous cycle. I am concerned that it might not work. At what point after the three-month reviews will it be decided that the deal will not work and that its terms are insufficient? If there must be an orderly restructuring of our debt, what preparatory work has been done and at what point will that option be considered? At what point do we say that, despite having worked with the International Monetary Fund, IMF, and the European Central Bank, ECB, and done our best to deliver on this agreement, it cannot be done and we need to renegotiate and work towards a restructuring?

Deputy Lucinda Creighton: In all of the Minister's statements and his concluding remarks, he remarked that the growth projections of the ESRI and others were somewhat conservative. I do not agree. It is important that he outline to the House how he envisages the growth targets for the forthcoming period being achieved. Will growth be entirely dependent on exports? Why has no stimulus package for economic growth and job creation, which will be crucial for achieving the targets, been built into the agreement?

Deputy Michael Creed: Does the Minister accept that we are a pawn in a bigger game, one that is about saving the euro? Does he not also accept that the markets have not been reassured by the deal because the contagion is spreading, seeing that even the spreads on Belgian debt are coming into the equation? Does he accept that the markets know the deal is not the end game in saving the euro, given the failure to burn the senior bondholders? They know the solution is either burning the bondholders or engaging in quantitative easing, that is, getting the printing presses going, which was the American solution. What will be the consequences of this deal for Ireland, given that our hands have been tied to it, when the ECB plays its final card of quantitative easing or burning the bondholders?

Deputy Terence Flanagan: When and by whom was the external review of Irish banks undertaken? The Minister stated that an external review occurred in advance of the negotiations with the European Commission and the IMF. Will he comment further on the difference between his forecast and that of the European Commission, some 0.9% as against 1.75%?

Deputy Brian Lenihan: I will try to deal with the questions instead of delivering a conclusion, as it will allow me to be of as much assistance to the House as I can. Deputy Rabbitte asked how much freedom the next Government will have in light of this agreement. It will have as much freedom as I have had since my appointment as Minister for Finance in May 2008. It is important to remember that, when one is borrowing at unsustainable levels, one must take certain decisions in the public interest, decisions which might not be popular in the political sense but are essential for the longer-term interests of the country. The practical options open to the country during the next four years would not have been any different were funding available to us in the markets than were we to adopt the programme. When the markets began to turn nasty, as they did in September, the Government immediately decided to formulate a four year plan. That plan was drawn up by the Government without any external advice. When external advisers arrived later in the year, they agreed our programme was the correct one. Even were market finance available to us, the next Government could not do anything substantially different from what is contained within the programme.

Of course there are differences of detail. As the Deputy's party has advocated, for example, it is open for the next Government to lean more heavily on the taxation side, although all international evidence suggests that attempts to make a correction through an excessive reliance on taxation are doomed to failure. The Labour Party proposal is for a 50:50 split between taxation and expenditure. This differs from Sinn Féin's proposal to do it all through taxation, which would be a recipe for a total economic collapse. The Labour Party's proposal runs contrary to most of the advice and literature on how to make a correction.

An idea advocated by some, although not all, in Fine Gael is that the bulk or an overwhelming preponderance of the correction should be done through expenditure reductions. Deputy Varadkar cited proportions of either 3:1 or 4:1. The idea that one could do this without an excessive reliance on taxation in the context of a low tax economy is questionable. A balance must be struck.

I do not accept that the freedom of the Government commercially speaking will be any greater or lesser as a result of this agreement. Arguably it is greater, since a security of funding has been provided promptly after a negotiation that took place under conditions in which the State was pre-funded for a certain period. It would have been most unwise for the Government to have allowed Ireland to drift into Greece's position, that is, heading into a funding wall next April or May. This is what the Greek Government opted to do. It dissolved its parliament in November, refused to face realities and left its socialist successors with the difficulty of address-

[Deputy Brian Lenihan.]

ing the country's problems. We opted not to do that. We did not believe it would have been in our country's best interests, nor did we believe that negotiating terms under those conditions would have resulted in a better conclusion than negotiating terms now.

Deputy Pat Rabbitte: The time for rigorous monitoring was when Deputy Bertie Ahern was in control.

Deputy Brian Lenihan: Rigorous monitoring is essential and will help to focus public debate where it should be, not on the nonsensical solutions to our economic problems which I read about in the writings of various celebrity economists and which are occasionally echoed in the House.

Deputy Joan Burton: Are those the ones with whom the Minister broke garlic?

Deputy Brian Lenihan: He is not the worst of them, in fairness to him. He is open enough about what he is at at any rate.

Deputy Seán Sherlock: He is hale and hearty anyway.

Deputy Brian Lenihan: The next question was put by Deputy——

An Leas-Cheann Comhairle: The Minister has less than one minute remaining.

Deputy Brian Lenihan: I am trying to be of assistance. Did Deputy Noonan ask about the orderly restructuring of debt?

Deputy Leo Varadkar: That was me.

Deputy Brian Lenihan: We must be precise in our terminology. Under this agreement, the Commission and the authorities envisage we will have an orderly restructuring of subordinated debt, but not unguaranteed senior debt or sovereign debt.

Clearly, the comments of the German Chancellor in relation to sovereign debt, which have now been clarified, were not of assistance during the crisis to date.

As regards Deputy Creighton's call for a stimulus package, we are going to have to recognise that borrowing, in the order of 11.75% this year and 9% next year, is a very substantial stimulus, which we will have to refund through debt repayments in the future. It is not a stimulus in the banking system. Some €50 billion of the €67.5 billion borrowing involved is a direct stimulus to ensure the State continues to spend on the current and capital side. We have to face up to that basic economic fact.

Deputy Terence Flanagan asked about an external review. There was no external review prior to the conclusion of the agreement. However, in the preliminary discussions that took place between Governor Honohan and the Regulator with the ECB and the IMF, no evidence was produced to the effect that their assessment of the September announcement was inaccurate or that there were fundamental defects in it.

I have just stated that there was no external review. There was an external review, but it was not a formalised external review, so I just want to clarify that.

Estimates for Public Services, 2010: Messages from Select Committees

An Leas-Cheann Comhairle: The Select Committee on Justice, Defence and Women's Rights has completed its consideration of the following Supplementary Estimates for Public Services

for the service of the year ending 31 December 2010, Votes 19, 20 and 22; and the Select Committee on Foreign Affairs has completed its consideration of the following Supplementary Estimates for Public Services for the service of the year ending 31 December 2010, Vote 28.

Private Members' Business

Stability and the Budgetary Process: Motion (Resumed)

The following motion was moved by Deputy Michael Noonan on Tuesday, 30 November 2010:

“That Dáil Éireann:

- recognises the urgent need for the establishment of economic and political stability;
- believes that an accelerated budgetary process would contribute to economic stability;
- notes that Dáil Éireann is currently scheduled to sit for just eight days during the month of December;
- notwithstanding anything in Standing Order 26 resolves that the Dáil should, if necessary, sit on each working day during December to deal with the budgetary process; and
- agrees that the 2011 Budget, and the legislative measures to give effect to it, should be presented to, and disposed of, by the House before the end of December 2010.”

Debate resumed on amendment No. 1:

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

- commends the Government for bringing forward the National Recovery Plan which provides the blueprint to achieve budgetary stability over the next four years;
- notes that the Plan provides a credible path towards budgetary consolidation and a return to sustainable economic growth;
- notes that the measures in Budget 2011 will give effect to the first phase of adjustment committed to in the Plan to be put into effect in 2011;
- agrees that the national interest is best served by all parties in the House facilitating the passage of these measures in the present uniquely serious circumstances; and
- endorses a timetable which will see the presentation of the 2011 Budget on 7 December 2010, the introduction of the necessary Resolutions in accordance with usual Budgetary practice and the enactment in the New Year of the necessary legislation to give definitive effect to the Budget measures.

—(Minister for Finance, Brian Lenihan).

Deputy Seán Sherlock: I welcome the Fine Gael motion, which the Labour Party supports. In speaking on the question of political and economic stability, we have before us proposals by the European Commission in relation to co-ordination on economic governance issues. What goes to the heart of this is the very existence of political and economic co-ordination on issues of a monetary nature. Events in recent months have shown clearly that there is an existential

[Deputy Seán Sherlock.]

crisis as regards the very existence of the euro. As a result of the current crisis there are some who seek to impose on countries greater economic and political co-ordination in return for the continued existence of the euro. In other words, the very threat we see to the euro at present, in the opinion of some people, is as a result of a lack of greater political co-ordination.

My view is that if the Government of the day is to talk about greater political and economic co-ordination at a European level, we must be very honest with the people about that. There is a choice now in this country as regards where we go. Do we follow an intergovernmental model so that we may ensure our sovereignty, both economic and political, or do we go for a deeper co-ordination at European level and follow an intra-institutional model, whereby greater power is derived by the European Commission? Instinctively in this country, because it is supposed to be a republic, there is a view to the effect that while greater economic co-ordination is necessary and we subscribe to the very existence of the euro, this should not be to the further detriment of our sovereignty. We have now given away too much of that sovereignty along with our ability to be able to make and break our own fiscal and monetary policies. There has to be a breakpoint which determines that this current crisis should not present itself as an opportunity by the European Commission as potential for deepening European integration so that the intra-institutional model wins out over the intergovernmental one.

The plan that has been put before us, on which we will not be even entitled to vote, is a further kick in the teeth to the citizens of Ireland, who believe very strongly that they should have the ability through this House to decide as to its efficacy. There is now a well-founded deepening suspicion that this crisis has presented itself as an opportunity by the European Commission and the intra-institutions to deepen their grip and to bring about a federal construct for the European Union. I want to lay down a marker to the effect that any new Government must think carefully as regards where it wants to go and on its policy in relation to the European Union in this respect.

Mine and future generations have been sold down the river, and deemed expendable in the greatest ever swindle to which the people of Ireland have been subjected as a result of the economic policies of this Government. I note the presence on the Fianna Fáil benches of members of my generation, some of whom became Members of the Dáil around the same time as I did.

Deputy Damien English: Give or take a few years.

Deputy Dara Calleary: The Deputy is being very ageist.

Deputy Seán Sherlock: I am speaking of the people of my generation. While there is no blame apportioning to that generation of Fianna Fáil politicians, there is a sense that they do not appreciate the anger and sheer sense of betrayal among the public. Some of the people of my generation on the Government benches are as vigilant as their elders in defending the party line and the sins of those who have gone before them, politically. If this country is going to mean anything, I believe our generation of politicians will have to come clean with the people and begin a new political paradigm that ensures it will not be about serving Fianna Fáil or the party first, but rather the people, so that they are sovereign. It is the people on whom we will rely to guide us in terms of how the country should be governed.

It is deplorable that a deal of this magnitude could be brought in by a Fianna Fáil Government, which through pure chicanery knows it will not have to implement half of it and that a large part of the deal will be very difficult to unhinge for any incoming Administration. That

is the trick of the Fianna Fáil party and that is what it has done for generations. There will be Fianna Fáil speakers of my generation tonight who will defend the position and the deal with great gusto, knowing full well that they will be on this side of the House in six months time when we will have to defend and do our best to renegotiate a deal into which the Government has manoeuvred us. It is chicanery of the highest order. That we cannot vote on this deal makes a mockery of the very sovereignty of this country, and of this House.

Deputy Timmy Dooley: The Labour Party is getting worried about being in power. They are getting the jitters already.

Deputy Darragh O'Brien: I wish to share time with Deputies Michael McGrath, Dooley, Fahey, Conlon, Collins and O'Rourke.

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Deputy Darragh O'Brien: I am pleased to have an opportunity to speak this evening following the absolution conferred on me by Deputy Sherlock. The Deputy appears to be speaking from an ultra-confident perspective in that he has already called the general election——

Deputy Damien English: The Green Party called it.

Deputy Darragh O'Brien: ——and has told myself and my colleagues we will be sitting over where he is sitting.

The motion before us effectively states that we should hurry the budgetary process, get it done quickly, get everything wrapped up by the end of the year and work towards holding a general election in January.

Deputy Damien English: That is exactly it.

Deputy Darragh O'Brien: That is it, backed up by the Labour Party. However, there are a couple of things the Opposition will have to get straight before going to the electorate. They will have to have a plan. Fine Gael at least has presented some semblance of a plan. The Labour Party has no plan. They should try to agree a plan together. I would like to read into the record a couple of interesting comments made recently by Deputy Gilmore. On 12 November 2010, he stated:

We have to be absolutely straight with people. The politics of promises is over. I am not going to go around the country or whenever a general election is held and promise people that cuts made here or there are going to be reversed.

Two weeks later on 25 November 2010 he said:

If there is something that we consider to be particularly unfair then yes we will look at that with a view to reversing it. Yes, there are specific cuts we would address. We will take them one by one.

While Deputy Gilmore refers to specific cuts he does not mention what they are. Effectively, what we have from Deputy Gilmore and the Labour Party is probably the greatest evidence of hurlers on the ditch I have ever seen. I have been a Member of the Dáil for the past three and a half years and I have yet to see——

Deputy Seán Sherlock: People in Dublin know about hurling all right.

Deputy Darragh O'Brien: The Dublin hurlers are not doing so badly this year.

Deputy Timmy Dooley: With a good Clare man helping them out they will be all right.

Deputy Seán Sherlock: And a Limerick man.

Deputy Darragh O'Brien: To be fair, I did not interrupt Deputy Sherlock when he was speaking.

It was stated in this House that the Fianna Fáil Party has put party before country. Nothing could be further from the truth. The decisions my colleagues and I have had to take, in particular in the past two years, have not been for political gain or popularity unlike many of the comments made by the Opposition, which has opposed every measure. Deputy Sherlock's party leader would not even say whether he would back the Croke Park agreement. However, when passed, he welcomed it, which is untenable. If, not when, the Labour Party gets to sit on this side of the House it will get a serious land because it will then have to make some decisions. The Labour Party has left many hostages to fortune during the past two years. Some of the comments made in this House by the Labour Party Members, in particular Deputy Burton, have been downright outrageous, outrageous on the basis not of fact but——

Deputy Seán Sherlock: Does Deputy O'Brien not acknowledge the economic morass we find ourselves in?

An Leas-Cheann Comhairle: Please allow Deputy O'Brien to conclude

Deputy Darragh O'Brien: The Labour Party spokesperson on finance is not here this evening and there is nothing I can do about that.

An Leas-Cheann Comhairle: I ask Deputies to make their remarks through the Chair and I ask Deputy Sherlock to allow the Member to——

Deputy Seán Sherlock: Deputy O'Brien needs to acknowledge the economic morass we are in.

Deputy Darragh O'Brien: If Deputy Sherlock is ever sitting on this side of the House——

An Leas-Cheann Comhairle: Deputy Sherlock, Members are entitled to speak without being shouted down. This is the national Parliament.

Deputy Seán Sherlock: I apologise.

Deputy Darragh O'Brien: There is a viable plan in place. Many of the decisions taken in the past two and a half years have saved this State. We have been able to bridge our deficit by €14.5 billion. The decisions taken have not been easy or popular but they were necessary for the long-term good of this country. As a new Member of this House, I stand over every decision I have taken in the past three and a half years. I wonder whether the Opposition, if ever on this side of this House, will be able to stand over what they have been saying for the past three years. I doubt it.

Deputy Michael McGrath: I welcome the opportunity to make a brief contribution in support of the Government amendment to this motion. We can all agree with the objective of having economic and political stability. We all know that a general election is on the horizon. In the

interim, we have work to do in the interests of the country. We must achieve the economic stability that all our citizens so earnestly crave. The budget, which will be announced next Tuesday, 7 December must, in my view, be passed in the national interest. The legislative arrangements to implement the budget will follow on from that with publication of the finance Bill.

The Fine Gael motion demands that the finance Bill be disposed of by the end of December. I am only a Member of this House three years but in my experience as a member of the finance committee, the finance Bill requires serious consideration. It is probably the single most important item of legislation on the annual Dáil calendar. As Deputy Rabbitte pointed out, last year's finance Bill was not disposed of until April and the Bill for the year previous to that it was not disposed of until June. I do not wish to frighten the Green Party into believing that this year's Bill will not be disposed of until April 2011. The question that arises is to what extent one can accelerate that process. How quickly can the Parliamentary Counsel staff prepare the finance Bill and have it ready for publication? Last year's finance Bill contained more than 160 sections dealing with all of the major taxes, including the income levy, income tax, corporation tax, capital gains tax, capital acquisitions tax, VAT, stamp duty and so on. It also dealt with Revenue powers and amended the tax consolidation Act. I would be interested to hear the views of the Irish Taxation Institute on the proposal that all of this be dealt with in a matter of days. That would not make for good legislation. I do not believe it would inspire economic confidence in the country if we were to deal with the single most important item of legislation on the Dáil calendar in that manner. That legislation requires careful scrutiny by Parliament. It must be comprehensive and water tight given that we are amending important and longstanding legislation. I do not believe it is realistic to dispose of it in the manner proposed. It would be far better for the country that we do our business professionally. We must see out the budgetary process and bring it forward to the extent that is possible without compromising the integrity of the process. I would support the House coming back earlier in January and perhaps sitting later in December. However, this will not serve any purpose unless we have a finance Bill to examine. In this regard, we are at the mercy of the officials. Once published, we should engage in an intensive period of parliamentary activity in the Chamber and in committee to dispose of it. We should then get on the business of the general election.

Deputy Timmy Dooley: I welcome the opportunity to contribute to this debate and in particular to support the amendment as put forward by the Government. Deputy Sherlock made a couple of interesting points. He talked about the anger and sense of betrayal felt by the people of Ireland. Like most Members, I, too, meet people on a daily and weekly basis and I am aware of the sense of anger and betrayal out there. However, the people are as angry with the Opposition as they are with the Government. They are angry with the game of politics.

Deputy Tom Hayes: Deputy Dooley's nose is getting longer.

Deputy Timmy Dooley: If Deputy Hayes will listen for a moment I will try to help him.

(Interruptions).

An Leas-Cheann Comhairle: Deputies please allow Deputy Dooley to speak.

Deputy Timmy Dooley: I will tell the Opposition Members why the people are upset.

Deputy Tom Hayes: Only Billy Earle would come out with that one.

Deputy Timmy Dooley: They are upset because they see this House as irrelevant. Deputy Mattie McGrath will be the Opposition's Billy Earle if they are not careful.

An Leas-Cheann Comhairle: I ask Deputy Dooley to make his remarks through the Chair.

Deputy Timmy Dooley: They are angry——

(Interruptions).

An Leas-Cheann Comhairle: Please allow Deputy Dooley to make his contribution without interruption.

Deputy Timmy Dooley: Much of the business of this House is politics as usual. However, it is not politics or business as usual for the vast majority of people who are enduring this economic recession and who are in crisis in terms of losing their jobs. We are here this evening discussing a Fine Gael motion which as Deputy Michael McGrath said, seeks to bring forward the budgetary process, one of the most important matters with which we deal on an annual basis. The Opposition parties want to cram it in order that an election will be called sooner. The Green Party caught them a little off guard and moved on the calling of an election.

Deputy Seán Sherlock: Who did the Green Party catch out?

Deputy Timmy Dooley: They have been calling for an election for a long time. There is a clear process following which there will be a general election but Opposition Members are playing politics with the election. They are seeking to drive a wedge between Fianna Fáil and the Green Party. They are trying to play politics as usual.

Deputy Seán Sherlock: Try a chasm.

Deputy Tom Hayes: We do not have to try too hard.

Deputy Seán Sherlock: The Deputy should stop digging.

Deputy Timmy Dooley: The people are not fooled by it and they do not accept it. If they had any sense, they would realise the people have no interest in it.

Deputy Frank Feighan: Is this the Christmas pantomime?

Deputy Tom Hayes: "Look behind you".

An Leas-Cheann Comhairle: Please allow the Deputy to continue.

Deputy Timmy Dooley: Opposition Members also regularly start up the cant about the guillotine regardless of what legislation is in question. If a decision is taken by the Whips to advance a Bill and to bring it to a conclusion to get rid of the filibuster, Opposition Members are on their heels and voting against the introduction of the guillotine. There is outrage on all sides. Now the Opposition parties want to guillotine the most important Bill of the year. Do they think the public buys this?

The motion "recognises the urgent need for the establishment of economic and political stability". That will happen when there is a proper budgetary discussion in the House and the Government sets out clearly the objectives for the year ahead; how we will bring order to the public finances and bridge the gap between spending and borrowing; bring some certainty to

the international markets and to the lives of our people; set out a strategy for the creation and promotion of jobs; and to dispense, in so far as possible, with the political bickering, which has such a negative impact on the lives of many people. When we conclude it is not business as usual and people who are suffering greatly do not need to see the chicanery that, unfortunately, is such a part of the process and arcane and archaic approach we take in the House. The sooner we can bring about structural reform in the way the House conducts its business, the better it will be for everybody.

Deputy Margaret Conlon: I hope I will not have to beg for the Chair's assistance to make my contribution.

An Leas-Cheann Comhairle: I will try my best.

Deputy Margaret Conlon: I support the amendment. I am pleased to be able to make a brief contribution to the debate. Like many others in the class of 2007, I never imagined the country's finances could deteriorate so sharply and quickly.

Deputy Damien English: Therein lies the rub.

Deputy Margaret Conlon: We are not the only country suffering these difficulties and, as each day passes, a few more are mentioned. While I accept our country is in a perilous position, we are not banjaxed but we have to take radical decisions to safeguard the future.

Deputy Sherlock referred to anger. A few weeks ago President Obama said nobody has a monopoly on wisdom. Neither does anybody have a monopoly on anger. I am angered by what has happened in the banks and with regulation and I am equally as annoyed as Opposition Members.

Deputy Tom Hayes: Is the Deputy angry with Government Members?

Deputy Margaret Conlon: People say we have not accepted mistakes were made but I do and I hope they will never be repeated.

However, we are debating economic and political stability. We also have a duty to be politically responsible. The national recovery plan and the EU-IMF-Commission programme have been published and the budget will be announced next week. When they are put in place, they will help us to achieve economic stability. Next week's budget will probably be the most important in the history of the State because it will play an important role in ensuring the economy recovers. If we did not have as severe a budget as we will have and if we did not have the national recovery plan, there would be greater tax increases and more severe spending cuts. It is in the national interest to implement both. We cannot continue to spend like we are spending. The deficit this year is €18.5 billion, which is unsustainable, and we have to take the necessary steps to reduce the budget deficit. Reducing the deficit on its own will not be enough.

We have to take other measures to solve our economic problems. We have to grow our economy, improve competitiveness and build on our export performance. Some people view the Government's plans and reforms as ambitious. We have witnessed a number of positive developments in recent months but they did not get the headlines they deserve. Unemployment has fallen for the third month in a row——

Deputy Tom Hayes: People are emigrating.

Deputy Damien English: There are cheap flights.

Deputy Margaret Conlon: That will not be on the front pages of tomorrow's newspapers.

Next week will be important. It is the duty of Government to take the difficult but correct decisions in the national interest and not the populist decisions. We will do our duty and I ask Opposition Members to support the budget in the national interest. It has been said many times that it is not time for politics as usual. Let us put the country and its recovery first. I am prepared to play my part. Are the Deputies opposite?

Deputy Niall Collins: I am grateful for the opportunity to contribute to this topical and important debate. As practising public representatives, we all have to face one eventuality, which is an election. Whether it happens in a few weeks or a few months, we will have to deal with as a matter of fact. That is the way it is in our profession. We will have to face the people based on our own track records and ask them to give us a new mandate. Hopefully, we will all be back in the new Dáil, although it will probably have a different configuration. We can then debate the issues from different sides of the House, which is what is being indicated by the opinion polls. Opposition Members will soon experience the responsibility of being in a Government party. They will have to take tough responsible decisions, which impact on themselves, their families, their communities and the people they represent. It is not easy but it has to be done in the national interest.

Many of our debates are clouded by populism and domestic political positioning, which is regrettable. We must move away from that to look at the bigger picture, which is how we will pull ourselves out of the position we are in and how we will position ourselves on the world stage and get Ireland back to the position it enjoyed globally in the good years. The Government was right early in November to set out a sequence of events and then publish the four year national recovery plan, announce the budget and hold the election in the new year. It does not matter whether the election is called in January, February, March or April. We should have a long debate on the budget and the finance Bill and then have the election. I concur with previous speakers who stated we cannot guillotine or rush the passage of the Bill. We often hear a chorus of opposition to the guillotining of legislation. We cannot have it both ways. We are either in favour of guillotining legislation or we are not.

The national recovery plan has a number of positive aspects, particularly the funding of local authorities. The proposals for site valuations and water charges will put local government on a sustainable, independent financial footing. Over the years, local election campaigns have focused on national issues, which is wrong. Local issues are not debated and if we elect people to local government, we should give them the ability to raise revenue for which they would be accountable to the local electorate. That has sadly been absent in local government for a long time. Through the national recovery plan, we will hopefully see a shift away from a national focus at local election time to purely concentrating on local issues.

The minimum wage has also been mentioned. We have to bear in mind that about 4% of the workforce are currently being paid the minimum wage. That does not represent many people, but the point has been made that we have the second highest minimum wage in Europe and that it is a barrier to generating new employment. If reducing our minimum wage will create additional employment at weekends, among students and in service industries in particular, then that is a good move. The agencies that are involved in monitoring this have been telling us this for a long time. I particularly welcome the commitment in the four year plan to overhaul the employment regulation orders, the JLCs and the structures whereby premiums have to be paid at weekends. That is placing a severe disadvantage on businesses that operate

on a seven day week basis. These changes will allow them accrue a degree of competitiveness that they have been lacking.

Our banking situation has rightly been a great source of anger among the people. We thought last September that we had parked our position on banking following the banking announcement. We knew what the issue was, we had put a figure on it and we thought that we could deal with it. Unfortunately, it has deteriorated again and people are very angry and concerned, particularly when they see the salaries that top bankers are being paid. Now that we are moving into a position where the two banks are moving into almost total State ownership, we have to look at the fundamental wage structure of our senior bankers and the salary levels they are being paid. It just cannot continue. People are beside themselves with anger when they see the exorbitant salaries that they are being paid and the state of our banks. We must move to address that issue. No banker in any of the main banks which are State owned should be paid a salary higher than that of the Taoiseach. The Taoiseach of the day should be paid the highest salary in the public sector. People in the ESB and Bord Gais and other commercial State agencies should not be paid their current salaries. None of them should be paid more than the Taoiseach.

Much debate has centred around why we have not defaulted and burned the bondholders. It is worth noting that Argentina defaulted in 2001 and since then they have been unable to gain access to the bond market. That is food for thought. Many academics and celebrity economists are appearing on talk shows and they have all the solutions, but they do not have any responsibility and they are looking at a narrow focus. Unfortunately, we have to take decisions that impact on all society. Argentina burned the bondholders in 2001 and they are still living with the consequences of it because they are locked out of the bond market.

Deputy Mary O'Rourke: I am glad to have the opportunity to speak on this motion, ill advised though it is. When Deputy Conlon spoke about the decreasing numbers on the live register, it led to risible laughter. I do not know why, but it is a fact of life and I am very satisfied that for three months in a row, there has thankfully been a decrease in unemployment.

Deputy Tom Hayes: That is because people have left the country. They have emigrated.

An Leas-Cheann Comhairle: Allow Members to speak to the House without interruption.

Deputy Tom Hayes: You know they have emigrated.

An Leas-Cheann Comhairle: Deputy Hayes, address the Chair.

Deputy Tom Hayes: On a point of order, Deputy O'Rourke should be told that the people have emigrated.

An Leas-Cheann Comhairle: You may not raise a point of order when the Chair is on his feet. When you do raise a point of order, you should stand up yourself.

Deputy Tom Hayes: Okay. On a point of information on emigration, young people are leaving our country and the people should know that.

An Leas-Cheann Comhairle: A point of information is not a point of order and under the rules of the House, there is no such thing as a point of information.

Deputy Tom Hayes: That is why there was laughter.

Deputy Mary O'Rourke: I know the rule that when somebody else stands up, one sits down. I was told that when I first sat on the county council. That is many years ago now.

It is very helpful that there has been a decrease in the number of people signing on. It is not enough and I wish it was accelerated. There is one important nugget within that information that we gleaned today. One third of those who are now drawing unemployment benefit have been unemployed for more than one year. Therein lies a danger and I have spoken about this before in the House.

When Deputy Quinn and I laboured many years ago in what was then the Department of Enterprise, Trade and Employment, Deputy Quinn came up with an idea of the social employment scheme. I concurred with his idea and we launched it together. It involved a huge amount of detailed, hands-on training and it was wonderful because when the upturn came, people were trained to go into jobs. I hope that when the Minister for Social Protection brings forward 10,000 placements under the labour activation market, there will be decent training for those people also. Many people have come to me and have said that they wish to obtain a place on one of those social employment schemes. We do not yet have the details of them, but hopefully they will be unfolded either in the budget or in the following social welfare Bill. That is very worthwhile.

There was a suggestion at our parliamentary party meeting that there should be a national internship programme. Senator Ó Domhnaill proposed it at our meeting and I seconded it, because I think there are huge swathes of people with very fine qualifications who are not able to gain a foothold in the labour market. I would wish that they could use their formal education and that this could be allied to decent employment opportunities within firms. We had a foretaste of that this morning when the Minister for Education and Skills announced a provision whereby unemployed SNAs would have the opportunity to come into the workplace and gain valuable on the job training skills. That is important for the way forward and it is very worthwhile. I hope we will see this all over the public service.

I heard the general secretary of the INTO speaking this morning, and she obviously has a concern for her members and she spoke in that vein. At the same time, it was generous and open of the INTO to agree to welcome such people into their classrooms, and I hope such teachers will gain valuable knowledge and valuable work experience when they come into the workforce. That is what I mean when I talk about a national internship programme. It is very worthwhile and the €32 million that is earmarked for the labour market activation fund is targeted at a specific priority group among the unemployed.

Things might change in the not too distant future, if the polls are correct. I am so glad because some people have been speaking out of both sides of their mouths about the bondholders. The finance spokesperson for the Labour Party has stated, "Now is the time for hard-nosed negotiations with these investors, and we can legitimately plead inability to pay." However, only a month previously, when the leader of the Labour Party was asked whether he would default on "Morning Ireland", he replied that we cannot and should not default. What an amazing *volte-face* within a short period between two people speaking on public radio. I look forward to all of this and to oceans and acres of it. That of course is if I get back, which is another question altogether.

Deputy Pat Breen: Is the Deputy standing again?

Deputy Mary O'Rourke: We must first ask the electorate——

Deputy Kieran O'Donnell: We have an exclusive.

An Leas-Cheann Comhairle: Go raibh maith agat a Theachta.

Deputy Mary O'Rourke: —if they will support us. I beg the Deputy's pardon?

Deputy Kieran O'Donnell: We have an exclusive.

An Leas-Cheann Comhairle: Deputies, please.

Deputy Mary O'Rourke: An exclusive? What is the Deputy talking about?

An Leas-Cheann Comhairle: Go raibh maith agat a Theachta. I must move on to the next speaker.

Deputy Mary O'Rourke: There definitely is something wrong with the Deputy. Nevertheless, I look forward to being able to say "But you said you would burn the bondholders but now you are not burning them. How amazing."

An Leas-Cheann Comhairle: I call the next speaker, namely, Deputy Terence Flanagan.

Deputy Terence Flanagan: I wish to share time with Deputies O'Donnell, D'Arcy, Breen and Tom Hayes.

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Deputy Terence Flanagan: First, I thank Deputy Noonan for tabling this most important motion, which I fully support and endorse. There is an urgent need for political and economic stability in light of the country's present position and it is clear that we face into the political abyss. An accelerated budgetary process will be necessary to restore some economic stability, while a general election will be necessary to restore political stability. If the Government is interested in putting the citizens first, it will present the necessary legislation and provide an accelerated budgetary process to be completed by the end of December.

One can thank both Government parties for destroying and bankrupting the country and for forcing thousands of young people in particular to emigrate. The reason the unemployment figures were lower today is that many young people now have little future here and must emigrate to get work. It also is clear that the burden will remain on the 1.8 million people who will be obliged to pay taxes in Ireland for many months and years ahead. They will be obliged to repay all the money that has gone into the banks. It clearly is impossible for the Government to go to the bond market at present as there is no credibility in the country's capacity to repay money and as a consequence, the interest rate for ten-year Irish Government bonds reached 9.2% today. In light of the deal concluded recently with the European Commission and the IMF, it is worrying that yields and spreads have not fallen by now.

In his recent statement, the Minister, Deputy Gormley, summarised this clearly by stating that Irish people feel misled and betrayed. Everyone has been misled and betrayed and that is an understatement, to say the least. Most people are livid, furious and angry and this came through in the results of the most recent by-election, in which it was not an established party that received the majority of the votes cast. People are angry that the National Pensions Reserve Fund has been raided and that there will be no money forthcoming from it to pay pensions for those who will retire in years to come unless the money is replenished in the coming years. The Green Party, through the Minister, Deputy Gormley, has made a complete

[Deputy Terence Flanagan.]

mess, both of itself and Ireland's international image, by giving notice that it intended to pull out of government in two months' time. The best decision it could have made would have been to simply pull the rug, rather than continuing to add to the country's instability by announcing a decision to opt out of government.

If the Green Party is determined to work for the people, it will ensure that the budgetary process is completed as soon as possible before the end of the year. The Fine Gael motion states there is no reason the Dáil cannot sit on every working day between now and the year end, were the Government determined to clear the decks and have a general election. Members have been told that the social welfare Bill and the budget are ready and if the Government acts as though this is an emergency, the necessary legislation, such as the finance Bill, can be progressed much more rapidly. Fine Gael's leader, Deputy Kenny, made a direct plea to the Taoiseach during Leaders' Questions last week, in which he asked the Taoiseach to bring forward the budget by one week. Sadly, this plea fell on deaf ears. While the Taoiseach stated that his party was not intent on clinging on to power, that is the impression that is coming across. The perception is that the Government is desperate and is trying to remain in office for as long as it can. The authority of and trust in the Government evaporated during the negotiations last week and in the previous week, on foot of continual denials from Ministers that negotiations or applications for funding through the European Commission and the IMF were taking place. Given what was going on in the background, it is clear there would be a bailout. The country needs both confidence and stability, which it lacks at present. This is the reason so many commercial deposits are leaving Ireland, as financial institutions no longer have confidence in the political establishment or the manner in which the economic position has been allowed to deteriorate. Fine Gael is different. Last week it tabled a motion on corporation tax and on doing what is right for Ireland to ensure the retention of the low 12.5% corporation tax rate, which is most important. I note, from the publication of the four year plan, that a difference of opinion is evident between the Government and the European Commission. The Government has forecast an economic growth rate of 1.75% next year, while the Commission has forecast that it will be 0.9%. Were one to ask people outside this Chamber which of the two predictions they believe, I believe that one would get one's response.

It is clear that the banking situation has gone from bad to worse. The core tier 1 capital ratios have been increased yet again from 8% to 12%. The banks and the banking industry have undermined confidence in the economy as a whole and their situation lacks credibility. The banks' failure to make adequate provision during the boom years for loan loss provisions obviously has added greatly to such lack of confidence. No restructuring plan has yet been produced for the banking sector although this will be necessary to draw a line in the sand and to enable both the country and the banking industry to move forward. Until a credible plan is introduced, I fear that people will be unable to move on. As for Anglo Irish Bank, people have been waiting for two years for prosecutions to take place but no such prosecutions of senior bankers who may have been involved in wrongdoing are forthcoming. The sooner that such prosecutions are brought forward and the sooner that files are issued to the Director of Public Prosecutions, the better.

In conclusion, I support fully this motion that an accelerated budgetary position is necessary and that the Government must clear the decks to provide economic certainty and political stability. This is to what the people of Ireland are looking forward.

Deputy Kieran O'Donnell: The Leas-Cheann Comhairle might let me know when a minute remains to me. I support this straightforward motion. We are in the midst of the greatest

defining moment in the history of this State since the achievement of independence. A sense of urgency is needed and Fine Gael has proposed that the Government would bring in the budget with immediate effect and would facilitate the passage of all the legislative measures, namely, the social welfare and finance Bills, through the House before the end of December. That would allow the people to have their say in a general election. Before it resumed its consideration of this motion, the Dáil heard statements on the 40-page IMF plan. The representatives of the Irish people in this House did not get to vote on the plan, however, which is anti-democratic. A proper debate, involving a vote where Deputies troop through the lobbies to state how they view this plan, should have been allowed to take place.

We cannot afford the 5.8% interest rate that has been agreed by the Government under this plan. The growth rates projected will not give us the capacity to make such repayments. In the first six months of this year, a growth rate of 0.1% was achieved after cuts of €4 billion had been imposed. The Department of Finance has projected that a growth rate of 1.75% will be achieved in 2011, despite the fact that cuts of €6 billion are planned. It does not add up. The European Commission has said the rate will be 0.9%, which is half that predicted by the Government.

I noted with interest reports in the media today suggesting the European Central Bank may engage in quantitative easing, in terms of purchasing government bonds throughout Europe. It would certainly have the benefit of bringing down the bond yields. It would probably inflate the debt as well. When the Minister replies in the House tonight, I would like him to indicate whether he believes the ECB will engage in this policy. The rate the Government has negotiated with the ECB and the IMF on behalf of this country is not sustainable, based on our growth rates. As a simple rule of thumb, the growth rate added to the rate of inflation must be greater than the cost of borrowing. That is not the case in this instance, as we are well below that figure.

Earlier in this debate, Deputy O'Rourke raised the issue of how we should deal with bond holders. Governments have to make judgment calls and decisions. Unfortunately, most of the decisions made by this Government, particularly during the banking crisis, have been disastrous. We have ended up with the kind of rule book that would have to be adhered to by a schoolboy looking for his pocket money. If we do not deal with all of these issues, we will not get the money. The weekly reporting requirements are extremely onerous. What level of flexibility does this plan provide to the incoming Government?

I will return to the original question of the banks. The Central Bank published a report today that suggests bankers are paid too much and the system has not been reformed. Not one banker has been brought to court or to proper justice. We have yet to see credit flowing to the real economy. This motion demands that the Government should show urgency by working with the Opposition to bring the budget and the finance and social welfare Bills forward. If the Members of the House can discuss these matters, the people will be able to see democracy at work. We could have the proper election we need in the new year and allow the people to have their say.

Deputy Michael D'Arcy: On the Government's mishandling of the negotiations and the communication that it would deal with the ECB and the IMF, the level of dishonesty was appalling. Although negotiations were ongoing, people were pretending they were not happening. At some stage one has to stop treating the public like fools. It was not until the Thursday morning, when Professor Patrick Honohan went on "Morning Ireland" to speak about what was happening and what was going to happen, that we heard what the likely result of the negotiations

[Deputy Michael D'Arcy.]

would be. The level of mismanagement was telling. Given that the Government could not correctly communicate the fact of the negotiations, how could it be expected to manage the negotiations?

The singular role of the European Central Bank is to protect the euro. That may or may not affect certain jurisdictions, but it is having a massive effect on this jurisdiction. Ireland has come through an era of “spend while you have it”, as the former Minister, Charlie McCreevy, used to say. By God, we did spend. Other options are available to the ECB, one of which is to consider what has happened in other jurisdictions around the world. If a decision were taken to consider the bond holders, it would not be a precedent. Nobody represents capitalism more than the bond holders. When their investments do not work out, their losses should not be transferred to the taxpayer. The reality is that when bond holders make profits, they do not transfer those profits to the taxpayer. They hire the best tax lawyers and tax accountants in the world to come up with mechanisms to ensure they do not pay any taxes.

We have an option to default on the bank moneys of the bond holders. We have to bear in mind that the bond holders took a commercial decision, which was converted into a sovereign guarantee within the past two years. That has been shown to have been the worst possible decision ever made by any Government in this jurisdiction. To put it into context, the bonds held by the bond holders in AIB and Bank of Ireland are worth approximately €30 billion and the bonds held in all the Irish covered institutions are worth approximately €45 billion. There is a worldwide precedent for reducing those amounts in a negotiated way. If those of us on this side of the House go into government, we will end up doing that. There is no option. It does not matter whether one is dealing with somebody in a small business, a large business, a State institution or the State itself — if one cannot afford it, one cannot afford it. At some stage we might as well appreciate that we cannot afford it. At the end of this year, the national debt will be €95 billion. A further €80 billion will be accounted for by the bank guarantee and the NAMA moneys, which are to increase further.

It has been suggested that the US Government made the worst possible decision when it decided to let Lehman Brothers go. It was let go because there was a solvency crisis, rather than a liquidity crisis. We are constantly told we have a liquidity crisis in the Irish banking sector, but I suggest we have a solvency crisis. There is a rule to the effect that one cannot solve a solvency crisis by purchasing more debt. There are other options; for example, Henry VIII printed money. It was as black and white as that.

Deputy Frank Feighan: He chopped off a few heads as well.

Deputy Michael D'Arcy: The Americans are doing it. The Chinese are deflating their currency. The UK is printing money. If one deflates one's currency, one deflates the debt. There is a real concern about inflation. It is something we have to consider.

The role of the ECB is to protect the currency. The US Federal Reserve has other roles, one of which is to promote growth. The Government is not attempting to promote growth. This country's tax receipts have collapsed. We were bringing in €53 billion or €54 billion per annum, but that has decreased to €30 billion. If one keeps slaughtering people with taxes, they will stop participating in the economy. Irish taxpayers cannot pay for this. They are not in a position to pay for it. The Government proposes to saddle future generations with a debt that will not be met. Contrary to the Government's view of the right thing, I suggest the right thing would be for the bond holders to take their reduction. It will happen sooner or later.

Deputy Pat Breen: I welcome the opportunity to speak during tonight's debate. I begin by commenting on today's marginal decrease in the live register figures. Deputy O'Rourke welcomed the figures. In my view, she is completely out of touch with the reality of the situation for the unemployed. I am sure the Minister of State, Deputy Calleary, will take no solace from the fact either that the queues are growing at the departure gates of our airports as young people leave this country in search of work. I can give an example which will be relevant to every county. Clare GAA recently carried out a survey which reveals the crisis in our county and I am sure it is the same in other counties. One day recently, 17 young men from north Clare boarded aeroplanes at Shannon Airport in search of work abroad. More than 200 young players were forced to leave the clubs in County Clare during the last recession. My next-door neighbour, a friend of my son's, along with seven other young people, left Dublin Airport the other night for Australia because he was forced out of the country. He is a member of the Clare football panel. Entire communities are being wiped out. Naomh Eoin is a club in the west Clare peninsula and it lost 11 young men. Coolmeen, another club near my home, lost ten players. The majority of these players are leaving this country because they have no work. If this brain drain continues, we will face a very serious problem in the future. The arrival of the IMF was the last straw for many young people because they feel betrayed. They have a right to be angry and to feel let down.

I will remind the Minister of State about his own 2007 Fianna Fáil manifesto which promised that Fianna Fáil, "will operate a responsible fiscal policy characterised by broad budget balance and a declining debt burden." That is what I call fiction. We have had ten years of incompetent governance that has brought us to this defining moment for the nation. The decisions we are to take now are extremely important and will determine whether our country will sink or swim.

Other than Iceland, no other country has suffered a banking crisis as bad as ours during this recession. Every attempt by the Government to address the crisis has created an even blacker hole in the economy. The four year plan is the latest attempt and the Government has got it wrong again. It refers to an interest rate growth of 1.7% next year but this prediction has already been rubbished by the European Commission which estimates that the growth rate will be 1% next year. The four year plan will be wrong if we do not have a growth rate. A host of new taxes will be imposed on hard-pressed taxpayers next year but there is no jobs stimulus package nor any plan to get the country back to work. There is a concern that the Government's slash and burn policies will see Ireland follow Greece with drastic spending cuts being inflicted but with the country struggling to raise income tax as economic activity dwindles.

The Minister for the Environment, Heritage and Local Government, Deputy Gormley, yesterday stated that being in Government is like being in an asylum. This tells us that the Government has thrown in the towel. While I support Deputy Noonan's motion I do not believe this Government, which is on its last legs, has the budgetary policies to deal with the serious situation we will face over the next four years.

The country's first Minister for Finance, Michael Collins, said: "Give us our future, we have had enough of your past. Give us back our country to live in, to grow in and to love." All of us in the Fine Gael Party look up to Michael Collins. It is time for this Government to give us back our country. The election of a new Government is the only way to provide hope, inspiration and certainty. The sooner a general election is held, the better.

Deputy Tom Hayes: I am delighted to support this motion and it gives the House an opportunity to debate the biggest issue facing the Irish people, the upcoming budget. People are looking forward in fear and with anger in some cases and they want to know what will happen in the future. They do not know what will happen to themselves or their families. All they have

[Deputy Tom Hayes.]

heard from radio and television programmes and from newspapers over the past weeks and months, is doom and gloom. There is doom and gloom about the way we have managed our country. Many people use words such as “unbelievable” and “bizarre”. They cannot understand how we let our country go. Was the political system at fault? The politicians are being blamed but we have to change the way we do business and how we look after our country.

The views of the Opposition have not been taken seriously in the past. Over the past number of years I have listened to the Budget Statement in the House and the Government says one thing while the Opposition says something else. It is the same in this debate tonight. Where was the Government of this country over the past number of years? Its members were outside this House dealing with trade unions, with farmers and with business people but not consulting this House. This is one of the main reasons the people of Ireland were not listened to. We could not contribute until the decisions were made. Whatever issue was being dealt with, it could be guaranteed that the then Taoiseach, Deputy Bertie Ahern, would be out somewhere on a Friday announcing a new policy and this House would not be consulted. This was wrong and in my view, it was not democratic. We need to change that practice.

Deputy Mary O’Rourke is an experienced politician and she has told the House tonight that the unemployment figures are falling. I wonder if this woman is for real and if she is living in the real world. Thousands of people have left this country. Two hundred thousand people have left for Australia, America and New Zealand and then the Deputy says that the unemployment figures have steadied. How daft is Deputy O’Rourke to think that? I am surprised that a person of her experience would say that in the House. She should be ashamed of herself. It is unfair because every day and every week, these young people are leaving the country.

Next week when the budget is announced, we have to give the people of Ireland some hope. We have to give them the belief that something will happen. We have to give them a road to recovery, a road that will lead them somewhere so that we can make this country competitive. We must use the country’s natural resources to create employment and agriculture is one such resource. I come from a very strong agricultural county and I know there is a willingness and resourcefulness in the agricultural community to create jobs. The food industry is crying out for expansion. We must face the future with confidence rather than having Deputies saying daft things in this House like that lady said tonight.

Whatever the Government does next week, it has to point the way forward to show that this is a good country and that we have highly educated people so that all the people who have left our shores will come back and this country’s prosperity will be restored.

Minister of State at the Department of Finance (Deputy Dara Calleary): Neither I nor any other members of the Government wish to delay the budgetary process. On the contrary, we are all working as hard as we can to deliver budget 2011 on 7 December. After that date we will do everything in our power to conclude all budget-related matters within the shortest time scale that is consistent with properly fulfilling all required technical and legal procedures. Everybody agrees that this is a crucial budget, and any material change to the normal timetable would be neither necessary nor beneficial. Indeed, such a change could jeopardise the effectiveness of the budgetary process. If budget 2011 proceeds on the normal schedule it will still enable all key decisions to be made within a short time, and will also allow detailed consideration of more complex measures in the finance Bill.

It may be helpful to refer to the pieces of legislation that the Government wishes to be enacted before the Dáil rises later this month. These are the appropriation Bill 2010, which will give statutory effect to the Estimates passed by the House; the social welfare Bill, which

will give statutory effect to any social welfare changes in the budget; and the financial emergency measures in the public interest Bill, which will provide for the reductions in public service pensions and reductions in pay for future public servants. The need for this legislation follows from the related proposals set out in the national recovery plan. There may also be legislation to give effect to some elements of the recent EU-IMF programme of support agreement.

The process of passing the finance Bill normally lasts from its publication at the end of January until late March or early April. The gaps between the various stages in the Dáil and Seanad facilitate Government and Opposition amendments, but there is no legal requirement for these gaps, and the timetable can be as short as possible provided that the House agrees. The only legal requirement is that the finance Bill must be signed four months after the budget, which, for budget 2011, is 4 April 2011. As a result of its technical nature and complexity, the finance Bill usually takes some months to pass all Stages. The forthcoming finance Bill certainly could not be concluded between now and Christmas, or even if the House were to sit in the few days after that to the end of the year. Notwithstanding this, the normal timescale for the finance Bill could be reviewed in light of the emerging political developments. As the Fine Gael members wish to facilitate the enactment of the finance Bill, I expect that they will have regard to this when proposing amendments to the Bill. In this regard, Members will recall that the Government did not propose any amendments on Report Stage to either the second Finance Bill in 2008 or the Finance Bill 2009, so as to speed their enactment.

Deputy Creed suggested that because the Lisbon treaty was renegotiated, so too could the EU-IMF programme. There is no comparison between the two. The speedy agreement of the programme was essential because our banking problems were too big for us to solve on our own and because the eurozone was under strong and growing pressure. Deputy Naughten described the EU-IMF programme as an “act of treachery” and a “contract of shame”, and went on to say that it would bring real poverty to many homes. The Minister commented earlier today on the use of such extreme language. Without the programme, there would indeed be widespread poverty, as we would not be able to make sufficient payments to the neediest of our citizens — those who are dependent on social welfare payments.

Deputies Durkan and McEntee questioned the realism of the Government’s projections, as did Deputy D’Arcy and a number of others, in light of the European Commission’s less optimistic macroeconomic forecasts for Ireland. The Minister commented on this issue earlier today by saying that the Commission’s more optimistic outlook for world trade would be beneficial to Ireland’s export-led growth. The differences between the forecasts mainly relate to private consumption, but it is our view that the 2011 budgetary consolidation measures will reduce uncertainty and therefore help restore confidence and boost consumption. It should be noted that other organisations, such as the ESRI, believe that my Department’s forecasts are too pessimistic.

I congratulate Deputy Doherty on the occasion of his maiden speech. However, we cannot accept his proposal to postpone the 2011 budget and call a general election. On a more positive note, Deputy Naughten mentioned that our economy has sound fundamentals, and Deputy McEntee referred to the fact that we have a great deal to be proud of. He pointed, as did Deputy Tom Hayes, to the great potential for Irish agriculture, which is the subject of plans in the four year programme.

We have a lot going for us as a country. The growth potential of our economy is better than many around the world and our economic essentials are still strong. It is important that we consider today’s announcement of the third successive monthly underlying fall in the live register. I know this is partly because of the large amount of emigration; I do not need to be told that. However, we must acknowledge the falls in the number of registered unemployed workers

[Deputy Dara Calleary.]

in the occupational category and go through the details, which show some positive signs. As well as that, all of the reforms set out in the national recovery programme will assist employment growth in the coming months and years. This will add to our economy a dynamism on which we can build further growth, allowing us to achieve our growth projections and carry out the plans we have outlined.

Deputy Andrew Doyle: I wish to share my time with Deputies Feighan and English.

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Deputy Andrew Doyle: I agree with one point that has been stated by the Minister and others. We have, and always have had, the ingredients for a good economy and a good nation. The problem is that Fianna Fáil-led Governments, which have been in power for 20 of the last 23 years, have allowed that to diminish in the interest of staying in office and for the benefit of that party and the people who led it. This is the sad truth. In many ways, this House has become irrelevant. No matter whom the people elect to the House, time after time, the Taoiseach of the day or the relevant Minister appears outside Government Buildings to announce key initiatives and policies. In the partnership process, the gates of this House were bypassed. The process was set up in the late 1980s with good intention and for good cause, but it has become totally dysfunctional and needs to be re-examined and redeveloped.

A dripping tap is sometimes used to torture people in order to get information out of them. Since 2008, when we were told that the banks had a bit of a problem, we have been drip-fed the truth. The purpose of this evening's motion is to restore confidence, because confidence and reputation are important. This evening, I listened to the chief executive officer of the National Dairy Council speak. He and others in the agricultural sector see major potential, although they acknowledge, reluctantly, that what has happened in this country is casting a shadow over our image as a nation that has the ingredients to produce, export and prosper. We can, and we must, do that. At a conference on Monday, I heard a man use the term "export or expire", and that is exactly what this country must do. However, we are hobbled by a debt that we cannot manage.

In order to achieve stability and try to engender confidence in our country, we should set up a solidarity bond which would tap into the reserves of money that the people of this country have saved because they are afraid to spend it. This would be better than using the National Pensions Reserve Fund, which is our rainy-day fund and is designed for a specific purpose. It will be only another 10 or 12 years before it is needed, and it will not be there. When we get over this hiccup, we will have to decide how to manage this in the future.

The Irish people have been good Europeans, which is why the package that came through on Sunday was so disappointing. As pointed out by one of the previous speakers, the responsibility of the European Central bank is the stability of the euro currency. In this respect, it differs from the Federal Reserve in the US, which has other functions. We have been conducting an experiment. I predict that in six months' time, this whole project will be re-analysed and the flaws that are manifesting themselves at this point will be dealt with. I hope we will be in a position to renegotiate a better deal when that is finally acknowledged by the powers-that-be in Europe.

Deputy Frank Feighan: I support this motion. This country badly needs political and economic stability. The people I met while canvassing in Donegal, and those I meet on the street every day, want this budget to be taken early. The games will need to stop. I appreciate that the Minister of State provided a considerable amount of information in his speech, but we

know what is going on. At the moment I am being monitored by Government Information Services — “Hello, how are you?”. For the past ten or 20 years it has monitored everything I have said in this Chamber, in the Seanad, on local radio and in every newspaper. It will contradict me and use what I have said and it has done so previously. For once, Government Information Services should do something reasonable and tell the people the truth. The Government has spun itself such that the people do not believe what it says. The Government Information Services is in place to do one thing, which is not to protect the Government but to protect Fianna Fáil. It puts Fianna Fáil’s future and survival before that of the country.

I have knocked on the doors in Donegal. I witnessed a woman crying because her three sons had gone to Australia. Behind every second door on which I knocked were families with young people who have emigrated. That is our future. They told me I did not shout loud enough. However, no one listened because this country was a one-party State and it realised it needed Government Information Services with between ten and 30 people working in it to spin the story that everything was okay in this famous land in which we believed we were making money by selling houses to one another.

We should question the risks taken by the bondholders and whether they should take a hit on the exorbitant cost of borrowings which they introduced to the country. They gambled but they will not lose. Unfortunately, the Irish taxpayer seems to have lost.

I have received four telephone calls calling on Fine Gael to support the budget in the interests of the country. Three of those calls came from members of Fianna Fáil, another example of Government Information Services sending out the message that we should do the honest thing. Fine Gael will always do the right thing by the country because we will put the country first. However, the games under way must stop although, thus far, they have not stopped.

The Dáil will sit for eight days in the month of December. If we are to provide leadership and hope for the hundreds of thousands of unemployed people and the millions of people who are fearful for the future, we must provide a show of leadership and sit up to Christmas day, if necessary, for 12 hours per day, to find a solution to the most serious economic crisis the country has faced.

During the past two years the Government had the choice to protect the people and the State. However, it bailed out the reckless investors and bankers. Not everyone in this country is the same. There are politicians in Fianna Fáil who believe in doing the right thing. However, let us not have this dying embrace and hear the claim “You are all the same”, because we are not.

I recall the budgets of the past eight or nine years when Deputy Richard Bruton was our spokesman for finance. He tried to put it that the approach was wrong. He disagreed with benchmarking and the way the Government chose to introduce decentralisation. However, no one heard him and the songs and cheerleaders in the Dáil bar claimed we never had it so good. Let us do something in the interests of the country. I have no wish to play politics. In the interests of the country, let us stop the games and do what is good for the country. Let us show leadership, that we care and that we have a solution. The people want hope and, I believe, with Deputy Michael Noonan’s policies and with a dose of reality we can give the people hope.

Deputy Damien English: I am pleased to have the opportunity to wind up this debate and make some points. Some of the Deputies on the opposite side do not live in reality and I am unsure what planet they are on. Deputy Mary O’Rourke and others have come to the Chamber and claimed that unemployment is going down and that this is great. It is going down because

[Deputy Damien English.]

people are getting on boats and aeroplanes and leaving the country. That is the only reason unemployment is going down. They are leaving because this country is not stable either politically or economically. They will only stop leaving and come back when we fix this. This is why we have tabled the motion tonight. We are trying to drive forward that process and to move it along.

The Minister of State does not support a credible Government. People do not want those making up the current Government any more. Surely, they should get the hint from talking and listening to such people. They are not wanted. I realise they are not celebrities but the people still want to get them out of here because they are fed up. We are willing to try to facilitate the process of passing the budget and the finance and social welfare Bills to get them out more quickly. Every day they stay in office is costing the country money, is embarrassing for the country and is damaging our reputation abroad. That is what is wrong.

Let us consider the people in business this week trying to deal with the snow. Anyone involved in a cash business may not have credit facilities from the banks. By the end of this week or next week they will have no money because money is not moving and people cannot come out and spend it. People cannot take a driving lesson or carry out the usual shopping because they cannot move around. This is because this dysfunctional country cannot deal with the snow and because the Members opposite cannot handle Government, including the finances and other aspects.

When I realised the interest rate was 5.8% I was left scratching my head. In fact, it could be higher because the arrangement is market related. I was unable to comprehend how useless the Government was in making such a deal. I am aware of all the blunders and mistakes the Minister for Finance has made. It is not like collecting €200 on a Monopoly board every time he turns a corner; this is costing us billions of euro. This is what we have become used to. The people in the IMF and Europe know how useless the Minister is and the mistakes he has made.

I read pages 22 and 23 of the bailout document. Every Friday, the IMF and the EU expect information on the main Government spending and receipt items. They seek weekly information on the Government's cash position with an indication of sources as well as the number of days covered. Every month they want data on the adherence to budget targets. Every month they want an updated annual plan for the general Government balance showing the transition from the executor balance; this is like a rolling monthly budget. Every week and every month they want to look over the shoulders of the Government. This is because they do not believe the Members opposite can handle Government. In fact, they know as much. The Government is not credible. It is no wonder we are being charged a fortune for the money because they know the Government is not capable of doing it.

The Croke Park agreement has been sitting idle for nine months and no action has been taken. I asked people in the Department of Finance the position in this regard. They shrugged their shoulders. This means the managers are not in place to implement the agreement in the various Departments. I asked the Minister, Deputy Brian Lenihan, what he would do, whether he would bring in new staff to implement the Croke Park agreement, for example, whether budget, financial and human resource experts would be brought in to drive the change. There was a shrug of the shoulders indicating the answer is "No". We will have more of the same. Who will drive the Croke Park agreement? It will not be this Government. We are paying 5.8% because they do not believe the Government.

We need this Government out as soon as possible. Deputies on the opposite side have tried to claim it is irresponsible to try to shove through a finance Bill. This is not the case. After budget day on 7 December some 12 working days remain, not including Saturdays. Most people work on Saturdays and Sundays simply to survive and to get through Christmas. However, the Government will sit for 12 normal working days, not including Saturdays, before Christmas. This is the equivalent of sitting throughout February to pass the finance Bill. This could be done easily between now and Christmas and it is essential because the people need hope. They must know that it is over but this will only happen when the Taoiseach, Deputy Brian Cowen, leads all the Members opposite out the gate once and for all. Only then will the recovery start, will money get moving to businesses again and will people get on with their daily lives.

We meet mothers, fathers and grandparents who are in a panic every day for the future of their children and grandchildren. We meet young people who are filling out forms for college and wonder whether to make changes. These people are trying to make decisions about their lives. Businesses are trying to put together business plans. However, none of these categories of people can make such decisions until they are sure this Government is gone, that the country will be run properly and that they can believe the information they receive rather than the constant spin which is out of date after one day and which does not add up. People must be able to believe in the Government. This is why the Members opposite must accept our motion, move out of here and realise the game is up. The people have had enough of this Government. People want hope. Fine Gael and other parties in Opposition have credible plans based on facts rather than fiction. Fine Gael and the other Opposition parties have credible plans, based on facts not fiction, roadmaps and sectorial plans which will show where jobs will be created to allow people to do courses to match the jobs' requirements. This is better than the Government's wandering around wondering what crisis will be next. The best course for the Government now is to hand over the reins because nobody believes it can get the country out of this crisis.

Amendment put:

The Dáil divided: Tá, 77; Níl, 72.

Tá

Ahern, Michael.
 Ahern, Noel.
 Andrews, Barry.
 Andrews, Chris.
 Ardagh, Seán.
 Aylward, Bobby.
 Blaney, Niall.
 Brady, Áine.
 Brady, Cyprian.
 Brady, Johnny.
 Browne, John.
 Byrne, Thomas.
 Calleary, Dara.
 Carey, Pat.
 Collins, Niall.
 Conlon, Margaret.
 Connick, Seán.
 Coughlan, Mary.
 Cregan, John.
 Cuffe, Ciarán.
 Curran, John.
 Dempsey, Noel.

Devins, Jimmy.
 Dooley, Timmy.
 Fahey, Frank.
 Finneran, Michael.
 Fitzpatrick, Michael.
 Fleming, Seán.
 Flynn, Beverley.
 Gogarty, Paul.
 Gormley, John.
 Hanafin, Mary.
 Harney, Mary.
 Haughey, Seán.
 Healy-Rae, Jackie.
 Hocht, Máire.
 Kelleher, Billy.
 Kelly, Peter.
 Kennedy, Michael.
 Killeen, Tony.
 Kitt, Michael P..
 Kitt, Tom.
 Lenihan, Brian.
 Lenihan, Conor.

Tá—continued

Mansergh, Martin.
 Martin, Micheál.
 McEllistram, Thomas.
 McGrath, Mattie.
 McGrath, Michael.
 McGuinness, John.
 Moloney, John.
 Moynihan, Michael.
 Mulcahy, Michael.
 Nolan, M.J..
 Ó Cuív, Éamon.
 Ó Fearghaíl, Seán.
 O'Brien, Darragh.
 O'Connor, Charlie.
 O'Dea, Willie.
 O'Donoghue, John.
 O'Flynn, Noel.

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

Níl

Allen, Bernard.
 Bannon, James.
 Barrett, Seán.
 Breen, Pat.
 Broughan, Thomas P..
 Bruton, Richard.
 Burke, Ulick.
 Burton, Joan.
 Byrne, Catherine.
 Carey, Joe.
 Clune, Deirdre.
 Connaughton, Paul.
 Coonan, Noel J..
 Costello, Joe.
 Coveney, Simon.
 Crawford, Seymour.
 Creed, Michael.
 Creighton, Lucinda.
 D'Arcy, Michael.
 Deasy, John.
 Deenihan, Jimmy.
 Doherty, Pearse.
 Doyle, Andrew.
 Durkan, Bernard J..
 English, Damien.
 Feighan, Frank.
 Ferris, Martin.
 Flanagan, Charles.
 Flanagan, Terence.
 Gilmore, Eamon.
 Hayes, Brian.
 Hayes, Tom.
 Higgins, Michael D..
 Hogan, Phil.
 Howlin, Brendan.
 Kehoe, Paul.

Kenny, Enda.
 Lynch, Ciarán.
 Lynch, Kathleen.
 McCormack, Pádraic.
 McEntee, Shane.
 McGinley, Dinny.
 McGrath, Finian.
 McManus, Liz.
 Naughten, Denis.
 Neville, Dan.
 Noonan, Michael.
 Ó Caoláin, Caoimhghín.
 Ó Snodaigh, Aengus.
 O'Donnell, Kieran.
 O'Dowd, Fergus.
 O'Keeffe, Jim.
 O'Mahony, John.
 O'Sullivan, Jan.
 O'Sullivan, Maureen.
 Penrose, Willie.
 Perry, John.
 Rabbitt, Pat.
 Reilly, James.
 Ring, Michael.
 Shatter, Alan.
 Sheahan, Tom.
 Sheehan, P.J..
 Sherlock, Seán.
 Shortall, Róisín.
 Stagg, Emmet.
 Stanton, David.
 Timmins, Billy.
 Tuffy, Joanna.
 Upton, Mary.
 Varadkar, Leo.
 Wall, Jack.

Tellers: Tá, Deputies John Cregan and John Curran; Níl, Deputies Emmet Stagg and Paul Kehoe

Amendment declared carried

Amendment put:

The Dáil divided: Tá, 77; Níl, 72.

Tá

Ahern, Michael.
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 Brady, Cyprian.
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 Calleary, Dara.
 Carey, Pat.
 Collins, Niall.
 Conlon, Margaret.
 Connick, Seán.
 Coughlan, Mary.
 Cregan, John.
 Cuffe, Ciarán.
 Curran, John.
 Dempsey, Noel.
 Devins, Jimmy.
 Dooley, Timmy.
 Fahey, Frank.
 Finneran, Michael.
 Fitzpatrick, Michael.
 Fleming, Seán.
 Flynn, Beverley.
 Gogarty, Paul.
 Gormley, John.
 Hanafin, Mary.
 Harney, Mary.
 Haughey, Seán.
 Healy-Rae, Jackie.
 Hoctor, Máire.
 Kelleher, Billy.
 Kelly, Peter.
 Kennedy, Michael.

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

Níl

Allen, Bernard.
 Bannon, James.
 Barrett, Seán.
 Breen, Pat.
 Broughan, Thomas P..
 Bruton, Richard.
 Burke, Ulick.
 Burton, Joan.
 Byrne, Catherine.
 Carey, Joe.
 Clune, Deirdre.
 Connaughton, Paul.
 Coonan, Noel J..
 Costello, Joe.
 Coveney, Simon.
 Crawford, Seymour.
 Creed, Michael.
 Creighton, Lucinda.
 D'Arcy, Michael.

Deasy, John.
 Deenihan, Jimmy.
 Doherty, Pearse.
 Doyle, Andrew.
 Durkan, Bernard J..
 English, Damien.
 Feighan, Frank.
 Ferris, Martin.
 Flanagan, Charles.
 Flanagan, Terence.
 Gilmore, Eamon.
 Hayes, Brian.
 Hayes, Tom.
 Higgins, Michael D..
 Hogan, Phil.
 Howlin, Brendan.
 Kehoe, Paul.
 Kenny, Enda.
 Lynch, Ciarán.

Níl—*continued*

Lynch, Kathleen.	Penrose, Willie.
McCormack, Pádraic.	Perry, John.
McEntee, Shane.	Rabbitte, Pat.
McGinley, Dinny.	Reilly, James.
McGrath, Finian.	Ring, Michael.
McManus, Liz.	Shatter, Alan.
Naughten, Denis.	Sheahan, Tom.
Neville, Dan.	Sheehan, P.J..
Noonan, Michael.	Sherlock, Seán.
Ó Caoláin, Caoimhghín.	Shortall, Róisín.
Ó Snodaigh, Aengus.	Stagg, Emmet.
O'Donnell, Kieran.	Stanton, David.
O'Dowd, Fergus.	Timmins, Billy.
O'Keeffe, Jim.	Tuffy, Joanna.
O'Mahony, John.	Upton, Mary.
O'Sullivan, Jan.	Varadkar, Leo.
O'Sullivan, Maureen.	Wall, Jack.

Tellers: Tá, Deputies John Cregan and John Curran; Níl, Deputies Emmet Stagg and Paul Kehoe

Amendment declared carried

Adjournment Debate

Protection of Subcontractors

Deputy Pádraic McCormack: I thank the Ceann Comhairle for allowing me to raise this matter. I seek clarification where a main contractor carrying out State work on a school or for a local authority and contracts part of the ground work to a subcontractor. In the event of the main contractor going into examinership, receivership or liquidation, what protection is provided to the subcontractor who has carried out the work on the site? For example, a main contractor may have worked on the school building and the subcontractor may do the ground work. When the main contractor goes into administration, receivership or liquidation, someone is to be paid for doing the work. Either the main contractor, the school authorities or the school trustees are paid but the subcontractors who have carried out the work cannot get paid. A small landscaper doing work on the landscaping of the school site takes on the job believing it to be a blue-chip job because the Department of the Education and Skills is involved. He thinks there will be no difficulty getting paid for his work.

However, when the main contractor goes out of business, apparently the subcontractor is not paid. This can cause great hardship down the line for small subcontractors. They may employ people to do the ground work on these sites and the subcontractors may employ up to 60 people but if they do not receive money for a €200,000 job, they will go out of business and all of the staff must be laid off. The same applies to a landscaper or a painter, perhaps employing ten people. If he cannot receive €10,000 or €20,000 for his legitimate work, he will go out of business with 12 people on the dole.

As happened in County Galway, local authorities give contracts to develop pitches or playgrounds. In that case the main contractor went into receivership, administration or liquidation. The subcontractor in such cases is not paid for his work yet the local authority pays the main contractor for the work. What provision can be made so that it can be determined that every-

thing is in order before money is paid to the main contractor? The people who did the work on the project should get paid rather than the main contractor, who may have done very little work on the site. What provision exists in law? What investigation take place to ensure the main contractor has not salted away his money or reinvested it? Subcontractors can be owed sums of money by main contractors, the Department of Education and Skills in the case of the school or the local authority in the case of work on pitches or playgrounds. It is hard for them, while awaiting payment, to see main contractors in big houses and travelling by helicopter or 4 x 4 vehicles passing their house every day.

A typical example of this occurred in the Taoiseach's constituency. The contract for two schools was awarded under public private partnership. It was part funded by the Department of Education and Skills. When Pierse Contracting went into receivership, liquidation or administration, despite the fact that it was found to be viable by a leading accountancy firm, the subcontractors who carried out the work on those schools will not be paid. I could give the Minister of State many examples of this happening in my constituency. The examples I have given are hard cases. The knock-on effect is that the subcontractor goes out of business if he is not paid. For large or small subcontractors, who may be exposed to several hundred thousands of euro, they may have to close their businesses. Two years ago a subcontractor had 100 people employed and he now has 40 people employed. He will go out of business. The same is true of the small landscaper who had ten or 15 people employed. He is now down to himself and his wife, trying to keep ahead but still he has not been paid his money.

Minister of State at the Department of the Health and Children (Deputy Áine Brady): I thank the Deputy for raising this matter on the Adjournment. The Government is fully aware of the importance of the construction industry in the Irish economy and equally aware of the difficulties being encountered by many subcontractors in obtaining payment from main contractors for work undertaken. The problem of non-payment within the construction sector is one which is readily identifiable but difficult to resolve. In seeking to alleviate this problem the Government is mindful to ensure the interests of the taxpayer are protected and that the best value for money is obtained when tendering for public capital works.

In terms of expenditure on public works, the Government has made substantial efforts to maintain its public capital programme in the current economic climate. Our Exchequer capital allocation for 2010 is still over €6 billion and by international standards represents a significant portion of Government spending. Our main focus is to ensure that Ireland has the requisite public infrastructure to facilitate a return to growth, which will assist sustainable job creation in the longer term.

The Government capital works management framework has been developed to ensure that the key objectives of the Government in regard to public sector construction procurement reform are achieved — namely, to bring greater cost certainty, reduce overall costs and help improve budget planning and project delivery. All of these reduce the costs and the risks facing the taxpayer who funds these projects.

Our public works contracts set out clearly that the State's relationship is with the main contractor. The main contractor is obliged to deliver the project and the State is obliged to pay the main contractor. If a contractor goes into receivership or examinership, then the provisions of company law apply. This is the case regardless of whether the client is a State body or is any other party, such as a private individual. If a State body has already paid the money it owes to a main contractor, and the firm goes into receivership or examinership, then that money comes under the control of the receiver or examiner. Company law prescribes how he may use that money. For example, one of his first obligations is to pay amounts due to employees.

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If a main contractor goes into receivership or examinership before a State body has fully paid for work done then, in simple terms, company law dictates that the debt is still due. However, the debt is payable to the receiver or examiner, and can be pursued by him. The debt involved would be needed by him so that he, in turn, may fulfil his payment obligation under company law.

For as long as we are still obliged to pay the receiver or examiner for any amounts we owe to a main contractor then any other action could have adverse consequences for the taxpayer. For example, any proposal in such circumstances for the State to make direct payment to subcontractors or others would expose the taxpayer to the risk of having to pay twice for work done. Obviously we cannot open the taxpayer to the risk of having to pay twice.

However, there are some proposals in train which should prove useful in helping to avoid and deal with construction non-payment. The Deputy will be aware that on 19 May 2010 Senator Feargal Quinn introduced a Private Members' Construction Contracts Bill 2010 to the Seanad. In responding to the Bill, the Government supported the key elements and agreed to work with the Senator and to consult interested parties on the proposal.

The purpose of the Bill is to help address the issue of non-payment to construction sector subcontractors who have completed work on construction projects, whether in the public or private sectors. The Bill will create a regulatory framework for adjudication and resolution of payment-related construction contract disputes. The main purpose of the Bill is to provide a mechanism whereby prior notice of an intention to withhold sums from payments otherwise due to parties in a construction contract must be given, or else payments must be made in full. If payments are not made in full the party owed the money can suspend work on a project until payment is made in full. In addition, the Bill allows for an adjudication procedure to deal quickly with disputes about payments. The adjudicator's decision is binding and payment must be made to the party named in the decision. The Bill provides a remedy to parties operating at various levels under a construction contract when payments are not forthcoming down the supply chain.

Deputy Pádraic McCormack: Will the Minister of State give way for a question? When will the Bill come before the Dáil?

Deputy Áine Brady: It is in the Seanad at the moment.

Deputy Pádraic McCormack: Will it come before the Dáil in this session?

Deputy Áine Brady: I am sorry but I cannot say when it will come before the Dáil. Deputy McCormack will have to check with the Whips.

The Deputy will appreciate that this type of legislation is very complex and it is important that the final Bill is robust and effective. The Government recognises the good work the Senator has done in introducing the Bill and is working closely with him in developing appropriate amendments with a view to Committee Stage taking place in the Seanad before Christmas.

Our joint aim is to have a new system which will reduce the non-payment exposure of subcontractors and provide an effective remedy for them should non-payment occur. The Bill is being formulated with the aim of achieving this without placing an unnecessary regulatory or cost burden on the parties to the dispute, other parties involved in the project, or the State. We must strike the right balance between improving the position of construction subcontractors and safeguarding the position of the taxpayer.

Banking Sector Regulation

Deputy Thomas McEllistrim: With thousands of citizens currently in arrears on their mortgages and thousands more on reduced payments, is it not time to investigate better mortgage systems and devise a system for this country that will ensure a more stable and secure long-term financial environment for our citizens?

We all know the difficulties in the banks and the great lengths to which the Government is going to fix the problems in our financial institutions and to ensure that their essential services to the economy and the country are fully restored. However, it is incumbent upon us to look at the difficulties faced by mortgage holders who have suffered great uncertainty throughout this crisis. While there is an urgent need to help people in the short term we should also look to better long-term solutions for mortgage holders, the banks and the economy. While the current situation has required serious and immediate action in an effort to get the banking system working properly again, we must also look to the long term and develop a mortgage system for the citizen, who is more than just a consumer or customer. For the sake of our citizens we should look at how they can be best protected while at the same time devising a model that works for the banking system. When we finally see “normality” return, we need to ask ourselves if the system that has let us all down should be restored or whether the mortgage system should be reconstructed on a sounder, fairer and more stable basis.

One system that has been mentioned internationally is the Danish model. This is a system which has advantages and disadvantages but which has been seen to militate against the occurrence of negative equity. It has stood the test of time. The Danish model has withstood many tests since it was brought into existence after the great fire of Copenhagen in 1795. The Danish economy has experienced contraction but the resilience of its mortgage market means that it remains the best performing in Europe during the current crisis. There is no record of a mortgage bank defaulting on its payments in Denmark and some commentators have suggested that Denmark offers a model mortgage market in that it shows that there is a safe way to securitise home loans.

This is, apparently, mainly attributable to its legislative framework which has put great emphasis on the protection of the mortgage bond investor by imposing strict limits on the risk taking of the mortgage banks leading in turn to conservative lending practices. The strength of the system is low origination cost, the absence of sharp practice and complete transparency. Denmark’s €490 billion mortgage bond market, the third largest after the United States and Germany has proved resilient during the global financial crisis.

At the core of the Danish system are seven mortgage banks that specialise in making mortgage loans. They fund their loans by selling bonds in the capital markets. The bonds are in all major respects identical to the mortgage loans they fund. What the Danes call the principle of balance means that every mortgage is instantly converted into a security of the same amount and the two remain interchangeable at all times. For example, if I borrow €200,000 for 30 years at a fixed rate, the loan would be placed in a large pool of 30-year, fixed-rate loans that serve as collateral for an equal amount of mortgage bonds held by investors. The mortgage bank would sell on my behalf an additional €200,000 of these bonds in the capital market and credit the proceeds to me. As I repay the loan, the mortgage bank passes along the payments to the bondholders in proportion to the amount of the total pool they own.

Mortgage banks are not exposed to interest rate risk from funding long-term assets with short-term liabilities. The Danish system is built on the principle of “match-funding”, meaning that mortgages are funded with bond issues that have the same characteristics as the mortgages. Borrowers in Denmark can refinance by buying back bonds in an amount equal to their mortgage balance, at par or market, whichever is lower. When market rates go down they buy at

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par to take advantage of the new lower rate. When market rates go up, they can stay put, or they can refinance by buying back bonds at the depressed market price. They realise a capital gain in exchange for accepting a new higher rate on their loan.

The disadvantage is that loans are not priced for risk, so borrowers with poor credit are not served. Borrowers must also have a 20% deposit to put down. While house prices declined in Denmark during the crisis, negative equity did not become a problem because the great majority of borrowers had substantial equity in their homes when the crisis struck. That was a major reason the rise in defaults in Denmark was small and manageable.

The Danish financial system has been impacted by the worldwide loss of confidence in financial institutions and the associated liquidity squeeze. In 2008 the Danish Government guaranteed the unsecured creditors of all banks, including the mortgage banks. However, the guarantee did not include mortgage bonds, because it was not considered necessary.

There may be other systems around the world worth examining, but we should look to develop a system that will be of long-term benefit to our people and which ultimately would help to prevent the kind of crisis we are now experiencing. The Government, the Dáil, the Central Bank, the Financial Regulator and other bodies may have valuable insights to provide on developing a citizen-friendly mortgage model.

Deputy Áine Brady: I thank Deputy McEllistrim for raising this matter. As he is aware, the Government has taken a series of initiatives to ensure the financial environment is returned to the stability and security required to support the credit needs of businesses and households. One significant recent initiative was the publication of the report of the Expert Group on Mortgage Arrears and Personal Debt, chaired by Hugh Cooney, on 17 November. The report made recommendations on measures to assist in dealing with the difficulties created by mortgage arrears following on from an interim report published in July. The Government is committed to solutions that are fair and appropriate to the current circumstances of home owners. Accordingly, the Government accepted the group's recommendations and indicated a commitment to implement them without delay.

Some of the findings of the group are directly relevant to the matter raised by Deputy McEllistrim. For example, the recommendations were a balance of proposals to improve the situation for those in mortgage and personal debt difficulties and to best serve the national interest. In its research, the group found that approximately 90% of mortgage accounts are being repaid in accordance with their contracts, repossessions remain low and lender forbearance has worked well to date and the mortgage interest supplement provides an essential support for almost 18,000 borrowers. As interest is paid in full, the debt of borrowers in the scheme does not increase.

Broadly in line with the matter raised by the Deputy, the group noted that an examination of international practices suggest that Irish debt legislation needs to be modernised. With this in mind, I would like to turn to the Danish mortgage system referred to by the Deputy. The House may wish to note that the Danish mortgage system was hailed by the International Monetary Fund, IMF, in late 2006 as "highly rated" and one of the "most sophisticated" in the world. It is worth considering briefly how the Danish system actually works.

Under this system, all mortgages granted by credit institutions to home buyers in Denmark must be supported by an equivalent bond with a maturity and cash flow that matches those of the underlying loans almost perfectly. Most long-term finance in Denmark is provided through specialist mortgage institutions. Typically, borrowers who are owner occupiers can borrow up to 80% of the buying price, with repayment periods typically from ten to 30 years. The lending

activities are financed through the issuing of bonds, which are sold on the open market. Every mortgage is instantly converted into a bond of the same amount and the two remain interchangeable at all times. This means that the borrower can withdraw from the mortgage not only by paying it off, but also by buying an equivalent bond at market prices. Since the value of homes and the associated mortgage bonds tend to move in the same direction, home owners should not end up with negative equity in their homes. Likewise, if home prices decline, the amount that a home owner must spend to retire his or her mortgage decreases because he or she can buy the bonds at lower prices.

Would the Danish system suit the Irish market? It is important to remember that the Irish mortgage market and the Danish mortgage system result from different historic circumstances. The standard of housing in Denmark is high, with approximately 2.6 million dwellings for a population of 5.4 million in 2005. This amounts to approximately two persons per dwelling. Owner occupied housing accounts for approximately 52% of occupied homes. The rate was constant for many years with a slight decline since 2000, in contrast with most other European countries where the rate of home ownership has continued to rise. However, Denmark has a highly developed co-operative private ownership sector. If this is included in the equation, the rate of owner occupied homes rises to approximately 60%. Co-operative private ownership means that tenants can set up private co-operatives to buy their apartment buildings from landlords who are willing to sell. Moreover, Denmark has a long history of regulating and subsidising the housing market. Most cities have rent control apartments that were built before 1991 and there are rent regulations based on subsidised non-profit housing based on cost calculations, not on market conditions or quality levels.

Without going into too much detail, there are significant differences between the Irish housing market and the development of the arrangements for financing house purchase in Ireland compared to the situation in Denmark. These differences mean there is no simple template from other countries for mortgage financing that can be translated directly into our housing market. Nevertheless, it is important that we continue to look strategically towards practices in our partner European countries and learn from their experiences. We can then refine our solutions to best meet the needs of Irish home buyers.

In this regard, I can assure the House that the Government will continue to implement the policies needed to restore the stability of the Irish banking system, thus ensuring that credit flows more easily in the market and potential home owners can get access to such credit. As Deputies will be aware, the Government has taken a number of substantial measures, including the deposit guarantee schemes, the restructuring of the financial services sector and the establishment of a new structure of financial regulation with an integrated Central Bank replacing the Central Bank and Financial Services Authority of Ireland, CBFSAI.

Health Services

Deputy Deirdre Clune: I thank the Ceann Comhairle for allowing me to raise the issue of long waiting lists for assessment and orthodontic treatment in the Cork region. Cork, which is in the HSE's southern region, has always had a difficulty in this regard, particularly in the past 12 months. I wish to pay tribute to Dr. Ian O'Dowling, a consultant orthodontist who died suddenly this time last year. He was a long-time campaigner for the improvement of orthodontic services for the individuals with whom he was dealing.

In general, the people who need this type of treatment are in their adolescent years. It is not always a matter of appearances. In many cases, the treatment is required for health reasons. For example, one could be in a great deal of pain. If teeth are not adjusted and repaired in the early years when their formation can be influenced, it can lead to long-term difficulties in

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adulthood. As such, orthodontic treatment is important for medical reasons and reasons of appearance.

Following a parliamentary question that I tabled, I received the latest figures for waiting lists in the southern region. At the beginning of October, the number of people awaiting assessment for orthodontic treatment was 3,455 and the average waiting time was 12 months. Children are not considered until they reach 12 years of age. The waiting list for category 4 treatment comprises 2,942 people who have been waiting 42 months. As such, the average amount of time someone who is older than 12 years of age must wait to be assessed and treated is 54 months according to my figures. This is four and a half years. A young individual would need to wait throughout his or her teenage years for orthodontic treatment. This is unacceptable.

In the past 13 months, Dr. O'Dowling has not been replaced. In his capacity as a consultant orthodontist, he regularly campaigned to increase services. Will the Minister of State outline what effect the moratorium on recruiting orthodontists has had on the extensive waiting lists? A great deal of hardship and distress is being caused to young people and their families. Will the Minister of State address the possibility of purchasing services in the private sector to deal with the waiting lists? The lists have become excessive and will never return to normal levels unless vacancies are filled. We need to ensure the waiting lists, particularly in light of their development during the past 12 months, are tackled if we are to revert to a situation in which we can provide young people with the treatment they need and deserve.

Deputy Áine Brady: I am responding to Deputy Clune on behalf of my colleague, the Minister for Health and Children, Deputy Mary Harney. The HSE's southern region provides orthodontic care to patients throughout counties Cork and Kerry. Patients are referred to the orthodontic service from primary dental services. Following referral, consultant orthodontists assess all patients from the age of 12 years. On assessment, patients begin their treatment, are placed on a treatment waiting list or are discharged, depending on their treatment needs.

The HSE identifies those patients who have a great dental health need and who will obtain health gain from the intervention. Prioritisation of care in this way ensures that public funds are targeted on those with the greatest clinical need. It also aims to ensure that treatment is provided in a timely manner by the orthodontic workforce. Urgent cases, such as patients with a cleft lip and palate, are treated as soon as possible. Other patients who qualify for treatment but whose treatment needs are less urgent are placed on the treatment waiting list.

At present, HSE south is experiencing particular challenges in providing orthodontic services. These are partly as a result of the untimely death of an orthodontic consultant and the unavailability of a consultant orthodontist and a specialist orthodontist who have been on maternity leave. The HSE south is addressing these difficulties. Locum arrangements have been put in place. The HSE has also tendered for the provision of orthodontic services in respect of a specific cohort of patients who have been waiting significantly long periods for treatment. It is hoped that these initiatives will improve the waiting times in Cork and Kerry.

Ambulance Services

Deputy John O'Mahony: I thank the Ceann Comhairle for choosing this subject on the Adjournment tonight.

The ambulance call centre in Mayo was originally located at the Sacred Heart Home in Castlebar. It was then moved to the Camp West site beside the fire station and then to St. Mary's hospital, on a HSE site. All of these moves and upgrades cost millions of euro to provide the vital emergencies services for counties Mayo, Galway and Roscommon. The number of

jobs has recently increased from 12 to 16 because of the additional demand. Hundreds of thousands of euro have been spent on training the staff. People were brought over from the United States to give the training courses, so enormous amounts have been invested.

This is the kernel of my argument. Although the staff has not been told anything yet directly by the HSE, there are indications on foot of an internal leaked document to the effect that the service being provided in Castlebar is to be transferred to Ballyshannon, which is a smaller centre with fewer people working in it. In other words, the number of control centres is to be reduced to two, which some might argue is saving money. However, I want a specific answer about what logic such a decision is being based on if this document is correct. I am loth to say this, but it appears that the proposed transfer to Ballyshannon is to come about because Donegal happens to have a Minister in the Cabinet and Mayo does not. Surely it is not being done to save money, considering all that has been spent.

Is this another death knell for services in Castlebar and County Mayo, with proposals already on the table to close Mayo General Hospital as a procurement centre for hospital supplies even though it made €2.9 million in savings last year and won numerous awards for providing the best and most efficient service in the country? In summary, I have two simple questions for the Minister of State. Are these rumours correct, and, more importantly, if they are, on what basis was the decision made?

My understanding is that more than 100,000 emergency calls come through the Castlebar centre at the moment, which is more than three times what the centre in Ballyshannon has to deal with, where fewer people are employed. Will it save money and why is this now being proposed after the expenditure on training and upgrading? Why is this proposal being reactivated? This was supposed to happen last January and it was postponed, suspended or whatever. I need to be convinced, given that this involves people who have families and have to pay mortgages, that this is not a political decision, and I want specific answers in that regard. Such decisions should be a thing of the past. Where stand the Government Mayo representatives on this, the Minister of State, Deputy Dara Calleary, and Deputy Beverley Flynn?

This is a really important issue and I have made note of some of the answers given so far this evening and in other Adjournment debates. I am asking for upfront decisions and if I and the people concerned are not persuaded that this initiative will genuinely save money, I will have to say that it stinks.

Deputy Áine Brady: I am responding to this Adjournment on behalf of my colleague, the Minister for Health and Children.

Ambulance control is an essential element of the structures needed to ensure that emergency ambulance services operate in the most effective and efficient manner. Internationally, for patient safety reasons, there has been a consistent move to greater centralisation of control functions. This enables more efficient use of ambulance fleet and personnel through the introduction of new technology, operated by staff dedicated to control and despatch duties, which in turn allows response times to be improved and the most appropriate service response to each call to be determined and despatched.

Prior to the establishment of the HSE, each health board had its own ambulance service, with a range of different regional control arrangements. In most cases these made limited use of technology and managed only those ambulance resources belonging to the health board concerned. The establishment within the HSE of a national ambulance service has enabled a major programme of reform and improvement to be commenced. This aims to maximise operational efficiency and provide a more responsive and appropriate emergency ambulance service.

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The HSE, with the support of the Department of Health and Children and the Health Information and Quality Authority, has determined that the needs of the health service can best be met by the establishment of two ambulance control centres for the country. While the needs of the service could be met by a single centre, it is considered more appropriate to have a second centre in order to ensure that a backup capability will always be available.

One of these centres will be located in the east of the country, with the second in Ballyshannon, County Donegal. The project to establish a single control centre model has significantly advanced with the recent closure of Naas control centre and transfer of its functions to Dublin. A phased process of further change is planned during 2011 and this includes the control functions currently located in Castlebar being relocated to Ballyshannon in the first quarter of the new year. The HSE is engaged with staff representative bodies in relation to the planned changes.

The Minister is satisfied that these changes will enable the most appropriate ambulance resources to be despatched as expeditiously and efficiently as possible in the interests of providing a safe and high-quality service to the public.

The Dáil adjourned at 9.30 p.m. until 10.30 a.m. on Thursday, 2 December 2010.

Written Answers.

The following are questions tabled by Members for written response and the ministerial replies as received on the day from the Departments [unrevised].

Questions Nos. 1 to 4, inclusive, answered orally.

Questions Nos. 5 and 6 resubmitted.

Questions Nos. 7 to 16, inclusive, answered orally.

Afforestation Programme

17. **Deputy James Reilly** asked the Minister for Agriculture, Fisheries and Food if he will respond to Coillte proposals on forestry and carbon sequestration; and if he will make a statement on the matter. [45299/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): One of the commitments in the Renewed Programme for Government is that the Government would work with the Irish forestry sector, including Coillte, to develop a scheme relating to the carbon sequestration ability of forests and future forestry investment in Ireland. The Programme proposed that a scheme be developed through which some of the monies currently set aside to purchase carbon credits abroad will be diverted for forestry investment in Ireland. Another commitment set out in the Renewed Programme for Government was that State forestry policy would be reviewed to take account, inter alia, of its critical role in relation to Climate Change. In this context the State Forest Policy review, of which Coillte is a participant, is also considering this issue. I understand that this Review is expected to be completed by early next year.

The Government is committed to ensuring the continuation of the afforestation programme at a rate that maximizes the use of available financial resources. The funding of forestry into the future is being given serious attention and all possible funding sources and innovative proposals are being considered. Progress on this issue is dependent on a number of factors, not least the future treatment of forest sinks under international rules in the period post 2012. The rules about carbon sequestration in relation to forests and other land uses will be decided as part of global negotiations which are ongoing. Currently Ireland's Kyoto eligible forests sequester approximately 2.2 million tonnes of carbon dioxide annually representing a significant saving to the State. The position post 2012 has not yet been agreed. I understand that Coillte are

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currently finalizing a document on their proposal and I look forward to discussing this with them in further detail.

Food Harvest 2020

18. **Deputy Joan Burton** asked the Minister for Agriculture, Fisheries and Food the recommendations from the Food Harvest 2010 report that will be prioritised for implementation in 2011; and if he will make a statement on the matter. [45175/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): My priority for 2011 is to maximise the cohesive implementation of Food Harvest 2020. This will be achieved through a number of strands. I have already established and am chairing the High Level Implementation Committee (HLIC). Their priority for 2011 is to ensure an effective, integrated approach to implementation. I have already asked the Department and the state agencies to take action in relation to the following key areas, and to report back on progress achieved:

- the development of the dairy sector,
- the profitability of the beef sector,
- ensuring a credible sustainability agenda, including Brand Ireland,
- improving competitiveness and promoting effective business models,
- prioritising and advancing innovation, research and entrepreneurship .

Focused activation groups, working under the direction and with a remit determined by the HLIC are achieving progress on these areas.

Specifically, the Dairy Activation Group will present the HLIC, shortly, with their roadmap on the key production and processing milestones needed to be met to achieve the 50% increase in milk production by 2020. A Horticulture Action Group has already been established to activate the relevant recommendations of Food Harvest 2020 and report back to the HLIC on progress in the new year.

As part of their analytical work in developing the sustainability agenda for the Irish food sector, Bord Bia and Teagasc in conjunction with the Carbon Trust are undertaking an extensive pilot audit of 200 farms to demonstrate the sustainability of the beef sector. This initiative will provide consumer feedback on the values which could underpin a general approach differentiating our food and drink product. The HLIC has already endorsed these scoping actions and are being kept informed of developments on an ongoing basis.

To further a range of Food Harvest 2020 recommendations, I recently launched a research call of €10 million under the three public good research programmes operated by my Department. This call focused on the strategy's 'Smart', 'Green' 'Growth' objectives and will build on existing research capability and support the development of collaborative research networks. A further initiative in this area is the establishment of an Agri Research Expert Advisory Group which will facilitate greater input and resources from the agriculture industry into the design and structure of primary research.

In addition, to the work of the HLIC, my Department and all of the state agencies have examined and assumed either a lead or collaborative role, as relevant, for all of the recommendations in Food Harvest 2020. Each of the key players will report on the level of progress achieved during the first quarter of 2011. These are examples of integrated cohesive action I am taking to ensure progressive implementation of all the recommendations.

Food Industry

19. **Deputy Enda Kenny** asked the Minister for Agriculture, Fisheries and Food the action being taken to address the imbalance in the food chain to ensure both producers and consumers have access to fair prices; and if he will make a statement on the matter. [45289/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The issue of the need for balance in the food supply chain is being addressed in a number of arenas. At national level the Renewed Programme for Government contains a commitment to “implement a Code of Practice for doing business in the Grocery Goods sector to develop a fair trading relationship between retailers and their suppliers” and “to review progress of the Code and if necessary to put in place a mandatory code”. It is planned to do this by including a provision to allow for the introduction of a statutory Code of Conduct in the grocery goods sector in legislation being prepared by the Minister for Enterprise, Trade and Innovation, Batt O’Keeffe TD on merging the National Consumer Agency and the Competition Authority. I understand that Minister O’Keeffe expects to publish this legislation early in 2011.

In the meantime, pending enactment of legislation, the opportunity is being taken to explore with stakeholders the possibilities of agreeing a Voluntary Code and Minister O’Keeffe has appointed John Travers to facilitate discussions with stakeholders. It is expected that the facilitator will report to the Minister in the coming weeks. My Department and the Department for Enterprise, Trade and Innovation will continue to consult closely on this issue.

At European level, I am on record and have spoken many times at the Council of Agriculture Ministers of some weaknesses that have emerged in the food supply chain. I have emphasised the importance of ensuring the security of safe, high quality and sustainably produced food — at reasonable prices for our consumers, and with corresponding reasonable returns to our farmers and processors. This requires that we have viable, competitive and balanced food production and distribution systems.

At EU level the Commission has established a High Level Forum for a Better Functioning of the Food Supply Chain to assist it with the development of industrial policy in the agro-food sector. The mandate of the Forum, which is for a period of two years, is to advance the recommendations of the High Level Group on the Competitiveness of the Agro-Food Industry established by Commission Decision 2008/359/EC, and the initiatives proposed by the Commission in its Communication ‘A better functioning food supply chain in Europe’ to improve the competitiveness of the agro-food sector notably of SMEs and to foster innovation and exports.

The Forum is chaired by Vice-President Tajani and includes among its members Ministers from 13 Member States including Ireland, companies and trade associations of the agriculture, food and commerce sectors and non-governmental organisations. The Commissioners for Internal Market and Services, Health and Consumer Protection and Agriculture and Rural Development also take part.

The first meeting of the Forum in November approved a programme of work for Platform groups on technical examination of issues. Members were asked to indicate their priorities and Ireland highlighted the consideration of the establishment of Codes of Conduct in relation to business to business relationships, given that this issue is becoming more acute with the increasing consolidation of the retail sector in all Member States. Ireland also mentioned the development of effective ways of dealing with price volatility and risk, the necessity of ensuring a reliable supply of raw materials from a viable and sustainable agriculture sector, and developing ways of encouraging and enhancing competitiveness and innovation in the food industry and

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at farm level. These priorities were broadly shared though the perspective of trade associations from different parts of the food supply chain varied.

As over 80% of Irish food and drink is exported we have a strong interest in contributing to the development of coherent measures at EU as well as national levels.

Social Welfare Benefits

20. **Deputy Phil Hogan** asked the Minister for Agriculture, Fisheries and Food if he has held discussions with the Department of Social Protection with regard to farm assist payments; and if he will make a statement on the matter. [45284/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): Farm Assist is directly a matter for the Minister for Social Protection. I have regular contact with my colleague, the Minister for Social Protection, on a range of issues of mutual concern, including Farm Assist. In addition, my Department keeps in regular contact with the Department of Social Protection and Family Affairs regarding developments of relevance to both Departments at both a policy and operational level.

Beef Industry

21. **Deputy Terence Flanagan** asked the Minister for Agriculture, Fisheries and Food the outturn for 2010 expected in the suckler cow welfare scheme; and if he will make a statement on the matter. [45277/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Suckler Welfare Scheme was introduced in 2008 and fully funded by the Irish Exchequer. The primary aim of the Scheme is to improve the quality of the national beef herd. A two-pronged approach is being taken to achieve these aims — firstly through improving the welfare of the animals and secondly through the development of an extensive database which will identify the best beef breeding stock in the country.

In regard to the welfare elements of the Scheme participants are required to carry out a number of measures including:

- ensuring that heifers are older than 24 months at the time of first calving,
- registration of the animals using the Animal Event Sheets,
- disbudding within two weeks of birth,
- castration within six months of birth if the animals are to be castrated,
- provide meal to the calves for at least four weeks before weaning and
- not selling the animals for at least two weeks after weaning while continuing to provide meal to the calves
- gradual weaning, i.e. for herds of more than 10 cows the weaning must be carried out in more than one group with at least 5 days between the weaning of each group.

Payments to farmers under the Suckler Welfare Scheme is entirely dependent on the participants submitting, on a timely basis, details of the measures required in the appropriate forms and ensuring that the data completed on the forms is accurate. It is also dependent on the farmer registering the birth and movement of his or her animals correctly on AIM.

Payments made to date by my Department under this Scheme in 2010 amount to €22.6 million of which €1.6 million relates to 2008 born calves and €21 million in respect of the 2009 born calves. I have taken a number of initiatives during recent weeks with a view to ensuring that the maximum number of payments will issue to suckler farmers between now and the end of the year. Mindful of the fact, as already stated, that the level of payments are determined by the timeliness and accuracy of the data submitted by the farmers, my Department has written to over 15,000 participants reminding them of the need to submit details of the Scheme measures. I would also remind farmers to respond immediately to any outstanding queries issued by my Department and to take care that the information submitted is accurate.

In view of the initiatives that I have taken and with good co-operation from the farmers in submitting the required forms and responding to queries, I am satisfied that the maximum amount payable under this Scheme of €30m will be paid by end of December.

Compensation Payments

22. **Deputy Ciarán Lynch** asked the Minister for Agriculture, Fisheries and Food the scheme of compensation available to farmers who are forced to destock in the Twelve Bens area of Connemara and the Nephin range in County Mayo; and if he will make a statement on the matter. [45198/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): As a result of a review carried out by the National Parks and Wildlife Service of the Department of the Environment, Heritage and Local Government, additional destocking measures were introduced in the Twelve Bens and the Nephin range. Farmers who comply with these additional measures and who are participants in an agri-environment scheme i.e. the NPWS Farm Plan Scheme or the Rural Environment Protection Scheme or the Agri-Environment Options Scheme, are eligible for a compensation payment from the Department of the Environment, Heritage and Local Government.

Farmers who have finished their REPS 3 contract and are not currently in an agri-environment scheme have been advised by the Department of the Environment, Heritage and Local Government that they will continue to receive the compensation payment, provided that they continue to comply with the conditions imposed under the review and commit to applying for any agri-environment scheme which becomes available to them. These payments will continue until the 31 October, 2011 in the case of the Nephin range and until 31 October, 2013 for farmers in the Twelve Bens.

Food Industry

23. **Deputy Pat Breen** asked the Minister for Agriculture, Fisheries and Food his views on the price uncertainty currently being faced by the pig and poultry sectors; and if he will make a statement on the matter. [45237/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The price paid for agricultural commodities, including meat products, is a matter for the industry, and is a function of the supply and demand dynamics in the market place. In common with other meats, returns to pig producers have fallen as a result of the economic recession.

During the early part of 2010 prices continued to fall following the significant decline witnessed in 2009. Prices recovered in the second quarter of this year to the extent that year on year prices exceeded 2009 levels in early July. The seasonal decline following the end of the barbecue season was again experienced but not to the same extent as previous years. As a result, year on year prices have remained above 2009 levels and are still over 8% ahead with

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a degree of stability occurring in recent weeks. Currently the Irish producer price, at €130.01/100kgs, stands at over 95% of the EU average. In general, Irish price movements over recent years have mirrored those of the EU as a whole.

In tandem with poor returns, the biggest issue for producers at the moment remains feed costs. The sharp increase in cereal prices since, given that cereals account for 75% of feed, is reducing margins to below the long-term average. In response, the European commission has recently opened a tender for wheat and barley to be sold from intervention in an attempt to curb feed price increases. In addition, on the EU front, my Department has been working with like minded States to seek the introduction of export refunds. The Commission has shown a marked reluctance to take this step, but has indicated that it will keep the situation under review.

Competition from fresh poultry imports from Northern Ireland continues to curtail returns to poultry producers. Feed costs have also impacted on producer margins and have pushed margins below long-term averages. However, poultry is normally reared under contract to processors, for a pre-agreed price, and therefore poultry producers are not subject to the same price fluctuations as other farmers.

EU Directives

24. **Deputy Michael P. Kitt** asked the Minister for Agriculture, Fisheries and Food the principal features of the second national action plan under the nitrates directive; and if he will make a statement on the matter. [45056/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): All EU member States are obliged to draw up and implement a National Action Programme under the Nitrates Directive in order to ensure that water quality is not adversely affected by agricultural activity. The principal features of Ireland's second National Action Programme (NAP) are similar to those in the first Action Programme and include provisions in relation to farm stocking rates, fertiliser application, storage requirements for livestock manure and maintenance of green cover on tillage lands.

The main changes in the second National Action Programme include:

- the introduction of a site-specific, risk-based approach for set-back distances around drinking water abstraction points; previously the set-back distance was based solely on the volume of water being abstracted and it took no account of other factors such as soil, subsoil and bedrock type;
- a buffer zone for the application of chemical fertiliser within 2 metres of a watercourse (previously 1.5 metres);
- new rules on baled silage;
- increases in the maximum nitrogen and phosphorus fertilisation rates for cereal crops (including a measure to address the issue of low protein levels in malting barley);
- a time-limited extension for transitional arrangements covering the use of pig and poultry manure and spent mushroom compost; revision of certain dates where the establishment of green cover is required.

I am confident that the overall package of measures, including the renewal of the Nitrates derogation, will assist Ireland's agri-food sector meet its targets under the Food Harvest 2020 strategy on the basis of sustainable farming practices in these economically challenging times.

Farm Inspections

25. **Deputy Jan O’Sullivan** asked the Minister for Agriculture, Fisheries and Food the number of inspections carried out to date in 2010 in both REP schemes and single farm payment on a monthly basis; and if he will make a statement on the matter. [45183/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): In 2010, 1,535 REPS 4 applicants were selected for inspection, while 1,483 REPS 3 applicants were selected for inspection. These inspections have been taking place since June at the rate of over 400 per month in order to ensure that all inspections are carried out before the year end. Inspections are required to take place throughout the year as some measures, such as requirements associated with the housing of livestock (a defined period during the winter months) are time specific. Inspections must be completed within the calendar year.

The attached table gives the number of Inspections covering eligibility and cross-compliance issues carried out per Month to date in 2010 by my Department. These inspection covered the Single Payment Scheme, the Disadvantaged Areas Scheme the Rural Environment Protection Scheme (REPs), the Suckler Cow Welfare Scheme, the Grassland Sheep Scheme, and compliance with the Good Agricultural Practice Regulations (GAP) concerning water quality, 1500 of which were carried out on behalf of Local Authorities.

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Totals
Total Farm Visits	1	223	470	620	1,023	803	1,229	866	894	446	376	6,951

A further 3,172 inspections were carried out by satellite without the need for an on-farm visit.

On-farm Investment Schemes

26. **Deputy Pat Rabbitte** asked the Minister for Agriculture, Fisheries and Food the reason planning permission is required for fencing in Natura areas under the sheep fencing grant scheme when it is not a requirement under the prescribed actions set out by the national parks and wildlife service; and if he will make a statement on the matter. [45205/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Sheep Fencing/Mobile Handling Equipment Scheme opened for applications on 1 November 2010. Under the terms of the Scheme, an application for grant-aid for the construction and erection of sheep fencing in certain areas, including a Natura 2000 habitat, must be accompanied by planning permission. The advice which I have received on this matter is that, under the Planning and Development Act 2000, all development including the construction and erection of fencing requires planning permission unless it is specifically listed as exempt and that construction of fencing in a Natura area is not exempt development.

Common Fisheries Policy

27. **Deputy Martin Ferris** asked the Minister for Agriculture, Fisheries and Food if he will be seeking an increase in quota allocation for Irish fishermen as part of changes to the Common Fisheries Policy. [45211/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The current review of the Common Fisheries Policy (CFP) was initiated by the European Commission when it issued a Green Paper in April 2009 and sought responses to the proposals it contained. The CFP, which was first put in place in 1983, has been subject to reviews every 10 years. The most recent review was in 2002.

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Minister Killeen, who had responsibility for the Fisheries portfolio when the Green Paper was published, appointed Dr. Noel Cawley to chair a nationwide public consultation process. The result of these extensive consultations contributed in no small way to Ireland's Response to the Green Paper which issued on the 23rd of February. The report in its entirety, and all formal submissions received during the public consultation process, are available on www.fishingnet.ie.

Ireland's response on the CFP reform sets down a number of informed recommendations which we believe must be incorporated into the new Common Fisheries Policy. They take a pragmatic approach, promoting measures that collectively take account of economic, social, environmental and sustainability factors important to the Irish seafood sector. The changes we consider necessary include:

- New focus on addressing discarding of fish at sea with a complete ban being introduced for stocks in a depleted state;
- The retention of a management system based on national quotas supported by increased flexibility and a rejection of the mandatory privatisation of fish quotas or the introduction of international trading of fish quotas;
- Access to coastal waters to be re-examined with a view to an extension of the coastal limit to 20 miles with new management arrangements in place to strengthen coastal communities dependant on inshore coastal fisheries;
- New measures to strengthen the market for EU producers and increase quay side prices;
- Reinvigoration of European aquaculture with continued structural support and a road-map that establishes a route for growth in harmony with Community environmental law;
- New regional structure to decision-making at EU level, with increasing industry responsibility and the development of a culture of compliance.

In relation to quota allocations, the position is that Ireland's shares of the main fish stocks were set in the early 1980s when fish stocks were being shared out between EU Member States. The share allocations were based on catch records and reflected the fishing levels of the Irish fleet and other Member states' fleets at that time. The percentage shares held by each Member State have generally remained the same for over 20 years under the principle of relative stability.

Ireland's response to the reform stated that Relative Stability (share out of stocks between EU Member States) and its attendant TACs and Quotas, whilst imperfect, must remain the primary community mechanism to manage fish stocks. At the same time, the response advocates that adjustments can be made to the present share out (relative stability) of a number of white fish and pelagic stocks so that the further allocation of Community resources is better adjusted to match today's needs and is seen to deliver increased shares of stocks adjacent to shores for coastal Member States through a range of mechanisms including the improved use of swaps.

Consultation at European level on the review is ongoing, with a variety of meetings being held, including a number of stakeholders' conferences. In May an informal meeting of Agriculture and Fisheries Ministers to discuss the reform, both of which were held in Spain. The reform has also been discussed at the Fisheries Council in June. In addition, as soon as Minister Connick was appointed as Minister of State, he attended a bilateral meeting with the Maria

Damanaki, the new EU Commissioner for Fisheries and Maritime Affairs. This meeting was arranged at my request to discuss Ireland's Response to the Commission's Green Paper.

At this meeting and at the subsequent informal and formal Council meetings he advised that we have many areas where we have common ground with the EU Commission. However, he made it quite clear that Ireland does not support the Commission's ideas expressed in the Green Paper which would allow our national fish quotas to be privatised and traded away to large European fishing companies. He stressed that one of Ireland's main objectives in the Reform Process will be to protect the national fish quotas as a public resource to be used for the benefit of our family owned fleet and to support our coastal communities.

Under the planned EU timetable for the review, a legislative proposal to the Council and the European Parliament is expected to be adopted in 2011, with a view to its entering into force in 2012. Nationally, I intend to continue close collaboration with the Federation of Irish Fishermen and the other stakeholders to put Ireland's case forward during the review, to vigorously defend Ireland's maritime interests, and to convince our colleagues in other Member States and in the Commission to strengthen the current policy in line with Ireland's submission on the reform of the CFP.

Agri-Environment Options Scheme

28. **Deputy Denis Naughten** asked the Minister for Agriculture, Fisheries and Food his plans to extend the agri-environment options scheme to new entrants in 2011; and if he will make a statement on the matter. [45115/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): Further participation in the new Agri-Environment Options Scheme will have to be determined within the limits of the level of funding which will be available to my Department. The Government's 4 year Plan which was published last week sets out the expenditure ceilings for my Department for the period 2011 to 2014. The Plan does not specify the programmes or schemes to which the funding will be allocated. However, it confirms that there will be a focus on streamlining a range of programmes and that options to be considered include the prioritisation of financial support to active farmers.

At this stage, no decisions have been taken about the levels of participation in various schemes during the period of the 4 year Plan or on the payment rates that will apply. The 2011 Budget will be announced by the Minister for Finance next week and, in that context, I will be giving careful consideration to the allocations of resources against the competing demands in 2011.

Food Harvest 2020

29. **Deputy Thomas P. Broughan** asked the Minister for Agriculture, Fisheries and Food the progress made to date by the Food Harvest 2020 implementation group; and if he will make a statement on the matter. [45174/10]

37. **Deputy Michael D'Arcy** asked the Minister for Agriculture, Fisheries and Food the progress made on the establishment of implementation groups under the Food Harvest 2020 strategy; and if he will make a statement on the matter. [45258/10]

48. **Deputy David Stanton** asked the Minister for Agriculture, Fisheries and Food the strategies he has in place to encourage the expansion of agriculture between now and 2020; and if he will make a statement on the matter. [45229/10]

65. **Deputy Johnny Brady** asked the Minister for Agriculture, Fisheries and Food the progress that has been made in implementing the recommendations of Food Harvest 2020; and if he will make a statement on the matter. [45039/10]

81. **Deputy Johnny Brady** asked the Minister for Agriculture, Fisheries and Food the number of meetings there have been of the Food Harvest 2020 high level implementation group; and if he will make a statement on the matter. [45040/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I propose to take Questions Nos. 29, 37, 48, 65 and 81 together.

The Government's strategic policy document, Food Harvest 2020, outlines the vision for the expansion of the agri-food and fishing sector, the actions to be taken, and the targets to be achieved. Following its publication in July this year, my primary focus has been directed at ensuring a coherent and integrated approach to its implementation.

For this purpose, I have established, and am chairing, the High Level Implementation Committee (HLIC) bringing together the key actors in the state sector to ensure an integrated focused state implementation effort. The role of this central implementation group is to progress the development of the sector and to direct the activities of any ancillary group it may establish. Following its inaugural meeting on 16 September, a further meeting of the HLIC was held on 16 November, with its next meeting scheduled for 12 January.

The CEOs of the State Bodies and senior Department officials have been assigned responsibility for progressing the FH 2020 recommendations and have taken lead roles on the cross cutting issues requiring collaboration. All of these key players will be asked to report back regularly in 2011 to the HLIC on progress achieved.

To ensure that the opportunities that will arise in the dairy sector are fully exploited, the Dairy Expansion Activation Group has over the past few months been preparing a roadmap for the sector. This will highlight the key milestones from both the processing and production perspectives, identify any obstacles to implementation and necessary solutions. This roadmap will be formally presented to the HLIC shortly.

In recognition of the central role of research and innovation in Food Harvest 2020, I recently launched a research call of €10 million under the three public good research programmes operated by my Department. This call focused on the strategy's 'Smart', 'Green' 'Growth' objectives and will build on existing research capability and support the development of collaborative research networks. A further initiative in this area, is the establishment of an Agri Research Expert Advisory Group which will facilitate greater input and resources from the agriculture industry into the design and structure of primary research. In addition, at the last meeting of the HLIC, the CEOs from a number of state bodies agreed to collaborate to provide the HLIC with a focused paper on developing and promoting innovation in the overall sector.

FH 2020 highlighted issues such as food industry competitiveness and the lack of profitability at producer level in certain sectors. A number of its recommendations focused on improving competitiveness and the need to promote effective business models. Success in these areas requires a sustained effort and focus by the key players involved and private efforts are being augmented by focused state initiatives. The implementation of FH2020 is supporting the targeted promotion of state competitiveness initiatives such as the Competitiveness Fund for the Food Industry, Lean Manufacturing Programme, Marketplace 2010, Food Innovation Vouchers and Marketing Fellows and Alumnus Programmes, etc.

To improve competitiveness at primary level, as provided for in FH 2020, Teagasc and my Department are working on farm level initiatives such as the increased use of farm partnerships,

collaborative undertakings, technology uptake and the targeting of future schemes which have limited funding at those producers which have the best potential for growth. Furthermore, a small action focused inter-agency group will shortly be established to specifically implement the relevant beef farm level recommendations related to competitiveness, technology transfer and farm production systems.

A Horticulture Action Group has already been established to activate the relevant recommendations of Food Harvest 2020 and report back to the HLIC on progress in the new year. As part of their analytical work in developing the sustainability agenda for the Irish food sector, Bord Bia and Teagasc in conjunction with the Carbon Trust are undertaking an extensive pilot audit of 200 farms to demonstrate the sustainability of the beef sector. This initiative will provide consumer feedback on the values which could underpin a general approach differentiating our food and drink product. The HLIC has already endorsed these scoping actions and are being kept informed of developments on an ongoing basis.

These are examples of actions already undertaken and further progress on these and all recommendations will be monitored and activated at the next meeting of the HLIC on 12 January.

Food Industry

30. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food the parameters within which he proposes to influence his EU colleagues towards ensuring the viability of the Irish and EU food industry for the future with particular reference to the need to utilise the suitable climate for food production and food creation given the needs of the national and European economy now and in the future; and if he will make a statement on the matter. [45222/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The agriculture and food production sector is Ireland's largest indigenous manufacturing industry and it has a vital part to play in our economic recovery, particularly in the context of our exports. The role of agriculture in Europe's economic recovery has also been recognised in the contribution it makes to all three priorities of the EU 2020 strategy of smart, green and inclusive growth.

I have raised the issue of the need to ensure global food security at every opportunity including at both EU and international level. The issues I have raised include the fact that the international community is committed to reducing by half the number of malnourished people in the world by 2015, but the latest estimates from the Food and Agriculture Organisation of the United Nations show that the number of hungry people currently stands at 925 million. I support the actions that must be taken to reduce and eradicate hunger and believe that we must intensify our efforts in this regard. United Nations projections suggest that the world population will rise from the current 6.8 billion to 9.2 billion by 2050, with an associated 70% increase in demand for food. At the same time, more than ever, food production is facing competition for land and water resources from a variety of sources including the impacts of climate change, which pose further risks to food output.

Earlier this year, I launched the Food Harvest 2020 report — a vision for Irish agri-food and fisheries. This sets out the strategic vision for the sector, the actions to be taken, and the targets which the agri-food and fishing sector should achieve to assist the national export led recovery. Food Harvest 2020 is the Government's comprehensive roadmap for the sector. It was developed by an industry-led committee and its content reflects their wide ranging expertise underpinned by comprehensive analysis from my Department, relevant State Bodies, the input of the Harvard Business School and senior farming and food industry figures.

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The key focus of Food Harvest 2020 is to show how the industry can capitalise on the expanding market opportunities. These opportunities arise from the actual and projected increase in food demand due to rising world population and increasing wealth. Growth in demand for dairy produce is likely to be particularly strong and our supply chain response will be assisted by the ending of EU milk quotas in 2015. These combined supply and demand elements will allow us capitalise on the significant cost advantage we have in our environmentally sustainable grass-based production system.

The future CAP will determine the policy framework for the successful delivery of our Food Harvest 2020 strategy and it will be of vital importance to ensure that it underpins that strategy. We must maintain a strong agricultural production base in the European Union in the future to take account of the challenges ahead in meeting increased demands for food. Any reduction in food production in the EU would be taken up elsewhere, where less efficient production systems exist, and would result in a heavier carbon footprint. We must also undertake food production and distribution in a manner that is sustainable in all its dimensions — economically, socially and environmentally. My priority and that of this Government is to ensure that the proposed reform of the EU Common Agricultural Policy results in a strong and properly resourced policy in the years ahead which will continue to nurture the strong economic growth in our agriculture and food production sector.

Milk Quota

31. **Deputy John Cregan** asked the Minister for Agriculture, Fisheries and Food the basis on which the recently announced new milk quota trading scheme will operate; and if he will make a statement on the matter. [45061/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): In mid-October I announced the ninth Milk Quota Trading Scheme, which is the first of two Trading Schemes to allocate quota in respect of the 2011/2012 milk quota year. The closing date for receipt of applications was Friday 5 November 2010

The structure of the Scheme is largely unchanged from previous years. It is again being run in respect of each Co-op area, and is comprised of a priority pool and a market exchange. Sellers continue to contribute 30 per cent of the total quota offered for sale to the priority pool. The method for calculating the market clearing price, including the 40 per cent price corridor, remains unchanged. The 3:2 ratio governing the distribution of priority pool quota between young farmers and category 1 producers (those with quotas of less than 350,000 litres) remains, as does the option for sellers in certain Co-op areas to sell at one or two cent per litre less than their original offer price.

I have, however, reduced the maximum price at which quota is traded in the priority pool, from 6 cent/litre to 5 cent/litre. If the exchange price for a given Co-op area drops below 5 cent/litre, the priority pool price will be the same as the exchange price.

In addition, I have introduced a national component in each phase of the scheme that will allow sellers who have been successful in selling some, but not all, of their quota on the market exchange to dispose of their remaining quota, through a national pool, to purchasers in other Co-op areas who have been unable to have their full requests satisfied. Where necessary, this redistribution will be carried out by the Department immediately after each of the two stages in order to ensure that sellers are not forced to retain some of the quota offered for sale because of insufficient demand in their areas. Such a re-distribution will not involve a separate application process.

I expect to be in a position to announce the results of the first exchange before Christmas. A second exchange will be announced in early January 2011. Full details of the Scheme are available from Co-ops or on the Department's website:

www.agriculture.gov.ie/dairyingfarming/milkquotas.

Common Agricultural Policy

32. **Deputy Niall Collins** asked the Minister for Agriculture, Fisheries and Food his priorities on the forthcoming negotiations on the future of the Common Agricultural Policy; and if he will make a statement on the matter. [45052/10]

59. **Deputy Niall Collins** asked the Minister for Agriculture, Fisheries and Food his views on the recently announced Commission Communication on the Common Agricultural Policy; and if he will make a statement on the matter. [45051/10]

74. **Deputy Joe Costello** asked the Minister for Agriculture, Fisheries and Food his views on the Common Agricultural Policy reform proposals for a major change to the historic model of payments; and if he will make a statement on the matter. [45176/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I propose to take Questions Nos. 32, 59 and 74 together.

At the EU Council of Agriculture Ministers meeting in Brussels on Monday, Ministers had their first opportunity to exchange views on the recently published Commission Communication on the Future of the CAP after 2013. I welcome the three main objectives identified in the Commission Communication — viable food production, sustainable management of natural resources and balanced rural development. I am in favour of the continuation of decoupled direct payments, the retention and enhancement of market management mechanisms and the development of the current rural development measures along with an increased focus on active farmers.

One of my priorities in these negotiations will be to preserve the Irish national envelope. My primary aim is to secure a direct payments system that provides our fair share of funding and that supports the viability of Irish farming. In that connection, the communication makes brief reference to the distribution of funds between member states under pillar 1 and pillar 2.

In relation to the proposed redesign of the direct payments model, at Monday's Council I expressed my support for considerable flexibility in the area of the distribution of CAP funds between farmers within each Member State, as is currently the case. We should not impose a 'one size fits all' payment model on all Member States. The agro-ecological and social conditions of farming vary hugely within the Union. I welcome the commitment in the Commission Communication to "*simplification*", but this issue must be borne in mind when discussing any further 'greening' of the single payment. We should not underplay or undervalue the substantial environmental public good already being delivered through cross-compliance requirements.

Now, more than ever, we need to focus on ensuring security of supply of safe, high quality and sustainably produced food, for which we will require a strong and adequately resourced CAP. To be meaningful, this will require adequate resources and this must be reflected in the new EU financial framework. I view this communication as a first step in what will be a lengthy process of negotiations. Over the coming months, we will discuss the communication in greater detail with a view to agreeing conclusions on the general orientation of policy for the CAP after 2013, before the legislative proposals, due next July, are framed. I will continue to meet

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with my Ministerial colleagues in other EU Member States in to secure support for the Irish position.

Veterinary Services

33. **Deputy Emmet Stagg** asked the Minister for Agriculture, Fisheries and Food the measures he is taking to reduce the cost of veterinary medicines which are considerably more expensive here than in Northern Ireland; and if he will make a statement on the matter.

[45189/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): My Department does not have any statutory function in relation to the pricing of veterinary medicines. However, my Department does have statutory responsibility for the regulation of veterinary medicines from the point of view of public health and animal health and welfare. In exercising these functions, my Department is conscious of the need to minimise costs for farmers and pet animal owners and has, within the limits afforded by EU legislation, adopted a number of measures over the years with a view to stimulating competition in the supply of medicines.

Measures adopted by my Department aimed at empowering farmers and other animal owners to get the best value when purchasing medicine supplies include:

- A requirement for all outlets to display price lists and, in the case of vets, to show on invoices the cost of the medicine separate from the cost of the professional service;
- A requirement on vets to issue written prescriptions, enabling farmers to shop around and purchase from the best value outlet;
- An extension of the range of outlets from which many prescription only medicines can be purchased to include Licensed Merchants, in addition to pharmacies and veterinary practices;
- An extension of the maximum validity of a prescription to 12 months, thereby enabling farmers stagger their purchases to meet their immediate and seasonal needs.

In addition to the foregoing, the policy my Department is a to retain a viable ‘off-prescription’ category for medicines which, on scientific evaluation, do not need to be prescribed by a veterinary practitioner. I might add that, during the last review of the EU medicines regime, Ireland strongly opposed Commission proposals to reserve all veterinary medicines to the “prescription-only” category. We were largely successful in this regard, with the result that farmers can continue to purchase major categories of medicines, such as wormers and vaccines, from a wide range of authorised outlets, without incurring the cost of a veterinary call-out fee.

I believe these measures provide clear evidence of my Department’s commitment to playing its part in minimising costs. I would encourage farmers to take maximum advantage of these measures and I would ask manufacturers and distributors of veterinary medicines to play their parts in driving down costs by offering best value consistent with a reasonable commercial return.

Food Labelling

34. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food the degree to which he proposes to improve labelling and traceability with a view to safeguarding the integrity of the systems and the food and food products for which labelling was introduced. [45221/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Minister for Health & Children has overall responsibility for the general food labelling legislation. Responsibility for the enforcement of this legislation rests with the Food Safety Authority of Ireland (F.S.A.I.). This is done through service contracts with other relevant agencies including the Health Service Executive, the Local Authority Veterinary Service and my Department. Draft EU Regulations amending labelling requirements are being considered at Council Working Party level in Brussels. Ireland is represented at in these negotiations by the Department of Health and Children.

Alternative Farm Enterprises

35. **Deputy Michael Noonan** asked the Minister for Agriculture, Fisheries and Food the plans in place to deliver a strategy developing an agri-renewable industry; and if he will make a statement on the matter. [45305/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The recently published Food Harvest 2020 strategy includes recommendations for the further development of renewable energy initiatives in the Agriculture Sector to build on the well established Bioenergy Scheme initiative in place since 2007.

The pilot Bioenergy Scheme ran from 2007-2009 and has been succeeded by the Bioenergy Scheme 2010-2012 which was launched in February 2010. The purpose of the Scheme is to encourage farmers to grow the energy crops willow and miscanthus. From 2007 to 2010 the Bioenergy Schemes have supported the planting of up to 3,000 hectares of bioenergy crops. The Bioenergy Scheme 2010-2012 is provided for in the Rural Development Programme and is co-funded by my Department and the European Agricultural Fund for Rural Development. The Scheme provides a once-off capital grant of up to a maximum of €1,300 per hectare to aid 50% of crop establishment costs.

The Bioenergy Scheme for 2011 was launched on 16th November 2010, with a closing date of 19th January 2011. Based on contacts with the key players in the industry the indications are that there will be considerable interest in the 2011 scheme. The early launch date will be welcomed by the industry, as will the closing date of 19th January. There is sufficient funding currently available to support the planting of up to 1,800 hectares in 2011.

Food Harvest 2020 sets out recommendations for the further development of renewable energy initiatives in the Agriculture Sector, including:

- Developing pilot projects and a pilot forum on renewable energy, including a regional anaerobic digester for farm and industry waste;
- Addressing the barriers that exist to connections to the electricity grid for bioenergy products;
- Farm-level developments such as installation of renewable energy generators (wind/solar).

My Department is working with the Department of Communications, Energy and Natural Resources, the Sustainable Energy Authority of Ireland and other relevant interested parties to develop these initiatives.

Fisheries Protection

36. **Deputy Christy O'Sullivan** asked the Minister for Agriculture, Fisheries and Food his

[Deputy Christy O’Sullivan.]

views regarding the transfer of Ireland’s fish quotas to Norway to pay for cod and other stocks; and if he will make a statement on the matter. [45058/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): At Monday’s Fisheries Council in Brussels, I set down clearly Ireland’s position in relation to the ongoing negotiations between the EU and Norway on a bilateral fisheries agreement for 2011. I have consistently advised the Commission and Member States of Ireland’s concerns including at the October Fisheries Council meeting, held on 26 October 2010 in Luxembourg. I also wrote to Commissioner Damanaki on 19 November setting out our position.

The negotiations on a fisheries bilateral agreement are held annually, and Norway and the Community routinely swap fishing opportunities in each others waters as part of the agreement each year. As Ireland receives very limited fishing opportunities from the fish stocks received from Norway, our main interest relates to eliminating or, as a minimum, reducing to the lowest possible level the transfers to Norway from stocks in Western Waters which we fish. In the past a significant share of the blue whiting stock in Western Waters, in which Ireland has a share, has formed part of the transfers to Norway. Ireland has consistently opposed what has to date been an unfair and inequitable process which results in a Member State, like Ireland which does not benefit, paying for the fishing opportunities of other Member States.

At both Councils, Minister Connick reminded the Commissioner and his fellow Ministers of the Commissions statement from last Decembers Fisheries Council which provides that “*Bearing in mind that Member States benefit to a different degree from the exchange of fishing opportunities with Norway, the Commission shall endeavour to ensure that the costs and benefits for individual Member States of the annual arrangements with Norway should be as balanced as possible.*” Minister Connick strongly defended Ireland’s position, opposing the transfer of these fish quotas to Norway to pay for cod and other stocks which do not benefit Ireland. In particular the Minister made it abundantly clear that Ireland will totally oppose any moves to include stocks that the Irish fleet fishes in the waters off the west coast, such as horse mackerel and mackerel, in the balance.

It is very clear that there will be a major problem balancing the quota exchanges in any EU-Norway agreement this year especially as the TAC for blue whiting which was used to partly meet the balance in the transfers has been cut by some 90%. Ireland has called on the Commission to bring forward a new framework whereby Member States that want to avail of the Cod being offered by Norway can contribute to a communal EU pool of quotas to be exchanged with Norway. In this way those Member States that want the Cod can avail of it, but not to the detriment of Member States who do not benefit.

The second round of discussions on the bilateral agreement are taking place in Bergen, Norway this week. I am working closely with the Irish industry representatives and am consulting on the progress being made and their implications for the Irish fishing industry. Ireland’s position is well understood and I wrote to Commissioner Damanaki last month to re-enforce the importance of this issue for us. I am carefully monitoring the negotiations and will continue to work to deliver an agreement that takes account of Ireland’s situation.

Question No. 37 answered with Question No. 29.

On-farm Investment Schemes

38. **Deputy Ruairí Quinn** asked the Minister for Agriculture, Fisheries and Food when the dairy hygiene scheme will be introduced; and if he will make a statement on the matter. [45204/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): EU Commission approval for the introduction of five targeted modernisation schemes focused on supporting productive investment in the agricultural sector was received earlier this year. Due to the relatively short time-frames for completion of the investment works concerned, priority was given to the introduction of the Sow Welfare and Poultry Welfare Schemes which were launched on 16 June last. The Sheep Fencing/Handling Scheme opened for applications on 1 November. The remaining on-farm investment schemes provided for in Ireland's Rural Development Programme are the Dairy Equipment and Water Harvesting Schemes. However, no dates have yet been fixed for their introduction.

Agri-Environment Options Scheme

39. **Deputy Joe Costello** asked the Minister for Agriculture, Fisheries and Food the reason agriculture environment options scheme farmers with Natura land have a different start-up date from those without Natura land; and if he will make a statement on the matter. [45195/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The EU rules governing the AEOS and Natura Schemes require that comprehensive administrative and validation checks must be carried out on all applications before letters of approval may issue. Natura and Commonage applications, which included a Sustainable Management Plan, required additional checks to be carried out in order to satisfy eligibility and audit requirements. These additional checks have now been completed and all Natura/Commonage farmers who submitted a valid application have received, or will receive in the next few days, approval letters with a start date of 1st November, 2010.

On-farm Investment Schemes

40. **Deputy Bobby Aylward** asked the Minister for Agriculture, Fisheries and Food the level of overall funding that will be provided for the various targeted agricultural modernisation schemes; and if he will make a statement on the matter. [45053/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): In accordance with Ireland's Rural Development Programme, a sum of €90 million has been made available for the five targeted on-farm investment schemes listed below:

- Sow Welfare Scheme;
- Poultry Welfare Scheme;
- Sheep Fencing and Mobile Handling Equipment Scheme;
- Dairy Equipment Scheme;
- Water Harvesting Scheme.

The first three Schemes referred to above have already been introduced by my Department. In addition, the Rural Development Programme also makes provision for indicative funding of €20 million from 2010-2015 for investment in bio-energy crops within the agricultural modernization chapter. In this regard, the Bioenergy Scheme 2010-2012 was launched earlier this year to provide support to farmers in establishing willow and miscanthus crops.

Poultry Industry

41. **Deputy Thomas P. Broughan** asked the Minister for Agriculture, Fisheries and Food the

[Deputy Thomas P. Broughan.]

initiatives or supports in place to assist Irish poultry farmers wishing to expand or move to poultry egg breeding activities in view of the fact that during 2009 approximately 6 million eggs were imported for the purpose of hatching and over 6 million have already been imported to date in 2010 and the opportunity this presents for home-grown enterprise; and if he will make a statement on the matter. [45193/10]

62. **Deputy Jack Wall** asked the Minister for Agriculture, Fisheries and Food the grant aid available to a person who wishes to establish as a poultry egg breeder; and if he will make a statement on the matter. [45192/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I propose to take Questions Nos. 41 and 62 together.

According to records held in my Department, some 79 poultry flocks are involved in the production of hatching eggs, with a further 33 involved in rearing these birds to laying age. The EU's State Aid rules constrain the financial assistance that can be provided by Member States to food business operators, including poultry producers. Usually, such assistance is linked to avian health or welfare considerations.

For example, Council Directive 99/74/EC prohibits the use of conventional cages within the EU, and comes into effect from 1 January 2012. Production thereafter will only be allowed in 'enriched cages' or non-cage systems, i.e. either free-range or barn systems, including organic systems. The Directive lays down specific requirements that must be delivered by enriched cages, including provisions regarding space, nesting, perches, litter, feed trough and aisle width.

Mindful of the additional costs this will place on producers, earlier this year I introduced the Poultry Welfare Scheme which will assist producers meet the new animal welfare standards for poultry production. Under the scheme, €16 million is being made available for conversion to enriched cages, free-range or barn systems. The scheme will provide for grant-aid at a standard rate of 40 per cent for investments in new laying hen structures, conversions and upgrades.

It is important that the industry post January 2012 is fully compliant with the new standards and is in a position to compete, both domestically and with imports. The provision of aid reflects the importance placed on the maintenance of the highest standards of animal welfare in the laying hen sector and this will serve as a valuable selling point for Irish producers. It will help to preserve and protect the excellent reputation of the Irish laying hen producer sector in the future.

I understand a number of applications for grant aid under the scheme have been received and are currently being processed in the Department's On Farm Investment Division in Johnstown Castle, Wexford. The closing date for applications is 30 June 2011 with all work to be completed by 31 December 2011.

On-farm Investment Schemes

42. **Deputy Seán Sherlock** asked the Minister for Agriculture, Fisheries and Food his plans to exclude existing dairy farmers from the new dairy investment scheme by the imposition of selection criteria that will favour new entrants over existing suppliers; and if he will make a statement on the matter. [45187/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): It is my intention to ensure that capital investment schemes under the Rural Development Programme are targeted through the use of selection criteria, in order to ensure the best possible value for public money. This approach is consistent with recommendations both by the European Commission and the

Comptroller and Auditor General. Selection criteria to be applied under the proposed dairy investment scheme have not yet been finalised.

EU Directives

43. **Deputy Joanna Tuffy** asked the Minister for Agriculture, Fisheries and Food his plans to make changes to calendar farming in view of the fact that unpredictable weather patterns over the past few years have had an adverse affect on farming methods; and if he will make a statement on the matter. [45190/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Nitrates Directive requires Ireland to define periods when the land application of fertiliser is prohibited. This issue was raised in submissions received during the public consultation process that formed part of the review of the European Communities (Good Agricultural Practice for Protection of Waters) Regulations, commonly known as the 'Nitrates Regulations'. An Expert Advisory Group was established to consider the submissions. In the light of the Expert Review Group Report and subsequent discussions with the European Commission, the current regime of closed periods for land-spreading is not being changed. The Nitrates Regulations are scheduled for review again in 2013.

Bovine Diseases

44. **Deputy Margaret Conlon** asked the Minister for Agriculture, Fisheries and Food the value of the recently announced changes in brucellosis testing to Irish farmers; and if he will make a statement on the matter. [45047/10]

67. **Deputy Margaret Conlon** asked the Minister for Agriculture, Fisheries and Food his plans to introduce further changes in brucellosis testing; and if he will make a statement on the matter. [45048/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I propose to take Questions Nos. 44 and 67 together.

As the Deputy is aware, I announced on 10 November 2010 that 50% of suckler and dry stock herds will be exempted from Brucellosis testing at their annual herd surveillance test for 2011. In addition, the changes which I announced in September 2009 will remain in place. These changes were as follows:

- the age threshold for the annual round test was increased from 12 to 24 months
- 50% of the dairy herd were excluded from the Annual Round test (the other 50% are to be tested this year)
- the pre-movement test period was increased from 30 to 60 days
- the age threshold for the pre-movement test was increased for female animals from 12 to 18 months and, in view of the lower risk attached to their movement, to 24 months for bulls.

The decision to exempt 50% of suckler and dry stock herds from Brucellosis testing will remove some 800,000 animals from the testing regime in 2011 and should result in savings of an estimated €2.5m to Irish farmers in 2011. This change, together with the changes which I announced in September 2009, will exempt over 2.1 million animals from the Brucellosis testing programme in 2011, and will save Irish farmers approximately €7.5m in terms of reduced testing

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costs next year. I am pleased to be in a position to reduce costs on the dairy and beef sectors at this time, while at the same time mitigating the overall level of risk of disease spread.

I should also emphasise that the effective eradication of Brucellosis in Ireland, which has now been achieved, will have a very beneficial impact on the farming community in the years to come, particularly in relation to trade. I wish to thank all the stakeholders and officials of my Department for the part they played over the years in the eradication programme.

The changes which I have announced to the Brucellosis testing regime have been made in the context of the gradual risk based scaling down of the testing programme, which has been made possible only because of the substantial reduction in the incidence of the disease over the past number of years, leading to a decision by the European Community last year to grant officially brucellosis-free status to Ireland. No decision will be taken on any further changes until next Autumn. Any decision will be risk based and will take account of the continuing existence of disease in Northern Ireland, on the one hand, and the desirability of removing costs both for farmers and the Department, on the other.

Direct Payment Schemes

45. **Deputy Willie Penrose** asked the Minister for Agriculture, Fisheries and Food the number of penalties imposed under the REP scheme and single farm payment schemes to date in 2010; the specific reasons for the penalties; and if he will make a statement on the matter. [45184/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): To date in 2010 a total of 3,145 penalties have been imposed on REPS participants under the REPS Scheme. These penalties were in respect of various breaches of the Scheme Terms and Conditions, including such things as non-compliance with commitments as outlined in the REPS Plan, over-declaration of areas claimed for payment and late submission of payment application.

To date in 2010, 843 applicants under the Single Payment/Disadvantaged Areas/Grassland Sheep Scheme/Rural Environment Protection Schemes suffered reductions in payments under one or more of the above schemes because of an over-declaration in the area applied on. To date, 1044 penalties have also been imposed under the Cross Compliance Regime. These penalties mostly related to non-compliance with Animal Identification and Registration Regulations and non-compliance with the Good Agricultural Practice Regulations (Nitrates).

National Recovery Plan

46. **Deputy Bernard Allen** asked the Minister for Agriculture, Fisheries and Food if he will provide details on the streamlining or consolidation measures that will be introduced to deliver the €120 million additional targeted savings outlined in the Government's four year plan; and if he will make a statement on the matter. [45231/10]

55. **Deputy Emmet Stagg** asked the Minister for Agriculture, Fisheries and Food his views on the proposed savings under the national recovery plan as they relate to his Department; and if he will make a statement on the matter. [45208/10]

60. **Deputy Denis Naughten** asked the Minister for Agriculture, Fisheries and Food the steps he will take to protect payments to farmers; and if he will make a statement on the matter. [45116/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I propose to take Questions Nos. 46, 55 and 60 together.

The National Recovery Plan agreed by the Government sets out a blueprint for a return to sustainable growth in our economy setting out in detail the measures that will be taken to put the public finances of the country in order. In particular, it identifies the areas of economic activity which will provide growth and employment and specifies the reforms the Government will implement to accelerate growth in those key sectors.

The Plan recognises that future policy must be focussed on areas where competitive advantage can be achieved and it acknowledges the contribution that Irish agriculture and the Irish agri-food industry makes and will continue to make to help boost competitiveness and increase employment the Irish economy. While everyone must make a fair contribution to the resolution of our economic difficulties, the measures contained in the Plan are proportionate.

In relation to the Department of Agriculture, Fisheries and Food, the National Recovery Plan identifies the level of Departmental savings that have to be achieved over the period 2011-2014. The Department of Agriculture, Fisheries and Food will be required to achieve savings of €75 million in 2011 and a further €120 million over the following three years. Based on the level of savings that have been identified for 2011, decisions on expenditure across all subheads will be finalised between now and 7th December, when the Department's Estimate for 2011 will be published.

While the overall level of savings to be achieved in the following years has been identified, specific decisions in relation to individual programme expenditures in those years have not been taken. Such decisions will be taken as part of the annual estimate process in each of the years 2012, 2013 and 2014.

Grant Payments

47. **Deputy Ciarán Lynch** asked the Minister for Agriculture, Fisheries and Food the number of single farm payment applications for 2010 still awaiting approval; and if he will make a statement on the matter. [45179/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I can confirm that the balancing payments under the 2010 Single Payment Scheme have begun issuing today, in line with the very ambitious payments targets I set for my Department in early October and especially given the huge task that has been ongoing throughout the year, designed to get our mapping system fully accurate and up to date. I am confident that, by year-end, payments to farmers will have exceeded €1.3 billion under the Single Payment and the Disadvantaged Areas Scheme. Payments will continue to be made to processed cases as they are cleared. By any measure, achieving such payment levels, while simultaneously undertaking the extremely onerous task of tackling the mapping database, is a tremendous achievement.

At the moment, there are some 6,000 cases awaiting payment. This means that my Department has made payments to more than 95% of all applicants. It should be borne in mind that the balancing payments only commenced today, which is the first day that payments can commence under the Single Payment Scheme, unless like in Ireland's case, EU approval is granted to make an advance payment. There is a further payment run today and frequent payment runs until all payments are issued. The vast majority of the non-paid cases are fully processed and cannot be paid as they are in error. In some cases, my Department is waiting a response to letters issued in September.

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The momentum in digitising outstanding cases will be maintained, with the very firm intention of all remaining payments issuing at the earliest possible stage, with every effort continuing to be made to have all remaining payments issue as soon as possible.

Question No. 48 answered with Question No. 29.

World Trade Negotiations

49. **Deputy Catherine Byrne** asked the Minister for Agriculture, Fisheries and Food if he will provide details of his most recent discussions at EU level with regard to future trade negotiations and in particular with regard to the prospect of a Mercosur deal; and if he will make a statement on the matter. [45244/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): There are a number of trade negotiations taking place at present. In relation to the World Trade Organisation talks, these are ongoing but there have been no significant breakthroughs since their near collapse in 2008. Prospects for a breakthrough or an agreement being reached in 2011 continue to remain uncertain. I am, however, determined to ensure that any agreement reached is balanced in all its dimensions and does not place a disproportionate burden on EU or Irish agriculture. The EU is also negotiating a number of bilateral trade agreements, with amongst others, India, Singapore, Malaysia, Ukraine and Canada, countries where Ireland has some offensive trade interests

In relation to the EU Mercosur negotiations, which are continuing at present, no offers have yet been made. Ireland has been to the forefront in urging caution regarding the resumption of the EU Mercosur talks, in particular in relation to the possible impact on individual agriculture sectors and notably the Irish beef sector. As recently as last Monday's EU Council of Agriculture Ministers meeting in Brussels, I conveyed our Government's serious reservations about the impact of these negotiations. I had already requested impact assessments of the implications of these negotiations on individual agriculture sectors. In the Agriculture Council, I called for full transparency in the negotiations and requested that the Commission ensure, in particular, that Council is presented with these impact assessments and that they are fully discussed in advance of any offers to be made by the EU.

Earlier this year, Ireland also helped to draft a joint paper for submission to the EU Council of Agriculture Ministers, which was co-signed by France, Austria, Finland, Greece, Hungary and Poland. This paper highlighted our concerns on the resumption of the talks including the possible concessions on agriculture that would be required to achieve an agreement and sought clarification and assurances in relation to any future talks. The concerns expressed in that joint paper were also echoed by many other member states in the May Council. At that Agriculture Council, I also highlighted the serious losses for European agriculture and the greater market access concessions that could result from an EU/Mercosur Free Trade Agreement.

I have also met separately with both Commissioners Ciolos and de Gucht to convey our concerns about the implications of these negotiations on the beef sector and have written to both Commissioners highlighting the importance of agriculture as the largest indigenous manufacturing industry in the context of Ireland's economic recovery and outlining the impact such an agreement would have on the beef sector, in particular the high quality beef cuts market in the EU. In these communications, I have sought recognition of the differentiated nature of the beef market in the EU to avoid the possibility of particular subsections of the EU beef market being targeted, in particular the higher value cuts market. Commissioner Ciolos has acknowledged that key sectors and regions of EU agriculture had major concerns about the potential economic impact of these discussions, and that a number of member states,

including Ireland, had a high level of specialisation in beef production. I and my officials are very active and vigilant in these negotiations.

While the EU Mercosur talks have been re-launched, it is in effect a reopening of talks that were originally opened a number of years ago but which were effectively suspended in 2004 after 16 rounds of negotiations, arising from major differences between the two sides in terms of expectations across a range of headings including industrial goods, agriculture, services and intellectual property. Doubts still remain among many Member States about the possibility of an agreed outcome in these talks.

Farm Inspections

50. **Deputy Róisín Shortall** asked the Minister for Agriculture, Fisheries and Food the measures he will take to reduce the cost of farm inspections from the €1,800 per inspection in the Comptroller and Auditor General's report; and if he will make a statement on the matter. [45188/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The C&AG Report on the cost of farm inspections estimated that the total cost of the farm inspection service in 2009 was €15.8m including direct salary, overheads, imputed pension costs, and travel and subsistence. This covered the cost of all 152 staff in the Integrated Control Division (ICD) and works out at a cost of €1,800 per inspection.

It should be noted that:

- The €15.8m figure covers all staff including supervisory and back-up administrative staff and not just the 90 Technical Agricultural Officers who carried out the actual inspections.
- These figures are based on full salary recovery for all 152 staff including 40% for overheads and a 13% imputed pension cost.
- The inspection staff involved carried out over 3,000 additional commonage and remote sensing inspections in 2009. The C&AG report just concentrates on the 8,650 cross-compliance and eligibility checks to the exclusion of these others.
- The report imputes no value to the additional work carried out by the 152 staff in ICD in the areas of other 'on the spot' inspections, liaison with the Commission/auditors and industry, risk analysis, improved processing and mapping, resolving farmers' queries, etc. The staff's output is simply determined by 8,650 inspections.

Even if the C&AG's gross figure of €15.8m is accepted, it pales into relative insignificance in terms of the intrinsic value of these inspections (from a legal and practical point of view) in protecting the €1,800m in direct payments paid to farmers each year. This is an administrative cost of 0.9% to underpin the income platform that determines farmers' livelihoods. These inspections underpin the direct payments system.

My Department has always accepted the need to avoid duplication of inspections and to maximise efficiencies and has acted accordingly. To this end, my Department has accepted the C&AG's recommendation that "in order to arrive at more refined costing based on the size and intensity of each inspection, relevant data would need to be collected and norms established." This would allow the cost per inspection to be determined based on the actual time spent by inspectors on the farm and in producing the inspection report and will give a more targeted and accurate costing using the C&AG's pricing methodology.

In 2010 while 10,176 individual farms were selected for inspection some 4,737 farms had their compliance under the various schemes and requirements including Single Payment Scheme, Disadvantaged Areas Scheme, area eligibility for REPs, Grassland Sheep Scheme, Suckler

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Cow, animal identification and registration and cross compliance including some 18 individual statutory management requirements, where applicable, checked in one visit. A further 3,172 farms were checked for area eligibility by remote sensing (satellite) thus removing the need for an on-farm visit. In addition a further 1,500 farms were checked for compliance with the GAP (Good Agricultural Practice) Regulations concerning water quality on behalf of Local Authorities.

EU Directives

51. **Deputy Michael P. Kitt** asked the Minister for Agriculture, Fisheries and Food the date until which the recently agreed renewal derogation under the nitrates directive will run; and if he will make a statement on the matter. [45055/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The new derogation will run to the end of December 2013, coinciding with the timeline for Ireland's second National Action Programme.

Harbours and Piers

52. **Deputy Christy O'Sullivan** asked the Minister for Agriculture, Fisheries and Food the funding that has been approved under the fishery harbour and coastal infrastructure development programme; and if he will make a statement on the matter. [45057/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The following is a summary of the funding approved for projects under the Fishery Harbour and Coastal Infrastructure Development Programme in early 2010.

Fishery Harbour & Coastal Infrastructure Development Programme 2010

Location	Project	€
Fishery Harbour Centres	Safety & Maintenance	1,870,000
Fishery Harbour Centres	Disability Access	135,000
Castletownbere Fishery Harbour Centre	Dinish Wharf Extension	5,020,000
	Effluent Treatment	50,000
	Syncrolift TBT clean-up	400,000
	RNLI Reclamation	25,000
Dunmore East Fishery Harbour Centre	Repairs East Pier	26,000
	Syncrolift TBT clean-up	400,000
	Auction Hall	210,000
Howth Fishery Harbour Centre	Syncrolift TBT clean-up	400,000
Rossaveel Fishery Harbour Centre	Ferry pontoons	996,000
	Pontoons defect period claims	430,000
	Auction Hall	30,800
Killybegs Fishery Harbour Centre	Syncrolift TBT clean-up	400,000
An Daingean Fishery Harbour Centre	Preliminary works on Marina Piles	35,000
Non Fishery Harbour Centre Projects	Piers, Lights and Beacons	20,000
	Cape Clear Safety and Maintenance	50,000
	Cape Clear Bull Nose Design	30,000

Following a mid-year review the following additional projects were approved:

Location	Project	€
Castletownbere Fishery Harbour Centre	M'land Quay Electrical Upgrade	50,000
	Road Surfacing	400,000
	Clear Old Net Yard	60,000
	Dinish Landscaping and Security	100,000
Rossaveel Fishery Harbour Centre	Ferry Passenger Shelters	35,000
	Ferry Terminal Roundabout	110,000
	Small Craft Harbour	254,000
	Surfacing/barriers to Car Park	200,000
Killybegs Fishery Harbour Centre	Additional Safety and Maintenance work	10,000
	Crash barriers around cargo sheds	10,000
	Site Levelling Works	160,000
An Daingean Fishery Harbour Centre	Safety & Maintenance additional works	35,000
	Marina Piles Remedial Works	520,000
	Disability access lift to harbour offices	40,000

Local Authority Projects Approved

Location	Project	€
Fingal County Council	Malahide — Repair to slipway	55,875
Sligo County Council	Mullaghmore Harbour — Dredging of harbour	90,000
Cork County Council	Ballycotton — Breakwater Emergency works	225,000
Wexford County Council	Fethard harbour 1 — Fishing harbour and slipway study	18,750
	Fethard Harbour 2 — Fishing harbour and slipway	7,500
	Kilmore Quay Harbour — Provide a new laydown area at the end of West Pier	54,750
	Courtown Harbour 1 — Health & Safety improvements	18,750
	Duncannon & Hook Peninsula Piers — New CCTV system & Harbour Repairs	56,250
Cork County Council	Castletownbere — Bank Harbour	18,422
	Bantry- Doneen Pier	23,288
	Schull — Lahertanavally Pier	24,375
	Schull — Ballycummisk Pier	19,916
	Castletownbere — Trafrask Pier	18,422
	Western Division — Safety Works	46,369
	Bantry Pier — Public Toilets	30,000

EU Directives

53. **Deputy Róisín Shortall** asked the Minister for Agriculture, Fisheries and Food his plans to establish a nitrates working group with Teagasc to identify solutions for the pig and poultry

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sectors once the present arrangement changes in 2013; and if he will make a statement on the matter. [45207/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The agreement reached with the European Commission in September on Ireland's Second National Action programme under the Nitrates Directive means that there is no change in the requirement for the pig and poultry sectors until January 2013 and thereafter the changes are on a stepped basis up to 2017. During the consultation process that preceded the second National Action Programme, I had several meetings with representatives from the pig & poultry sectors and I am well aware of the difficulties they face in coming to terms with the changing phosphorous requirements. The time frame agreed recognises these difficulties and provides the industry, my Department and Teagasc with an opportunity to develop solutions over the coming years.

My Department has already invested over €1.7 million in research projects under Research Stimulus Fund looking to manure management and the potential for energy creation from pig and poultry manure. I would also draw attention to a number of other changes in the National Action Programme, such as the removal of the step back in nitrogen allowances for tillage crops receiving annual applications of animal manure, which are specifically designed to promote the increased use of animal manure from the Pig and Poultry sector in a sustainable, cost effective manner.

Afforestation Programme

54. **Deputy Edward O'Keefe** asked the Minister for Agriculture, Fisheries and Food the level of forestry planting he anticipates taking place in 2010; and if he will make a statement on the matter. [45060/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): On the basis of current trends it is anticipated that payment will be made in 2010 for planting in the region of 7,500 to 8,000 hectares.

Question No. 55 answered with Question No. 46.

On-farm Investment Schemes

56. **Deputy Bobby Aylward** asked the Minister for Agriculture, Fisheries and Food the period over which payments will be made under the recently launched sheep fencing and mobile handling scheme; the other on-farm investment schemes he plans to introduce; and if he will make a statement on the matter. [45054/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Sheep Fencing/Mobile Handling Equipment Scheme opened for applications on 1 November last. Under the terms of the Scheme, applications will be accepted from farmers up to 31 December 2013 and eligibility conditions and selection criteria will be applicable in order to determine those applications which will proceed to the approval stage. The Sow Welfare, Poultry Welfare and Bioenergy Schemes have also been introduced by my Department. The remaining on-farm investment schemes provided for in Ireland's Rural Development Programme are the Dairy Equipment and Water Harvesting Schemes. However, no dates have yet been fixed for their introduction.

Decentralisation Programme

57. **Deputy Eamon Gilmore** asked the Minister for Agriculture, Fisheries and Food the decisions he will take in 2011 under the decentralisation programme in view of the current fiscal situation; and if he will make a statement on the matter. [45177/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Government decision on decentralisation included the relocation of some 600 posts of my Department to Portlaoise. Since the decentralisation programme began there has been an increase in Portlaoise of some 300 posts across a wide number of Divisions bringing the total there to almost 500 posts. Work to progress this programme further in 2011 will take account of the evolving operating environment and will have regard to the moratorium on staff numbers, the National Recovery Plan and any measures that may be contained in Budget 2011.

The Fisheries function was transferred to my Department in 2007 and the move of that function of my Department to Clonakilty, comprising some 85 posts, is now complete. As the Deputy will be aware the Government announced in 2008 the deferment of aspects of the decentralisation programme pending a review to be completed in 2011. The effect of this decision on my Department was to defer progress on decentralisation plans for Fermoy and Macroom until the findings of this review have been published.

Farm Improvement Scheme

58. **Deputy Liz McManus** asked the Minister for Agriculture, Fisheries and Food when he will allow the farmers locked out of the farm improvement scheme in October 2007 receive approval for applications made; and if he will make a statement on the matter. [45200/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): Applications under the Farm Improvement Scheme have been processed by my Department up to the level of funding provided for the Scheme in the 2006 Partnership Agreement, *Towards 2016*. As the funding made available for the Scheme has been exhausted, I have no plans to re-commence processing of those applications for which no funding has been provided.

Question No. 59 answered with Question No. 32.

Question No. 60 answered with Question No. 46.

Beef Industry

61. **Deputy Mary Upton** asked the Minister for Agriculture, Fisheries and Food the number of farmers who have now completed training courses for the suckler welfare training scheme; the number of farmers still awaiting training; and if he will make a statement on the matter. [45191/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Animal Welfare, Recording and Breeding Scheme for Suckler Herds, more commonly referred to as the Suckler Welfare Scheme, was introduced in 2008. This Scheme is fully funded by the Irish Exchequer. The primary aim of the Scheme is to improve the quality of the national beef herd. A two-pronged approach is being taken to achieve these aims — firstly through improving the welfare of the animals and secondly through the development of an extensive database which will identify the best beef breeding stock in the country.

[Deputy Brendan Smith.]

Approximately 49,500 applicants under the Suckler Welfare Scheme attended the initial training courses, which were held in late 2008 and early 2009. Given the requirement to complete the training course, my Department recently compiled a list of the applicants who did not meet this requirement, and wrote to them outlining the need to carry out the training course and advising that courses were scheduled from 8 to 12 November 2010 in specified venues throughout the country.

In this regard, my Department wrote to 5,300 applicants regarding the need to undertake the training course and I am confident that the vast majority of these farmers, who are still participating in the Scheme, completed the course. The exact details of the farmers, who attended the course, are currently being finalised. There were some exceptions where farmers have withdrawn from the Scheme, were ill and could not attend, or had some other reason for non-attendance. These applicants were advised to write to my Department outlining the reasons for their non-attendance and these cases are currently under review.

Question No. 62 answered with Question No. 41.

Food Imports

63. **Deputy Liz McManus** asked the Minister for Agriculture, Fisheries and Food the controls on imported beef and lamb; the measures taken to ensure that it is correctly labelled; and if he will make a statement on the matter. [45181/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): My Department in co-operation with Customs service monitors and operates animal and public health controls at EU approved Border Inspection Posts (BIP) on all direct imports into Ireland of products of animal origin coming from non-EU (or third) countries. Controls are also carried out on postal parcels and passenger baggage coming from third countries.

EU rules stipulate that food products of animal origin traded from an EU source must be from approved food business establishments and be accompanied to destination by a commercial document or a health certificate signed by an official veterinarian of the competent authority of the Member State of origin. To be eligible for import from third countries products must be sourced from countries the EU regards as operating controls on production and processing that give equivalent guarantees to those in the EU. They must be accompanied with the appropriate EU model health certification provided by the competent authorities of the country of origin.

Following prior notification to the BIP of import all consignments must be presented for veterinary examination which will include documentary, identity and physical checks in accordance with EU requirements. The EU Food & Veterinary Office (FVO) monitors and inspects each Member State's controls on Food Safety, including the operation of BIPs, to ensure the conditions for import and placing of animal products on to the market, as provided under the harmonized legislation, are being correctly applied. Any imports failing to comply with these veterinary control checks may be detained for further examination. Where non-compliance is established they may be returned to the exporting country or destroyed at the importers cost.

The Minister for Health & Children has overall responsibility for the general food labelling legislation. Responsibility for the enforcement of this legislation rests with the Food Safety Authority of Ireland (F.S.A.I.). This is done through service contracts with other relevant

agencies including the Health Service Executive, the Local Authority Veterinary Service and my Department.

Aquaculture Licences

64. **Deputy Mary Upton** asked the Minister for Agriculture, Fisheries and Food the number of outstanding applications for aquaculture licences; and if he will make a statement on the matter. [45210/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): There are 513 aquaculture licence applications awaiting determination — this consists of 265 applications for first time licences and 248 renewal applications. The backlog in the processing of new and renewal licence applications largely arises because the majority of areas for which the licences are sought are designated Special Areas of Conservation under the EU Habitats Directive and/or Special Protection Areas under the EU Birds Directive (Natura 2000 sites).

In the case of aquaculture sites located within Natura 2000 areas the Department of Agriculture, Fisheries and Food, in conjunction with the Marine Institute and the National Parks and Wildlife Service (NPWS) of the Department of the Environment, Heritage and Local Government is engaged in a comprehensive programme to gather the necessary baseline data appropriate to the conservation objectives of these areas. This process is ongoing and significant progress has been made. This comprehensive data collection programme, together with the setting of appropriate conservation objectives by the NPWS, will enable all new, renewal and review applications to be appropriately assessed for the purpose of ensuring compliance with the EU Birds and Habitats Directives.

This work represents a significant financial, administrative and scientific investment by the State in resolving this issue. The Appropriate Assessment of aquaculture applications will be dealt with on a bay-by-bay basis. My Department continues to make every effort to expedite the determination of all outstanding cases having regard to the complexities of each case and the need to comply fully with all national and EU legislation.

Question No. 65 answered with Question No. 29.

Agri-Environment Options Scheme

66. **Deputy Brian O'Shea** asked the Minister for Agriculture, Fisheries and Food if he will confirm the date for agri-environment options scheme payments; and if he will make a statement on the matter. [45182/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): Further participation in the new Agri-Environment Options Scheme will have to be determined within the limits of the level of funding which will be available to my Department. The Government's 4 year Plan which was published last week sets out the expenditure ceilings for my Department for the period 2011 to 2014. The Plan does not specify the programmes or schemes to which the funding will be allocated. However, it confirms that there will be a focus on streamlining a range of programmes and that options to be considered include the prioritisation of financial support to active farmers.

At this stage, no decisions have been taken about the levels of participation in various schemes during the period of the 4 year Plan or on the payment rates that will apply. The 2011 Budget will be announced by the Minister for Finance next week and, in that context, I will be

[Deputy Brendan Smith.]

giving careful consideration to the allocations of resources against the competing demands in 2011.

Question No. 67 answered with Question No. 44.

68. **Deputy Michael D. Higgins** asked the Minister for Agriculture, Fisheries and Food when he plans to open the agri-environment options scheme for those farmers leaving REPS 3; and if he will make a statement on the matter. [45197/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): Further participation in the new Agri-Environment Options Scheme will have to be determined within the limits of the level of funding which will be available to my Department. The Government's 4 year Plan which was published last week sets out the expenditure ceilings for my Department for the period 2011 to 2014. The Plan does not specify the programmes or schemes to which the funding will be allocated. However, it confirms that there will be a focus on streamlining a range of programmes and that options to be considered include the prioritisation of financial support to active farmers.

At this stage, no decisions have been taken about the levels of participation in various schemes during the period of the 4 year Plan or on the payment rates that will apply. The 2011 Budget will be announced by the Minister for Finance next week and, in that context, I will be giving careful consideration to the allocations of resources against the competing demands in 2011.

Alternative Farm Enterprises

69. **Deputy Seán Fleming** asked the Minister for Agriculture, Fisheries and Food the level of planting of willow and miscanthus he anticipates as a result of his recently announced 2011 bio-energy scheme; and if he will make a statement on the matter. [45050/10]

72. **Deputy Seán Fleming** asked the Minister for Agriculture, Fisheries and Food the value of his 2011 bio-energy scheme; and if he will make a statement on the matter. [45049/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I propose to take Questions Nos. 69 and 72 together.

In February 2010 approval was granted to launch the Bioenergy Scheme 2010-2012, to follow on from the pilot Bioenergy Scheme which ran from 2007-2009, encouraging farmers to grow the energy crops willow and miscanthus. From 2007 — 2010 the Bioenergy Schemes have supported the planting of up to 3,000 hectares of bioenergy crops. The 2010-2012 scheme is provided for in the Rural Development Programme and is co-funded by my Department and the European Agricultural Fund for Rural Development.

The scheme provides a once-off capital grant of up to a maximum of €1,300 per hectare to aid 50% of crop establishment costs. The Bioenergy Scheme for 2011 was launched on 16th November 2010, with a closing date of 19th January 2011. Based on contacts with the key players in the industry the indications are that there will be considerable interest in the 2011 scheme. There is sufficient funding currently available to support the planting of up to 1,800 hectares in 2011.

Grant Payments

70. **Deputy Kathleen Lynch** asked the Minister for Agriculture, Fisheries and Food when REPS 4 payments will issue for the 2010 contract year; and if he will make a statement on the matter. [45199/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The EU Regulations governing REPS 4 and other area-based schemes provide that payments issue in two instalments. The first instalment of 75% may be paid once all administrative checks on all applications, as well as cross-checks against areas declared on Single Payment Scheme applications, have been completed. This process is under way and my objective is to make all payments for 2010 as soon as possible. The balancing payment of 25% can issue once all on-the-spot inspections for the year have taken place and these will be completed shortly.

Agri-Environment Options Scheme

71. **Deputy Jan O'Sullivan** asked the Minister for Agriculture, Fisheries and Food the amount of EU funds available to the agri-environment options scheme from the €250 million allocated to the scheme; and if he will make a statement on the matter. [45202/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The total amount of funding available from the European Agricultural Fund for Rural Development (EAFRD) for the Agri-Environment Options Scheme (AEOS) and Natura 2000 Scheme is €132,913,000. The EAFRD co-funding rate is 75% with the balancing 25% to be provided by the Exchequer. This Exchequer co-funded element will amount to €44,304,333. This brings the total co-funded amount to €177,217,333. The balancing non-co-funded element of the €250 million allocation, which amounts to €72,782,667, will also be provided by the Exchequer.

The position is summarised in the following table:

Source of AEOS/Natura Funding	Amount
	€
EAFRD	132,913,000
Exchequer (25% co-funding)	44,304,333
Exchequer (Additional)	72,782,667
Total	250,000,000

Question No. 72 answered with Question No. 69.

Organic Farming

73. **Deputy Máire Hctor** asked the Minister for Agriculture, Fisheries and Food his views on the way the Food Harvest 2020 report can contribute to the growth of the Irish organic and horticulture sectors; and if he will make a statement on the matter. [45046/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Food Harvest 2020 report makes a number of specific recommendations in relation to the organic and horticulture sectors. In addition, there are a large number of recommendations of a general nature which would also impact on the development of the sectors. It is my view that when these recommendations are implemented we should have an expansion of the sectors with improved sustainability and both sectors would become more competitive.

Question No. 74 answered with Question No. 32.

Dairy Sector

75. **Deputy Noel Treacy** asked the Minister for Agriculture, Fisheries and Food the way he anticipates the 50% growth target for dairy production, set out in the Food Harvest 2020 report, will be achieved; and if he will make a statement on the matter. [45041/10]

82. **Deputy Noel Treacy** asked the Minister for Agriculture, Fisheries and Food the timetable he has given the dairy expansion activation group to report; and if he will make a statement on the matter. [45042/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I propose to take Questions Nos. 75 and 82 together.

The *Food Harvest 2020* report makes a number of recommendations to realise the 50% increase in milk production, in areas such as milk processing, farm competitiveness, technology transfer, and R&D and marketing. The Dairy Expansion Activation Group (DEAG), the composition of which I announced last month, will play a key role in the implementation of these recommendations by identifying the most appropriate ‘next steps’. The DEAG has been very much action-focused in its work, and I expect that its road map, setting out the key actions to be taken in order to exploit the massive potential of the dairy sector, will be formally presented to the *Food Harvest 2020* High Level Implementation Group, which I chair, very shortly.

76. **Deputy David Stanton** asked the Minister for Agriculture, Fisheries and Food his policy and strategy regarding the Food Harvest 2020 report on targets for milk production between now and 2020; and if he will make a statement on the matter. [45228/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Deputy will be aware that the *Food Harvest 2020* report makes a number of recommendations to realise a 50% increase in milk production, in areas such as milk processing, farm competitiveness, technology transfer, and R&D and marketing. The Dairy Expansion Activation Group (DEAG), the composition of which I announced last month, will play a key role in the implementation of these recommendations by identifying the most appropriate ‘next steps’. The DEAG has been very much action-focused in its work, and I expect that its road map, setting out the key actions to be taken in order to exploit the massive potential of the dairy sector, will be formally presented to the *Food Harvest 2020* High Level Implementation Group, which I chair, very shortly.

Food Industry

77. **Deputy Seán Ó Feargháil** asked the Minister for Agriculture, Fisheries and Food the progress that has been made in relation to brand Ireland’s proposal contained in the Food Harvest 2020 report; and if he will make a statement on the matter. [45043/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): Food Harvest 2020 identified the importance of marketing Irish food and drink products and of creating very strong links for those who buy our products between food, high environmental standards and sustainable production. The idea of going further and creating an umbrella brand for Irish food and drink has potential. Creating a brand would involve detailed assessment and planning, considerable realignment of industry, producer and State resources and would have to have

full regard to EU state aid rules which do not allow marketing of agricultural produce based on origin alone.

There are various approaches to building and sustaining a brand, each with different strengths and Bord Bia is examining in detail how some well developed brands work. What is emerging is that to be successful an umbrella brand must be both credible and distinctive and Bord Bia is developing possible models for testing in international markets to better understand what is of most significance to consumers and traders when purchasing food and drink products.

The sustainability of production will be a key theme in any brand and Bord Bia has undertaken an extensive pilot audit of 200 farms in conjunction with Teagasc and the Carbon Trust to demonstrate this in the beef sector. From January 2011 the environmental performance of all 32,000 farms participating in the Bord Bia Beef Quality Assurance Scheme will be tracked on an ongoing basis to demonstrate in an objective way the green credentials of Irish beef production. This will provide an objective assessment of their carbon footprint and enable beef farmers to demonstrate how they are improving their environmental credentials and increasing productivity. Ongoing communications with participating farms will be a core part of the programme. The initiative will provide both an important new marketing opportunity for beef and feedback on the values which could underpin a general approach to differentiating our food and drink products.

Food and tourism are two of our key industries and I am pleased that Bord Bia is also working with Fáilte Ireland and with food tourism stakeholders to inform and assist in their development of a Food in Tourism Strategy to promote Ireland as a source of locally sourced, natural and distinctive food and as an exceptional food experience to visitors.

Grant Payments

78. **Deputy Eamon Gilmore** asked the Minister for Agriculture, Fisheries and Food the total amount of interest due to farmers who had to wait for their full farm waste management grant; and if he will make a statement on the matter. [45196/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The arrangements for payment of the remaining grants under the Farm Waste Management Scheme on a phased basis were confirmed in early 2009 with 40 per cent being paid in that year as claims were approved. A further instalment of 40 per cent was paid early in 2010 and the final instalment of 20 per cent will be paid in early 2011. At that stage, total expenditure under the Scheme, since its introduction in 2001, will be of the order of €1.2 billion.

I also announced that a special ex-gratia payment not exceeding 3.5 per cent of the value of the deferred amount would be made to farmers whose Farm Waste Management grants were partially deferred in the manner set out above. This payment will also be made in early 2011.

Forestry Sector

79. **Deputy Edward O’Keeffe** asked the Minister for Agriculture, Fisheries and Food the value of the financial approvals for the autumn forestry planting; and if he will make a statement on the matter. [45059/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): Financial approval for the autumn planting season has been given for up to 1,500 hectares at an estimated cost of €5.6 million for the afforestation grant and first premium.

Installation Aid Scheme

80. **Deputy Brian O'Shea** asked the Minister for Agriculture, Fisheries and Food the number of farmers who were locked out of installation aid in the October 2008 budget and his plans to resolve these cases; and if he will make a statement on the matter. [45201/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): 149 applications under the Young Farmers' Installation Scheme have been received in my Department since the suspension of the Scheme on 14 October 2008. An allocation of €4.5 million has been provided in this year's Estimates to meet the financial commitment involved in processing applications under the Scheme and the preceding installation aid schemes. I have no plans at present to reopen the Scheme to new applicants.

Question No. 81 answered with Question No. 29.

Question No. 82 answered with Question No. 75.

Beef Industry

83. **Deputy Ruairí Quinn** asked the Minister for Agriculture, Fisheries and Food the role played by him in the introduction of the beef price grid; if he was consulted on any aspect and if so which aspects and his response to same; and if he will make a statement on the matter. [45185/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The quality payment system (QPS) was introduced in December 2009 following intensive negotiations between Meat Industry Ireland (MII) and the farmers' representatives (IFA) with the objective of rewarding farmers for producing superior carcasses and enhancing the marketability of Irish beef. I had no involvement in those stakeholder discussions nor was I consulted on the elaboration of the QPS.

Nevertheless, I think that it is a desirable development for a number of reasons. The introduction of price differentials, to reward farmers for quality production, sends a strong signal to the supply chain on the need to produce to high standards in line with market requirements. It should also contribute to achieving an improvement in overall carcass specifications, providing more animals for the high-value EU markets that we are targeting as well as underpinning Bord Bia's marketing and promotion strategies in those markets. The onus is on the industry to ensure that the system operates in a fair and transparent manner so that it enjoys widespread acceptance among farmers who supply cattle to the meat plants.

Food Harvest 2020

84. **Deputy Máire Hackett** asked the Minister for Agriculture, Fisheries and Food when he expects the horticulture action group to report back to the Food Harvest 2020 high level implementation group; and if he will make a statement on the matter. [45045/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): It is anticipated that the Horticulture Action Group will report to the High Level Group by the end of January 2011. The role of the Group will be to oversee the implementation of the specific findings relating to the Horticulture section of the Food Harvest 2020 Report. As the Food Harvest 2020 Report itself recognises, it is also vital that the future potential of the Horticulture sector is considered in tandem with the other general farm and agriculture industry level recommendations.

85. **Deputy Seán Ó Feargháil** asked the Minister for Agriculture, Fisheries and Food his views on the establishment of a beef implementation group, in the context of implementing the recommendations set out in the Food Harvest 2020 report; and if he will make a statement on the matter. [45044/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Food Harvest 2020 report provides a road map for the long-term development of the Irish agri-food and fishery sectors, including the beef sector, and contains a series of recommendations to realise the vision set out in that document. I am chairing a group to direct the implementation of the Food Harvest report and am considering how the recommendations in relation to each sector, including the beef sector can be addressed effectively.

Departmental Charges

86. **Deputy Joanna Tuffy** asked the Minister for Agriculture, Fisheries and Food his plans to reduce the cost of the scrapie levy; and if he will make a statement on the matter. [45209/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): My Department does not levy any charges against processors in respect of scrapie testing and any charges that may be levied by processors for such testing is a commercial matter between the processor and the farmer for which I do not have any responsibility.

Animal Feedstuffs

87. **Deputy Joan Burton** asked the Minister for Agriculture, Fisheries and Food his views on the proposals to allow up to 0.1% of unapproved genetically modified material in imports of animal feed; and if he will make a statement on the matter. [45194/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): Given the importance to Ireland of uninterrupted trade in imports of soya and maize by-products for use as animal feed I indicated, in November 2009, to Commissioner Vassiliou of DG Sanco that Ireland would support the Commission in its efforts to bring forward a technical solution to the concerns being expressed by the trade that low traces of unauthorised GM events could adventitiously admix with imported consignments of soya and maize by products, resulting in impoundment of consignments.

I am pleased to see that the Commission has now come forward with proposals to address this situation by proposing to allow a tolerance of 0.1% in cases where traces of, as yet, unauthorised GM events are detected. This level is regarded as the lowest threshold where results are satisfactorily reproducible under appropriate sampling and analysis methods. The proposal applies to GM material for which a valid application has been submitted to the EU Commission and for which the authorisation procedure is pending. It will also apply to certain authorised GM events, which are no longer marketed and are now regarded as obsolete. My Department will positively contribute to the evolution of this proposal at Standing Committee and Council discussions.

Departmental Expenditure

88. **Deputy Lucinda Creighton** asked the Taoiseach the amount spent on legal fees by him in the years 2008, 2009 and to date in 2010; and if he will make a statement on the matter. [45631/10]

The Taoiseach: The amount paid by my Department in legal charges in the years 2008, 2009 and to end October 2010 is detailed in the following table:

[The Taoiseach.]

Year	Legal Fee Spend
	€
2008	159,676.59*
2009	29,190.07
1st January to the 31st of October 2010	29,846.35

*159,376.59 relates to legal charges for the Commissions of Investigation into the Dublin, Monaghan and Dundalk Bombings and the case of Seamus Ludlow.

Training and Work Experience Programmes

89. **Deputy Joanna Tuffy** asked the Tánaiste and Minister for Education and Skills the number of persons who have taken part in the graduate work placement programme in 2009 and to date in 2010; if this information will be made available on a regional basis; and if she will make a statement on the matter. [45352/10]

Minister of State at the Department of Education and Skills (Deputy Seán Haughey): The Work Placement Programme commenced in June 2009. To date a total of 2,445 unemployed people have taken up placements under the Programme of which 1,202 were in the graduate stream and 1,243 were in the non-Graduate Scheme. In the period June 2009 to December 2009 a total of 205 unemployed people took up placements under the Programme of which 143 were in the graduate stream and 62 were in the non-Graduate Scheme.

In the period January 2010 to 29 November 2010 a total of 2,240 unemployed people have taken up placements under the Programme of which 1,059 were in the graduate stream and 1,181 were in the non-Graduate Scheme. The tables show the regional breakdown.

WPP Starts by FÁS Region

June 2009 to 29 November 2010

FÁS Region	Areas/Counties	WPP 1 (Graduate)	WPP 2 (Non-Graduate)	Total
Dublin Central	Baggot Court, D'Olier House, Parnell Street, Ballyfermot, Cabra	179	82	261
Dublin North	Baldoyle, Balbriggan, Swords, Blanchardstown, Coolock, Finglas	149	214	363
Dublin South	Rathfarnham, Crumlin, Tallaght, Clondalkin, Dun Laoghaire, Loughlinstown	132	129	261
Midlands	Kildare, Laois, Longford, Offaly, Westmeath	82	139	221
Mid West	Clare, Limerick, Tipperary	93	90	183
North East	Cavan, Louth, Meath, Monaghan	111	92	203
North West	Donegal, Leitrim, Sligo	35	61	96
South East	Carlow, Kilkenny, Tipperary South, Waterford, Wexford, Wicklow	114	161	275
South West	Cork, Kerry	185	160	345
West	Galway, Mayo, Roscommon	122	115	237
Total		1,202	1,243	2,445

1st June 2009 – 31st December 2009

FÁS Region	Areas/Counties	WPP 1 (Graduate)	WPP 2 (Non-Graduate)	Total
Dublin Central	Baggot Court, D'Olier House, Parnell Street, Ballyfermot, Cabra	37	22	59
Dublin North	Baldoyle, Balbriggan, Swords, Blanchardstown, Coolock, Finglas	11	5	16
Dublin South	Rathfarnham, Crumlin, Tallaght, Clondalkin, Dun Laoghaire, Loughlinstown	13	2	15
Midlands	Kildare, Laois, Longford, Offaly, Westmeath	6	2	8
Mid West	Clare, Limerick, Tipperary	11	6	17
North East	Cavan, Louth, Meath, Monaghan	9	4	13
North West	Donegal, Leitrim, Sligo	1	2	3
South East	Carlow, Kilkenny, Tipperary South, Waterford, Wexford, Wicklow	12	8	20
South West	Cork, Kerry	18	5	23
West	Galway, Mayo, Roscommon	25	6	31
Total		143	62	205

1st January 2010 – 29th November 2010

FÁS Region	Areas/Counties	WPP 1 (Graduate)	WPP 2 (Non-Graduate)	Total
Dublin Central	Baggot Court, D'Olier House, Parnell Street, Ballyfermot, Cabra	142	60	202
Dublin North	Baldoyle, Balbriggan, Swords, Blanchardstown, Coolock, Finglas	138	209	347
Dublin South	Rathfarnham, Crumlin, Tallaght, Clondalkin, Dun Laoghaire, Loughlinstown	119	127	246
Midlands	Kildare, Laois, Longford, Offaly, Westmeath	76	137	213
Mid West	Clare, Limerick, Tipperary	82	84	166
North East	Cavan, Louth, Meath, Monaghan	102	88	190
North West	Donegal, Leitrim, Sligo	34	59	93
South East	Carlow, Kilkenny, Tipperary South, Waterford, Wexford, Wicklow	102	153	255
South West	Cork, Kerry	167	155	322
West	Galway, Mayo, Roscommon	97	109	206
Total		1,059	1,181	2,240

Schools Building Projects

90. **Deputy Michael McGrath** asked the Tánaiste and Minister for Education and Skills when a school building project (details supplied) will be re-tendered; if the funding will be provided for the project out of her Department's 2011 budget, and when she expects the project to commence construction. [45345/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): It is envisaged that the project to which the Deputy refers will be re-tendered shortly. Subject to no issues arising, it is anticipated that it will progress to construction in early 2011.

School Accommodation

91. **Deputy Damien English** asked the Tánaiste and Minister for Education and Skills the total cost of leasing premises for schools in County Meath; the total cost for each individual school to date since the start of any such lease; if any leases have been renewed or renegotiated in the past 12 months; if the cost has reduced as a result; the extent of the cost savings; and if she will make a statement on the matter. [45353/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): A total of four schools are renting buildings in County Meath and a tabular statement giving details of the schools concerned is attached for the Deputy's information.

School	Address	Start Date of Lease	Current Annual Cost	Total claimed to date
			€	€
Gaelscoil na Boinne	Dublin Road, Trim	01/09/1997	180,000	1,745,431
Ard Rí Community National School	Navan Rugby Club	01/09/2010	36,300	9,075
St. Stephen's NS	c/o St. Martha's College, Johnstown, Navan	01/09/2009	160,000	120,000
Navan Educate Together NS	Navan	01/09/2005	€80,000 at start of lease reduced to €75,000 from 1st June 2010	451,487

Schools Building Projects

92. **Deputy Charlie O'Connor** asked the Tánaiste and Minister for Education and Skills if she will confirm if she is now in a position to fund the school building programme at a school (details supplied) in Dublin 24; and if she will make a statement on the matter. [45446/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): The project referred to by the Deputy is at an advanced stage of architectural planning. Authorisation was given earlier this year for tender documents to be prepared. The design team are currently working on stage 2(b) which includes applications for Planning Permission, Fire Certificate and Disability Access Certificate (DAC) and the preparation of tender documents. The stage submission when completed by the design team will be submitted to my Department for review. Following the review, and assuming no issues arise, my Department will then revert to the school with further instructions regarding progression of the project to tender and construction.

State Examinations

93. **Deputy Ruairí Quinn** asked the Tánaiste and Minister for Education and Skills the arrangements in place to ensure posts as supervisors for the State examinations are open to suitably qualified members of the public; if she will instruct the State Examinations Commission to drop the requirement that all supervisors must be teachers; and if she will make a statement on the matter. [45483/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): The State Examinations Commission has statutory responsibility for operational matters relating to the certificate examinations and determining procedures in places where examinations are conducted including the supervision of examinations. In the State examinations, the superintendent's responsibility includes safeguarding the security and integrity of the examination papers, providing any instructions to candidates deemed necessary, ensuring the compliance of students with examination rules, and documenting and reporting any breaches of rules.

Superintendents are drawn mainly from a pool of experienced teachers, and it is considered that experience of the school environment, familiarity with students' needs, and understanding of the examination system are essential skills needed for the task. Some 4600 examination superintendents are appointed each year by SEC following public advertisement. Priority is given first to recruitment of unemployed and substitute teachers, before drawing on the wider pool of applicants. In addition, an estimated 7500 superintendents are recruited directly by schools to act as superintendents in centres catering for students with special needs. These are recruited by schools directly as the schools are best placed to match the appointee with each candidate's specific needs.

The number of superintendents may vary from year to year, especially those appointed locally by the school, depending on candidate needs, accommodation available and subjects chosen. I am satisfied that, in the recruitment of staff, the SEC gives priority to the unemployed to the maximum extent possible commensurate with ensuring appropriate expertise and quality in the operation of the exam system.

Special Educational Needs

94. **Deputy Christy O'Sullivan** asked the Tánaiste and Minister for Education and Skills if she will make provision whereby the home tuition grant can be extended for a further 12 months to children over five years of age who have been diagnosed with autistic spectrum disorder and if she will outline the policy of accessing the suitability of a school capable of meeting the requirements of such children as opposed to the availability of school places.
[45564/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): The Deputy will be aware that my Department provides grant aid under the Home Tuition Scheme to provide early education intervention for pre-school children with a confirmed diagnosis of autism or to parents of children with autism who are awaiting an educational placement. Therefore children with a diagnosis of autism aged 2.5 years are entitled to ten hours home tuition per week under the scheme. This allocation increases to twenty hours per week on the child's 3rd birthday provided no school/early education placement is available for them.

Furthermore children with autism may be eligible for tuition as an interim measure only whilst awaiting a school placement. As the Deputy is aware, the National Council for Special Education (NCSE) is responsible, through its network of local Special Educational Needs Organisers (SENOs), for processing applications from primary, special and post primary schools for special needs supports on the basis of applications in respect of individual pupils. The SENOs operate within the policy outlined in my Department's circulars for allocating such support. SENOs with their local knowledge and expertise are a valuable resource to parents in sourcing an educational placement.

Where a school placement is available resources are allocated to schools to enable appropriate educational provision to be made. In addition to teaching and special needs assistant support training supports are available to schools through the Special Education Support

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Service. The National Educational Psychological Support Service is also available to provide advice to schools.

Departmental Expenditure

95. **Deputy Lucinda Creighton** asked the Tánaiste and Minister for Education and Skills the amount spent on legal fees by her in the years 2008, 2009 and to date in 2010; and if she will make a statement on the matter. [45623/10]

Tánaiste and Minister for Education and Skills (Deputy Mary Coughlan): It is not possible to provide the information requested in the time available. A reply will issue to the Deputy as soon as the information is to hand.

Banking Sector Regulation

96. **Deputy Chris Andrews** asked the Minister for Finance if pay increases were granted to any staff in Allied Irish Bank, Bank of Ireland or Anglo Irish Bank during 2009 or 2010; if so, the number of increases that were granted and the grade of staff that received wage increases; if wage increases were granted, the criteria under which such increases were granted; the total amount for any such pay increases by institution; if any bonuses were paid during 2009 or 2010 to staff in any of the aforementioned institutions; if so, the number of bonuses that were granted and the grade of staff that received them; if bonuses were granted, the criteria under which they were granted and the total amount for any such bonuses by institution. [45485/10]

Minister for Finance (Deputy Brian Lenihan): I would point out to the Deputy that the 3 organisations operate in an arms length capacity in relation to operational issues. It is a matter for the respective individual boards and senior management to determine and implement pay policy in their organisations subject to their relevant operating environment. From enquiries made, I am informed by the respective institutions that the position regarding the issues raised by the Deputy in relation to their organisation is as laid out in the appendix following.

Allied Irish Banks (AIB)

General Pay Increases

Grade	2009 Total		2010 Total	
	No. of Staff	€m	No. of Staff	€m
Executives	—	—	—	—
Managers	—	—	—	—
Jnr Management	2,479	3.94	—	—
Other Staff	6,511	7.03	—	—
Total	8,990	10.97	0	0.00

There were no general pay increases awarded in 2009 to executives, managers or to staff in functional pay structures such as IT and Finance in Ireland, Northern Ireland or Great Britain. However both merit increases and incremental pay increases of a contractual nature were paid to both junior management and clerical staff. The average salary increase for staff in the Republic of Ireland in 2009 was 3.2%. This pay increase was awarded after a six month pay pause and following extensive negotiations with the Irish Bank Officials Association and a conciliation process at the Labour Relations Commission regarding AIB's proposal for a

general pay freeze. Pay increases of 1.9% and 3.0% respectively were paid to staff below manager grade in Northern Ireland and Great Britain following conciliation.

Other Pay Increases

In addition to the general pay increases shown in the table above for 2009, €781,000 was awarded to 76 staff reflecting promotions to new or increased roles. In 2010, there were no general pay increases awarded to date to any group of staff. Approximately 300 staff received individual salary increases during the nine months to end September totalling €3.4m largely as a result of market competitive pressures for key skills in areas such as credit or where staff moved to larger roles.

Bonuses (Booked in the Financial Accounts)

Grade	2009 Total		2010 Total	
	No. of Staff	€m	No. of Staff	€m
Executives	62	11.11	2	0.71
Managers	674	30.06	41	3.06
Jnr Management	700	9.20		
Other Staff	1,389	4.49	1	0.02
Total	2,825	54.86	44	3.79

€56.3m of the total bonuses of €58.7m paid in 2009 and 2010 relates to performance related bonuses to staff in AIB Capital Markets. These bonuses were awarded for individual and business performance in prior years but deferred and paid in the 2009 and 2010 period.

The awards made in 2009 to staff in AIB Capital Markets in respect of 2008 were deferred and subsequently paid following threatened or initiated legal action:

- €17.1m was paid in 2009 to overseas staff on foot of legal action;
- €35.5m was paid in 2010 following legal action and a High Court judgement against the Bank. A further €3.7m was paid to staff in AIB Capital Markets in 2010 in respect of deferred bonuses relating to 2006 and 2007 and were in accordance with the individuals' contractual terms.

The balance of €2.4m was paid to junior management and clerical staff in AIB's customer contact centres in Ireland, to staff in AIB's offices in Jersey and the Isle of Man and also included payments in respect of a small number of pre-existing contractual bonuses.

Bank of Ireland (BoI)

General pay increases have not been granted to staff during 2009 and 2010. Nor were any performance related bonuses paid to staff in BoI with respect to the financial years to March 2009 and December 2009. There have been limited instances of promotional increases where a person has been promoted to fill a role at a higher level or grade. For commercial reasons BoI do not disclose the amount of such increases but they state that by their nature they were exceptional, relating to less than 4% of the workforce.

A small number of people at middle management level received payments which reflected either guarantees which were agreed on their joining the Group or deferred payments where the historic performance criteria had been achieved and the payment was deferred over several

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years. For commercial reasons BoI do not disclose the amount of such payments. The bank advises that it had no legal discretion in these matters.

Anglo Irish Bank

2009

A general salary increase of approx. 5% was paid to staff up to Manager level. Management above this level did not receive salary increases. This increase was agreed in 2008 and was implemented in January 2009. During 2009 there were a small number of internal appointments (13) with associated pay increases in line with enhanced responsibilities. There were ten bonus awards paid during 2009. The breakdown was as follows: nine were contractual entitlements to a deferred portion of a bonus earned in previous years and one was a performance related bonus in respect of year 2008 but implemented for payment in 2009.

2010

No general salary increases was paid to staff in 2010. A number of staff were awarded specific pay increases in line with enhanced job responsibilities and criticality of roles. There were five bonus awards paid during 2010. All of these awards were contractual entitlements to a deferred portion of a bonus earned in previous years. There were no performance related bonuses awarded during 2010.

National Asset Management Agency

97. **Deputy John O'Mahony** asked the Minister for Finance his views on the fact that there may be some hotels in Ireland that were constructed by developers during the boom, which are now in financial difficulties, that are being sustained by the National Asset Management Agency and if this is distorting competition; and if he will make a statement on the matter. [45492/10]

98. **Deputy John O'Mahony** asked the Minister for Finance if some hotels constructed by developers during the boom and now being sustained by the National Asset Management Agency are putting at risk hostels and hotels, which have provided many years of professional service to tourists and which are companies which would otherwise be profitable, out of business, leaving NAMA-supported hotels operated by developers on the market; and if he will make a statement on the matter. [45493/10]

Minister for Finance (Deputy Brian Lenihan): I propose to take Questions Nos. 97 and 98 together.

To date, as part of the debtor business plan process, NAMA has rigorously sought to ensure efficiencies in all areas of the debtor's businesses, including hotels, and is not in the business of supporting hotels that are not viable. I am informed by NAMA that it has acquired loans secured by 139 hotels in total of which 87 are located in Ireland, 37 in the United Kingdom, five each in Germany and France, two in the Czech Republic and one each in Belgium, Malta and Spain. These hotels have been built and are already in operation. As part of the business plan process with the borrowers, NAMA looks to the hotel owners to introduce efficiencies into the operation of their hotels so they are viable.

I am further informed by NAMA that, towards the middle of 2011, it will be developing a comprehensive strategy to deal with the hotels that are within its portfolio. NAMA has acknowledged that there are hotels which have been built with the wrong grading and in the wrong

location. Ultimately, the long-term future of those hotels may not be as hotels and alternative uses will have to be found for them.

Tax Collection

99. **Deputy Paul Kehoe** asked the Minister for Finance the reason a company (details supplied) is unable to receive customer refunds into their account leaving them at an unfair advantage; and if he will make a statement on the matter. [45503/10]

Minister for Finance (Deputy Brian Lenihan): I am informed by the Revenue Commissioners that there has been an increasing number of PAYE service providers offering to obtain tax credits or tax refunds for PAYE taxpayers. Revenue encourages people to claim their entitlements to tax credits and tax refunds themselves, and has created an on-line service called *PAYE Anytime* as a free public service. *PAYE Anytime* is easy to use and lets anyone with a Revenue PIN claim tax credits or request tax reviews that can lead to a refund. A PIN is a personal identification number and taxpayers can apply for a PIN for *PAYE Anytime* on the website www.revenue.ie Taxpayers can also use Revenue's Lo-Call 1890 telephone service to obtain information and to make claims.

Notwithstanding the availability of these services, a trend has emerged of PAYE taxpayers using the services of an intermediary in claiming refunds. To secure their fees, the emerging business model used by PAYE agencies is to seek to have the refund directed into the company's own bank account, to deduct their fees, and to repay the balance to the claimant.

An application to receive direct payment of client refunds was received by Revenue on 24 November 2010 from the agency to which the Deputy refers. This application has not been refused, and is being considered and will be responded to in due course. I am informed by the Revenue Commissioners that the permission sought will, if granted, be conditional on compliance with a range of terms and conditions.

Tax Code

100. **Deputy Paul Kehoe** asked the Minister for Finance his plans to introduce reliefs from capital gains tax for persons who must sell their lands through compulsory purchase as they are not selling the land by choice; and if he will make a statement on the matter. [45509/10]

Minister for Finance (Deputy Brian Lenihan): As the Deputy is aware, the National Recovery Plan 2011-2014 was published last Wednesday. This plan sets out key reform measures required to return our economy to growth, including the abolition or curtailment of a number of tax expenditures. These measures are vital for the recovery of our economy. It is not the usual practice to comment on any possible changes in taxation prior to the annual Budget. I have, however, no plans to introduce reliefs as suggested.

Public Sector Pay

101. **Deputy Michael Ring** asked the Minister for Finance the recommendations of the Report of the Public Service Benchmarking Body, 21 December 2007 which have been implemented; the cost to date of implementing the pay awards in the report; and if he will make a statement on the matter. [45512/10]

Minister for Finance (Deputy Brian Lenihan): The increases provided for under the Towards 2016 Transitional Agreement which included provision for the implementation of the recommendations in the second report of the Public Service Benchmarking Body have not been paid as part of the Government programme of measures to restore stability to the Public Finances.

Public Private Partnership

102. **Deputy Michael D’Arcy** asked the Minister for Finance following the publication of the four year plan, if he has sanctioned the continuation of the public private partnerships for the National Roads Authority for the Newlands Cross upgrade, N11 upgrade between Arklow bypass and Ashford-Rathnew bypass and the N11 motorway service area at Inch Gorey; and if he will make a statement on the matter. [45516/10]

Minister for Finance (Deputy Brian Lenihan): In light of the publication of the Government’s Four Year Plan last week, I am now in a position to consider proposals for sanction for Public Private Partnership capital projects submitted by departments. As the Deputy is aware, the Plan provides for reduced allocations compared with levels the Government had previously planned for, and therefore projects will have to be reassessed and reprioritised. My officials will be engaging with the Minister for Transport’s officials in the weeks ahead regarding sanction for the Newlands Cross upgrade and N11 upgrade between Arklow bypass and Ashford-Rathnew bypass, with a focus on affordability in the context of the Government’s new spending parameters.

103. **Deputy Michael D’Arcy** asked the Minister for Finance following the publication of the four year plan, if he has sanctioned the continuation of the public private partnership for the National Roads Authority for the construction of the N11 motorway to bypass Camolin, Ferns and Enniscorthy; and if he will make a statement on the matter. [45517/10]

104. **Deputy Michael D’Arcy** asked the Minister for Finance following the publication of the four year plan, if he has sanctioned the continuation of the public private partnership for the National Roads Authority for the construction of the New Ross motorway and second bridge; and if he will make a statement on the matter. [45518/10]

Minister for Finance (Deputy Brian Lenihan): I propose to take Questions Nos. 103 and 104 together.

In light of the publication of the Government’s Four Year Plan last week, I am now in a position to consider proposals for sanction for Public Private Partnership capital projects when they are submitted by departments. As the Deputy is aware, the Plan provides for reduced allocations compared with levels the Government had previously planned for, and therefore there will be a requirement for some reassessment and reprioritisation of projects, which in the case of national roads is a matter in the first instance for the National Road Authority.

Public Sector Pay

105. **Deputy Richard Bruton** asked the Minister for Finance if he has surveyed the patterns of leave days, overtime, working work breaks and so on that prevail across the public service, in comparison to the general provisions made in employment law and if he plans any public service wide initiatives to rationalise such arrangements in the context of the Croke Park Agreement. [45559/10]

Minister for Finance (Deputy Brian Lenihan): The Public Service Agreement 2010 — 2014, or Croke Park Agreement, provides that to the greatest extent possible, there will be standardised terms and conditions of employment across the Public Service with the focus initially within sectors. As my responsibilities as employer extend only to the civil service, surveys of non-pay conditions applying in the public service are outside my remit. The sectoral Action Plans outline the initial programme of changes proposed by management to achieve the reforms, efficiencies and savings needed in each sector, including where appropriate, stan-

standardisation of non-pay conditions. I expect public service management to pursue vigorously the changes proposed for their sector.

Tax Code

106. **Deputy Terence Flanagan** asked the Minister for Finance if he will deal with a matter (details supplied) regarding VAT for public service vehicles; and if he will make a statement on the matter. [45562/10]

Minister for Finance (Deputy Brian Lenihan): I am advised by the Revenue Commissioners that the transport of passengers and their accompanying baggage is exempt from VAT under Paragraph 14(3) of Schedule 1 to the Value-Added Tax Consolidation Act 2010. Accordingly, the provision of a taxi service is exempt from VAT.

The provider of a service that is exempt from VAT does not charge VAT on the service and is not entitled to deduct, or claim a refund of, any VAT incurred on goods and services used for the purposes of the exempt supplies. Thus, a person who provides a taxi service does not register for VAT and cannot recover VAT incurred on any goods and services, including a motor vehicle, used for the purposes of the person's taxi business. I would add that, in any event, Section 60(2)(a)(iv) of the Value-Added Tax Consolidation Act 2010 provides that, in general, a taxable person has no entitlement to deduct VAT incurred on the acquisition of a passenger motor vehicle, except where it is acquired as stock-in-trade or for use in a vehicle hire or driving school business.

107. **Deputy Michael McGrath** asked the Minister for Finance the estimated cost to the Exchequer of the tax relief on approved share options schemes in 2010 and the reasons he plans to abolish the relief. [45573/10]

Minister for Finance (Deputy Brian Lenihan): The Approved Share Option Scheme was introduced in 2001 and is provided for in Chapter 4, Part 17 and Schedule 12C of the Taxes Consolidation Act, 1997. It is estimated that the scheme cost €0.5 million in 2009, the most recent year for which statistics are available. Abolition of the scheme was recommended by the Commission on Taxation in its recent report. The Commission indicated that the decisions taken by many employers to use unapproved schemes instead of the approved scheme, demonstrated that the scheme was not needed.

Property Services Providers

108. **Deputy Mary Upton** asked the Minister for Finance if members of the public can confirm with the Revenue Commissioners if an estate agent or letting agent is licensed as required by the Auctioneers and House Agents Act; and if he will make a statement on the matter. [45612/10]

Minister for Finance (Deputy Brian Lenihan): I am advised by the Revenue Commissioners that under current legislation, the Auctioneers and House Agents Acts 1947 to 1973, licences are issued to auctioneers and house agents by the Revenue Commissioners. There are currently no provisions in the legislation that allows the Revenue Commissioners release this information to a third party, other than those agreed to by the licence holder. Currently, with the permission of the licence holder, the Revenue Commissioners release information to the Property Services Regulatory Authority for inclusion on their register. While the register comprises the vast majority of licensed Auctioneers/House Agents a very small number requested, in accordance with the Data Protection Acts, that their details be retained by the Revenue Commissioners, for the present, and not be forwarded, to the Authority.

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The Property Services (Regulation) Bill 2009, which will establish the Property Services Regulatory Authority (PSRA), is currently awaiting Second Stage debate in this House. Once the new legislation is enacted, responsibility for the licensing of Property Services Providers (i.e. Auctioneers/Estate Agents, Letting Agents and Management Agents) will become the responsibility of the PSRA. This legislation also provides for the establishment by the PSRA of a register of persons who are licensed under the Bill to provide property services. The register will be available for inspection free of charge by members of the public at the Authority's office and on its internet website.

Departmental Expenditure

109. **Deputy Lucinda Creighton** asked the Minister for Finance the amount spent on legal fees by him in the years 2008, 2009 and to date in 2010; and if he will make a statement on the matter. [45626/10]

Minister for Finance (Deputy Brian Lenihan): In general, my Department uses the services of the Office of the Attorney General and the Office of the Chief State Solicitor. However it seeks outside legal advisors in circumstances requiring legal services of a specific nature. The following amounts were paid by my Department in respect of such legal fees for the years 2008, 2009 and to date in 2010:

Year	€m
2008	1.873
2009	5.876
2010	3.922*

*Does not include legal fees paid by the Commission of Investigation into the Banking Sector.

110. **Deputy Lucinda Creighton** asked the Minister for Finance the amount spent by him on fees to a bank (details supplied) since September 2009; and if he will make a statement on the matter. [45634/10]

Minister for Finance (Deputy Brian Lenihan): I have not spent any money directly with the bank. As was stated in the Comptroller and Auditor General's recent report, the NTMA spent €4.54 million with the bank in the period between September 2009 and July 2010.

A recent letter from the NTMA to the Public Accounts Committee stated that "Rothschild were appointed to provide banking advisory services to the Minister for Finance, acting through the NTMA under two separate contracts: 15 September 2009 and 12 July 2010.... The September 2009 contract was for a fixed fee of €1.75 million (ex VAT). The July 2010 contract was for a fixed fee of €4 million (ex VAT). Total fees paid so far of €4.5 million (inc VAT) are as provided for in these contracts." I understand that this position has not changed since then.

Infrastructure Investment Priorities

111. **Deputy Lucinda Creighton** asked the Minister for Finance the status of Infrastructure Investment Priorities 2011-2016 in light of the Government's four year plan; the reduction in allocated funding he envisages as a result of the current economic situation; the projects he expects to proceed and the projects that will not proceed in tabular form; and if he will make a statement on the matter. [45639/10]

Minister for Finance (Deputy Brian Lenihan): The Capital Review published last July was based on a budget of €5.5 billion in each year from 2011 to 2016. Given the need for additional savings, further capital adjustments will be required. Of the total annual cumulative budgetary adjustment by 2014, lower capital allocations will contribute €3 billion. The investment framework set out in the Capital Review (Infrastructure Investment Priorities 2010-2106) has had to be reformulated, but the underlying priorities continue.

Medical Cards

112. **Deputy Jack Wall** asked the Minister for Health and Children the position regarding an application for renewal of their medical card in respect of a person (details supplied) in County Kildare; and if she will make a statement on the matter. [45338/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

Hospital Waiting Lists

113. **Deputy Aengus Ó Snodaigh** asked the Minister for Health and Children when a person (details supplied) in Dublin 8 will receive an appointment for surgery. [45343/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter, it has been referred to the Health Service Executive for direct reply.

Health Services

114. **Deputy Pat Breen** asked the Minister for Health and Children when a person (details supplied) will be facilitated; and if she will make a statement on the matter. [45348/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the HSE for direct reply.

115. **Deputy Denis Naughten** asked the Minister for Health and Children when neonatal audiology screening will commence; and if she will make a statement on the matter. [45447/10]

Minister for Health and Children (Deputy Mary Harney): The Health Service Executive is continuing to work on the development of a programme for the introduction of newborn hearing screening under the remit of the National Audiology Review Group. Planning and implementation work is currently underway using development funding provided in 2010. On this basis, Universal Newborn Hearing Screening is projected to commence in 2011 and, subject to resources, proposals for its roll out are expected to form part of the HSE's national service plan for next year.

116. **Deputy Seán Sherlock** asked the Minister for Health and Children if there has been a recent restructuring of audiology clinics in the Health Service Executive south region given that patients attending the Mallow hearing clinic in County Cork have been referred to Cork city for appointment; and if she will make a statement on the matter. [45461/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the HSE for direct reply.

Care of the Elderly

117. **Deputy Richard Bruton** asked the Minister for Health and Children her plans to make

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changes to the home care package scheme; her further plan to issue guidelines on the application process; and if she will make a statement on the matter. [45513/10]

Minister of State at the Department of the Health and Children (Deputy Áine Brady): Government Policy is to support older people to live in dignity and independence in their own homes and communities for as long as possible and, where this is not possible, to support access to quality long-term residential care. This approach is renewed and developed in the partnership agreement, *Towards 2016*.

The Home Care Package Initiative adopts a multi-disciplinary approach to support a highly vulnerable group of older people in their own homes. Packages are targeted at those at-risk of inappropriate admission to an acute hospital or long-term residential care, or those requiring discharge from an acute hospital. This year, the HSE will make available in the region of €130 million (including an additional €10 million provided under Budget 2010) to fund packages to around 9,500 older people at any one time, or approximately 13,000 annually.

An independent Evaluation of Home Care Packages, undertaken by PA Consulting Group and published by the Department in December 2009, indicated that, while the Initiative achieved its basic objectives since its introduction in 2006, various planning and delivery improvements were required overall. This related, for example, to standardizing access and process, and various aspects of governance, including management and financial information. The Executive has been working intensively this year to undertake various improvements in the area of Home Care services generally, through the development of:

1. National Guidelines for Standardised Implementation of Home Care Packages;
2. New National Quality Guidelines for Home Care Support Services;
3. National Guidelines for the Home Help Service; and
4. A National Procurement Framework for Home Care Services.

Significant progress has been made on these over 2010, with a view to implementation across Local Health Offices from January 2011. The Guidelines for Home Care Packages have been finalised, and training has commenced for relevant HSE staff. In addition, the Executive went to tender on 22 October last in connection with the Procurement Framework for Home Care services. It is the governments intention as indicated in the four year plan, to introduce a scheme which supports older people in the community. This will take account of the care needs and financial means of older people on a nationally consistent basis.

118. **Deputy Finian McGrath** asked the Minister for Health and Children if she will support a matter (details supplied). [45521/10]

Minister of State at the Department of the Health and Children (Deputy Áine Brady): As the Deputy's question relates to service matters, I have referred the question to the Health Service Executive for direct reply.

Medical Cards

119. **Deputy John O'Donoghue** asked the Minister for Health and Children when a person (details supplied) in County Kerry will be issued with their medical card; and if she will make a statement on the matter. [45579/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

120. **Deputy John McGuinness** asked the Minister for Health and Children if an application for a medical card in respect of a person (details supplied) in County Kilkenny will be reviewed based on medical circumstances and if a full card will be issued. [45585/10]

Minister for Health and Children (Deputy Mary Harney): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

Nursing Home Repayment Scheme

121. **Deputy Róisín Shortall** asked the Minister for Health and Children the reason for the delay in paying the final settlement under the health repayment scheme in respect of a person (details supplied) in Dublin 11 and if this matter can be expedited. [45614/10]

Minister for Health and Children (Deputy Mary Harney): As the query relates to a service matter, I have referred your query to the HSE for direct reply.

Health Services

122. **Deputy Jack Wall** asked the Minister for Health and Children when a person (details supplied) in County Kildare will be provided with funding to allow them obtain KARE services in Kildare; and if she will make a statement on the matter. [45617/10]

Minister of State at the Department of Health and Children (Deputy John Moloney): As the Deputy's question relates to service matters, I have referred the question to the Health Service Executive for direct reply.

Departmental Expenditure

123. **Deputy Lucinda Creighton** asked the Minister for Health and Children the amount spent on legal fees by her in the years 2008, 2009 and to date in 2010; and if she will make a statement on the matter. [45628/10]

Minister for Health and Children (Deputy Mary Harney): The amount paid by my Department in respect of legal fees for each of the years 2008, 2009 and 2010 to date is €1.951m, €0.339m and €0.710m, respectively. These figures exclude the costs associated with awards/settlements.

Road Network

124. **Deputy Chris Andrews** asked the Minister for Transport if he will give an assurance that there are adequate supplies of salt in stock to deal with a cold snap similar to the one experienced in early 2010. [45563/10]

Minister for Transport (Deputy Noel Dempsey): As part of its role on the Government Emergency Task Force, my Department has reviewed the transport-related response to the severe weather events last winter and is working with the Task Force and other Government Departments with putting in place additional measures in response to such events. In relation to transport issues, my Department and its agencies are engaged in the implementation of these actions. The day to day operations on the national roads network is managed by the National Roads Authority (NRA) who also provide technical advice to the Department and who are responsible for partial funding in respect of non national, regional and local roads.

Arising from the review the NRA has been tasked with ensuring adequate salt supplies are available in future to maintain a prioritised road network. To achieve this, the NRA advertised a framework contract in August 2010 for the supply of de-icing salt for the coming winter.

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The contract is for the supply of 80,000 tonnes with an initial call of 50,000 tonnes to be imported and distributed by mid December and a further 30,000 tonnes in January 2011. This supply will be in addition to the 20,000 tonnes of salt stock currently available. The NRA has assured me that there are adequate stocks available nationally to meet the current requirements of local authorities. Additional supplies will be purchased to meet future requirements under the framework contract. The NRA is investing €6million this year in additional dry storage facilities for de-icing salt and a further €2.5million for grit spreaders/snow blades etc. for local authorities.

Departmental Expenditure

125. **Deputy Lucinda Creighton** asked the Minister for Transport the amount spent on legal fees by him in the years 2008, 2009 and to date in 2010; and if he will make a statement on the matter. [45633/10]

Minister for Transport (Deputy Noel Dempsey): I assume the Deputy is referring to my Department in which case the amount spent by my Department on legal fees is:

Year	Amount
	€
2008	108,831.76
2009	156,401.49
To date in 2010	19,815

Departmental Bodies

126. **Deputy Seán Sherlock** asked the Minister for Justice and Law Reform the cost to the Exchequer to run the Private Security Authority for the years 2007, 2008 and 2009; and if he will make a statement on the matter. [45475/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): The Private Security Authority, established under the Private Security Services Act 2004, is the regulatory body with responsibility for regulating and licensing the private security industry in the State. The Authority is an independent body operating under the aegis of my Department.

In accordance with the 2004 Act, the Authority receives a grant from the Oireachtas, via my Department. The Authority also receives moneys to the benefit of the Exchequer (Appropriations in Aid), by way of its licensing fees, thereby reducing greatly the overall cost to the Exchequer. Details of Exchequer grants and Appropriations in Aid, for the three years requested by the Deputy are set out below:

Year	Exchequer grant (approx. in euro)	Appropriations in Aid (approx. in euro)
	€	€
2007	2,782,000	2,311,000
2008	2,344,000	2,386,000
2009	2,399,000	2,081,000

Furthermore, the Authority, through its regulation of the private security sector, has generated additional receipts for the Exchequer, by requiring applicants for licences to have a tax clearance certificate thus enforcing tax compliance in this sector.

Garda Deployment

127. **Deputy Pat Breen** asked the Minister for Justice and Law Reform if he will report on the number of gardaí, all ranks, employed in the Clare Garda division for the years 2007, 2008 and 2009; and if he will make a statement on the matter. [45504/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): I have been informed by the Garda Commissioner that the personnel strength of the Clare Garda Division on 31 December 2007, 2008 and 2009 was 314, 337 and 336 respectively. Responsibility for the allocation of resources, including personnel, within the Force rests with the Garda Commissioner in consultation with his senior management team. Resource levels are constantly monitored, in conjunction with crime trends and other demands made on An Garda Síochána. The situation is kept under continuing review to ensure optimum use is made of these resources and the best possible Garda service is provided to the public.

Departmental Reports

128. **Deputy Alan Shatter** asked the Minister for Justice and Law Reform the suggestions of the Report of the Special Group on Public Service Numbers and Expenditure Programmes which have been implemented by him. [45510/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): There were a number of recommendations in the Special Group Report (McCarthy) which referred to the Justice Sector, across nine different programme areas. In all these recommendations identified €134.5m in potential savings; €84m of which related to staffing and payroll costs, €16.3m to operational efficiencies, €14.6m related to structural reform and rationalisation and a further €21.5m referred to other expenditure and funding reductions.

A number of the measures in the report have been implemented at this stage in order to achieve reductions in the Department's Estimates for 2010. These relate to the programmes in a range of subheads which include Gender Mainstreaming, Graffiti Removal Operations, Equality Monitoring Consultative Committees, European Refugee Fund and Refugee Integration. The McCarthy Report recommended a total reduction of some €5 million in respect of these particular items. The actual budgetary reduction was €6.92 million. I should add that some of these areas are under the responsibility of the Department of Community, Equality and Gaeltacht Affairs since June this year.

A significant proportion of the recommendations (€84 million) related to reductions in payroll costs on items such as allowances payable to members of the Garda Síochána and the Prisons Service. In common with all Departments, there are significant reductions in payroll related provisions in 2010 to take account of the reductions in payroll rates and other factors. The overall reduction in gross payroll budgets for the Justice Sector compared with the 2009 estimate is in the region of €126 million.

A number of recommendations were made by the McCarthy Group on structural reform and rationalisation across the Justice and Equality Sector. Decisions in respect of a number of these recommendations will be a matter for decision by Government in due course. In other cases progress is being made on measures such as the reduction of staffing in the Children's Detention Schools under the ambit of the Irish Youth Justice Service. Any expenditure reductions arising will be reflected in the budget for the Sector in future years as appropriate. A number of the recommendations in this context refer to the Equality, Disability, Integration and Human Rights areas, which are now the responsibility of the Department of Community, Equality and Gaeltacht Affairs.

[Deputy Dermot Ahern.]

While it was never the intention that the full €134 million reduction recommended in the McCarthy report would be delivered in 2010, significant progress in this regard has been made. This is through a combination of the recommendations in the report and other measures being taken as part of the Governments budgetary policy.

Garda Remuneration

129. **Deputy Alan Shatter** asked the Minister for Justice and Law Reform if he will provide a breakdown of the Garda pay and allowances cuts that have been made since the publication of the Report of the Special Group on Public Service Numbers and Expenditure Programmes. [45511/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): The pay scales and allowances of all public servants, including members of An Garda Síochána, were reduced with effect from 1 January 2010 in accordance with the provisions of Section 2 of the Financial Emergency Measures in the Public Interest (No.2) Act 2009.

130. **Deputy Richard Bruton** asked the Minister for Justice and Law Reform if there are any special provisions in relation to additional leave days and overtime work that prevail in the Garda Síochána and the prison service above and beyond those normally provided by employment law for workers; if plans under the Croke Park agreement are under way to reform these provisions; and if he will make a statement on the matter. [45558/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): I am informed by the Garda authorities that the annual leave allowance available to members of An Garda Síochána is based on a number of factors and considerations including statutory entitlements, the obligations to work at weekends and public holidays and the particular rosters being worked by members. Overtime is calculated and paid at predetermined rates depending on when the overtime was worked.

Furthermore, I am informed by the Irish Prison Service that there are no specific additional leave days provisions for staff of the Irish Prison Service. Overtime in the Irish Prison Service was replaced by an Additional Hours system in 2005 following the Agreement on the Proposal for Organisational Change.

Courts Service

131. **Deputy John O'Mahony** asked the Minister for Justice and Law Reform the cost of appeals to have rulings on wards of court appealed; and if he will make a statement on the matter. [45571/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): There are a number of options available to a person declared a ward of court. He or she can apply to have that decision reversed by an appeal to the Supreme Court. A Petition for Traverse (an application to rescind an order of wardship) may also be brought. A ward of court may also apply to be discharged from wardship on recovery and to be remitted to the management of his or her own affairs. The Deputy will appreciate that these are matters vested in the High Court and it is not open to me to give legal advice.

The cost of taking an appeal case to the Supreme Court will vary from case to case having regard, in particular to the nature and complexity of each case. The court fees applying to particular court actions and proceedings are provided for under a number of Court (Fees)

Orders made, with the consent of the Minister for Finance, under section 65 of the Courts of Justice Act 1936. The relevant Court (Fees) Orders are available on the Courts Service website, www.courts.ie. The Mental Capacity Bill, drafting of which is well advanced, will provide for major changes in the law in relation to mental capacity and the wards of court system.

Departmental Expenditure

132. **Deputy Lucinda Creighton** asked the Minister for Justice and Law Reform the amount spent on legal fees by him in the years 2008, 2009 and to date in 2010; and if he will make a statement on the matter. [45629/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): I can inform the Deputy that, for the most part, the legal services sought by my Department are coordinated and paid for by the Office of the Attorney General and Office of the Chief State Solicitor. These services are typically sought in the context of the preparation of legislation, legal advice in respect of policy issues and in the management of litigation including judicial reviews.

In a number of instances, my Department and its associated bodies, in accordance with normal procurement procedures, have sought and paid for legal advice and services additional to those provided for centrally by the Attorney General and the Chief State Solicitor. However, in the time available to reply to this Question, it is not feasible to extract the information sought by the Deputy without a disproportionate use of resources in gathering and compiling the list of payments sought.

Prison Committals

133. **Deputy Lucinda Creighton** asked the Minister for Justice and Law Reform the number of foreign nationals from outside EU member states who are in prison here; the procedure for dealing with such persons upon their release; and if he will make a statement on the matter. [45635/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): I can advise the Deputy that on 29 November, 2010 the number of foreign nationals from outside EU member States in custody was 211 of which 192 are male and 19 are females. This represents approximately 4% of the overall prison population for this day.

Of the 211 prisoners in custody, 120 are serving sentences, 82 are held on remand/trial and 9 are held on immigration related issues. Officials from the Irish Prison Service and their counterparts in the Repatriation Division of the Department of Justice and Law Reform have an ongoing information exchange whereby the Repatriation Division is made aware of the release dates of convicted EU and Non-EU national prisoners who fall due for release in the following twelve month period. Details of the offences involved are also included, as are the nationalities of the prisoners in question. Based on this information, officials in the Repatriation Division can provide the Irish Prison Service with details on the immigration status of the persons concerned. All decisions to deport non-Irish Nationals from Irish Prisons are made by myself following consultation with the Garda National Immigration Bureau (GNIB).

Prisoner Releases

134. **Deputy Lucinda Creighton** asked the Minister for Justice and Law Reform the total prison population; the number of prisoners on temporary release; the number of prisoners on temporary release who cannot be accounted for; and if he will make a statement on the matter. [45636/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): I can advise the Deputy that on 30 November, 2010, there were 4,440 prisoners in custody compared to a bed capacity of 4,430. This represents an occupancy level of 100%. On the same day the number of prisoners on temporary release was 656 which represents approximately 12.4% of the overall prison population for this day.

As the Deputy is aware there has been a consistent increase in the total prisoner population in Ireland over recent years, with dramatic increases in the number of sentenced prisoners, those being committed on remand and a trend towards longer sentences. This situation is particularly apparent over the past 12 months during which time the total number in custody has increased by 424. This represents a rise of over 10.5% in the numbers in custody. The Irish Prison Service must accept all prisoners committed by the Courts into its custody and does not have the option of refusing committals.

Temporary release arrangements, in accordance with the Criminal Justice Act 1960 as amended by the Criminal Justice (Temporary Release of Prisoners) Act 2003, operate similar to a system of parole, which is a feature of prison systems worldwide. They are an important vehicle for re-integrating an offender into the community in a planned way. The generally accepted view is that the risk to the community is reduced by planned re-integration of offenders compared with their return to the community on the completion of their full sentence. The Irish Prison Service has also judiciously used temporary release a means of reducing numbers in times of serious overcrowding. Each case is examined on its own merits and the safety of the public is paramount when decisions are made. In addition, all releases are subject to conditions, which in the vast majority of cases include a requirement to report on a regular basis to the offender's Garda Station. Of course, any offender who breaches his or her conditions may be arrested and returned to prison immediately by the Gardaí.

I can advise the Deputy that the number of persons who having been granted temporary release, failed to return to prison and are now unlawfully at large is 518. The vast majority of the persons referred to are at large because of a technical breach, i.e., failing to sign on at the prison at an allotted time having been granted temporary release. Experience has shown that most offenders who go at large do not remain so for very long and it is not therefore surprising that the majority of persons on this list went at large in the not too distant past. The Gardaí are informed where prisoners are unlawfully at large and have the power to detain, arrest and return such persons to prison. I can also advise the Deputy that ongoing contact takes place between the Gardaí and the Prison Service in relation to this matter.

Sexual Offences

135. **Deputy Lucinda Creighton** asked the Minister for Justice and Law Reform the number of persons who have been convicted of a sexual offence and who are subject to post-release supervision and who can be accounted for; and if he will make a statement on the matter. [45637/10]

Minister for Justice and Law Reform (Deputy Dermot Ahern): I can advise the Deputy that there are currently 136 sex offenders under the supervision of the Probation Service in the community. Of that number, 46 are subject to post release supervision orders imposed by the courts pursuant to Part 5 of the Sex Offenders Act, 2001. There are a further 157 sex offenders currently in custody who will be subject to supervision by the Probation Service following release.

Departmental Expenditure

136. **Deputy Lucinda Creighton** asked the Minister for Foreign Affairs the amount spent on

legal fees by him in the years 2008, 2009 and to date in 2010; and if he will make a statement on the matter. [45627/10]

Minister for Foreign Affairs (Deputy Micheál Martin): As the Deputy will be aware, Government Departments do not directly pay for the legal services provided by the Office of the Attorney General and the Chief State Solicitor's Office or for advice from Counsel briefed by them. My Department has a Legal Division, staffed by qualified legal professionals who provide legal advice on a wide range of international legal issues. Having such 'in-house' legal experts reduces costs which would be incurred if the Department was to engage externally for similar services.

Nevertheless, there are from time to time occasions where a need to engage external legal services arises, where the necessary specialised expertise is not available within my Department and cannot be accessed from the AG or CSSO, for example in regard to advice relating to the lease or purchase of Embassy properties abroad. I have provided details in the table below on the amounts spent on external legal services fees by my Department in Ireland and overseas.

Year	2008	2009	2010 (to date)
Cost of external legal services	€217,443	€168,674	€257,098

Passport Applications

137. **Deputy Billy Timmins** asked the Minister for Foreign Affairs the position regarding a matter (details supplied); and if he will make a statement on the matter. [45642/10]

Minister for Foreign Affairs (Deputy Micheál Martin): As you are aware, the Passports Act, 2008 provides that the Minister can only issue passports to persons who are Irish citizens. This provision in Irish law means that no passport can be issued to the person in question unless he obtains Irish citizenship. From the information provided by you, it is clear that no application for citizenship has been made by this man with the Department of Justice and Law Reform and that any entitlement to Irish citizenship is not likely to arise until 2012. As regards consular support for this person, who is a citizen and passport holder of another country, the position outlined in my reply to your earlier question (no. 222) on 23 November, 2010 remains unchanged

Social Welfare Code

138. **Deputy Joanna Tuffy** asked the Minister for Social Protection if his attention has been drawn to the fact that persons are being forced to withdraw midway through labour activation fund training courses due to the fact that they become ineligible for social welfare payments because of spouses' earnings; the rationale behind regulations that force persons to withdraw from courses; the number of persons that have withdrawn from such training courses; and if he will make a statement on the matter. [45350/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The Labour Market Activation Fund (LMAF) is an education initiative administered by the Department of Education and Skills that offers free training and education places to certain jobseekers. Participants on programmes eligible for LMAF support must be in receipt of an unemployment payment for a period of at least three consecutive months before joining the programmes (time spent on training or education programmes will be reckonable for this three-month period).

[Deputy Éamon Ó Cuív.]

Participants of full-time LMAF courses may qualify for this Department's back to education allowance (BTEA) scheme subject to eligibility criteria being met. BTEA is a second chance educational opportunities scheme for people on certain welfare payments who wish to participate in full time education and who would not otherwise be able to do so. BTEA is payable at a standard weekly rate equivalent to the maximum rate for the scheme from which the unemployed person transfers. It is paid for the duration of a course subject to BTEA rules being met.

Participants of part-time LMAF courses may qualify for the part-time education option (PTEO) available under the jobseeker schemes. The PTEO enables unemployed persons to attend part-time courses of education or training and retain their jobseekers allowance or jobseekers benefit provided they continue to satisfy the conditions of the jobseeker scheme, including being available for and genuinely seeking employment.

Under the PTEO, payment continues for the duration of the jobseeker's claim. A person on jobseekers benefit who exhausts his/her benefit will have to apply for jobseekers allowance in the normal way. Jobseekers allowance is subject to a means test which takes account of spouse's earnings. Participating in a LMAF course does not confer any additional or extended entitlement to a social welfare payment.

I am informed by the Department of Education and Skills that decisions made by participants to withdraw from programmes on the basis of discontinuation of their welfare payments are individual decisions outside the control of the projects concerned. In the time available it is not possible for the Department of Education and Skills to supply a full breakdown of the number of participants leaving courses citing discontinuation of welfare payments as the reason for their withdrawal. However, initial responses from programme providers indicate that a small number of participants have given this as a reason for leaving courses. The Department of Education and Skills have advised me that it will forward the full breakdown to the Deputy in due course.

Social Welfare Appeals

139. **Deputy Darragh O'Brien** asked the Minister for Social Protection the position regarding an appeal for carer's allowance in respect of a person (details supplied) in County Dublin; and if he will make a statement on the matter. [45448/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The Social Welfare Appeals Office has advised me that the appeal from the person concerned was referred to an Appeals Officer who proposes to hold an oral hearing in this case. The person concerned will be informed when arrangements have been made. The Social Welfare Appeals Office functions independently of the Minister for Social Protection and of the Department and is responsible for determining appeals against decisions on social welfare entitlements.

140. **Deputy Edward O'Keeffe** asked the Minister for Social Protection the position regarding an appeal in respect of a person (details supplied) in County Cork. [45450/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The Social Welfare Appeals Office has advised me that the appeal from the person concerned was referred to an Appeals Officer who proposes to hold an oral hearing in this case. The person concerned will be informed when arrangements have been made. The Social Welfare Appeals Office functions independently of the Minister for Social Protection and of the Department and is responsible for determining appeals against decisions on social welfare entitlements.

Social Welfare Benefits

141. **Deputy Niall Collins** asked the Minister for Social Protection the position regarding an application for domiciliary care allowance in respect of a person (details supplied) in County Limerick; and if he will make a statement on the matter. [45477/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): An application for domiciliary care allowance (DCA) was received from the person in question on the 3rd November 2010. This application together with medical reports has been forwarded to one of the Department's Medical Assessors for a medical opinion on the case. Upon receipt of this opinion a decision will issue to the customer. Currently it takes eight weeks to process a DCA application.

Social Welfare Appeals

142. **Deputy Niall Collins** asked the Minister for Social Protection when a decision will issue on an appeal for illness benefit in respect of a person (details supplied) in County Limerick; and if he will make a statement on the matter. [45478/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): I am advised by the Social Welfare Appeals Office that, following receipt of the grounds of appeal from the person concerned, the relevant Departmental papers and comments of the Department have been sought. On receipt of its response the case will be referred to an Appeals Officer for early consideration. The Social Welfare Appeals Office functions independently of the Minister for Social Protection and of the Department and is responsible for determining appeals against decisions on social welfare entitlements.

143. **Deputy Niall Collins** asked the Minister for Social Protection the position regarding an appeal for jobseeker's allowance which was lodged approximately two years ago in respect of a person (details supplied) in County Limerick; and if he will make a statement on the matter. [45480/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The Social Welfare Appeals Office has advised me that an Illness Benefit appeal by the person concerned was registered in that office. It is a statutory requirement of the appeals process that the relevant Departmental papers and comments by or on behalf of the Deciding Officer on the grounds of appeal be sought. These papers were received back in the Social Welfare Appeals Office and the appeal is currently with an Appeals Officer who will decide whether the case can be decided on a summary basis or whether to list it for oral hearing. There is no trace of a Jobseeker's Allowance appeal.

The Social Welfare Appeals Office functions independently of the Minister for Social Protection and of the Department and is responsible for determining appeals against decisions on social welfare entitlements.

Social Welfare Benefits

144. **Deputy Michael Ring** asked the Minister for Social Protection the outcome for the back to education grant in respect of a person (details supplied) in County Mayo. [45520/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The person concerned applied for a back to education allowance (BTEA) payment in September 2010 to pursue a FETAC level 5 child care course. Her application was disallowed as she already holds a qualification at an equivalent or higher level. This decision has now been referred to a reviewing officer. This review will be carried out as soon as possible and she will be notified of the outcome.

145. **Deputy Richard Bruton** asked the Minister for Social Protection if the award of domiciliary care allowance to a person on rent supplement results in an equal reduction in the payment of rent supplement; if he would consider that domiciliary care allowance is precisely paid by the State in order to compensate for the extra cost of maintaining a child with a disability and should not therefore be treated as means; and if he will make a statement on the matter. [45560/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): Rent supplement is calculated to ensure that a person, after the payment of rent, has an income equal to the rate of supplementary welfare allowance (SWA) appropriate to their family circumstances less a minimum rent contribution (currently €24) which recipients are required to pay from their own resources. Income from domiciliary care allowance (DCA) is not included in the rent supplement assessment. DCA is a payment made in recognition of the substantial extra care and attention provided by the carer to a child with a disability over and above what would be required for a child of a similar age who does not suffer from the disability.

146. **Deputy John O'Mahony** asked the Minister for Social Protection if a person is in receipt of any social welfare allowance, does the person receive extra payment (details supplied); and if he will make a statement on the matter. [45567/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): There are no payments made by the Department of Social Protection towards the cost of caring for a dog.

Community Services Programme

147. **Deputy Michael Ring** asked the Minister for Social Protection when the new contracts for all of the 445 service providers funded by the community services programme will be offered; when they can expect to receive same and will the contracts of all service providers who are currently in place be renewed. [45576/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The Community Services Programme currently funds 445 community based service providers across the country. All contracts are due to expire at the end of 2010 in line with the processes set out for the Programme. Around 315 service providers were required to submit updated business plans during 2010 as part of the process for future support from the programme for the period 2011 to the end of 2013. This process is well advanced with the majority of service providers having received notifications in recent weeks. I expect to consider proposals of the remainder of the contract holders in the coming weeks. In addition, 130 service providers that were approved for the Programme in 2008 and 2009 have been approved to be offered a roll-over of their existing contracts for three years from January 2011. All contracts are subject to satisfactory performance, continued need for the service and provision of public funds.

Social Welfare Appeals

148. **Deputy Bobby Aylward** asked the Minister for Social Protection if an oral hearing for jobseeker's allowance will be arranged in respect of a person (details supplied) in County Kilkenny. [45580/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The Social Welfare Appeals Office has advised me that the appeal from the person concerned was referred to an Appeals Officer who proposes to hold an oral hearing in this case. The person concerned will be informed when arrangements have been made. The Social Welfare Appeals Office functions independently of

the Minister for Social Protection and of the Department and is responsible for determining appeals against decisions on social welfare entitlements.

149. **Deputy Phil Hogan** asked the Minister for Social Protection when an application for disability allowance will be processed in respect of a person (details supplied) in County Kilkenny; and if he will make a statement on the matter. [45613/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The person concerned applied for disability allowance on 9 February 2010. His claim was assessed by a medical assessor who was of the opinion that he was not medically suitable for disability allowance. The deciding officer accepted that medical opinion and refused his claim. A letter issued to the person on 23 July 2010 advising him of this decision.

The person submitted further medical evidence and this was assessed by another medical assessor who was also of the opinion that he was not medically suitable for disability allowance. The deciding officer accepted that medical opinion and the person was notified of this by letter on 2 September 2010. The person subsequently appealed this decision to the Social Welfare Appeals Office and submitted further medical evidence in support of his appeal. The Appeals Office will be in contact with the person in due course in relation to his appeal.

Departmental Expenditure

150. **Deputy Lucinda Creighton** asked the Minister for Social Protection the amount spent on legal fees by him in the years 2008, 2009 and to date in 2010; and if he will make a statement on the matter. [45630/10]

Minister for Social Protection (Deputy Éamon Ó Cuív): The Department incurs expenditure on legal and compensation costs/fees from Vote 38 Department of Social Protection and the Social Insurance Fund. The elements of these payments relating solely to legal fees are not recorded separately. The following table sets out expenditure on legal and compensation costs/fees for the years 2008, 2009 and up to 29 November, 2010.

Legal and compensation costs/fees

Year	Vote 38 Department of Social Protection	Social Insurance Fund
	€	€
2008	204,964	20,797
2009	281,483	96,028
1/1/2010 – 29/11/2010	414,034	Nil

Costs relating to prosecutions arising from fraudulent claims made to the Department are borne by the Chief State Solicitors Office.

Question No. 151 withdrawn.

152. **Deputy Lucinda Creighton** asked the Minister for Tourism, Culture and Sport the amount spent on legal fees by her in the years 2008, 2009 and to date in 2010; and if she will make a statement on the matter. [45632/10]

Minister for Tourism, Culture and Sport (Deputy Mary Hanafin): I assume the Deputy is enquiring about amount spent on legal fees by the Department in 2008, 2009 and 2010. The information requested by the Deputy is as set out in tabular form.

[Deputy Mary Hanafin.]

In general, whenever the Department requires legal services, it obtains these from the Office of the Attorney General and/or the Office of the Chief State Solicitor. Any associated fee costs are borne directly by those two Offices. However, on occasion and in exceptional circumstances, the Department, including the National Archives, may obtain legal services from other sources.

The expenditure in 2008 and later relates primarily to legal fee costs associated with the specialised and complex Public Private Partnership processes to redevelop both the National Concert Hall and the National Theatre. These were in respect of professional legal services procured, respectively by the National Development Finance Agency and the Office of Public Works in respect of those processes, and recouped from this Department's Vote.

Year	Spend
	€
2008	250,802
2009	401,284
2010 (to date)	145,537

Election Management System

153. **Deputy Leo Varadkar** asked the Minister for the Environment, Heritage and Local Government his plans to introduce legislation to require general elections to be held at a weekend; and if he will make a statement on the matter. [45507/10]

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): Section 96 of the Electoral Act 1992 allows for the taking of a poll at a Dáil Election on any day of the week. This flexibility allows all relevant factors to be taken into account at any given time in setting the polling day and I have no plans to amend the legislation.

Local Authority Housing

154. **Deputy Joanna Tuffy** asked the Minister for the Environment, Heritage and Local Government the number of homes included in the programme for the installation of central heating in existing local authority rent dwellings in the years 2008, 2009 and to date in 2010; the level of funding provided for this scheme in the same years on a county basis in tabular form; and if he will make a statement on the matter. [45508/10]

Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Michael Finneran): My Department has, over the past number of years, overseen a significant exchequer investment in the improvement of heating systems and energy efficiency of the existing stock of local authority dwellings. Although central heating has been provided in all new local authority dwellings as a matter of course since 1994, there were an estimated 36,000 dwellings constructed prior to this date without central heating. To address this deficit, a special four-year programme was introduced in 2004 for the installation of central heating, associated thermal insulation measures, and temperature controls in these dwellings.

The national central heating programme, completed in 2009 to allow for the carryover of some works commenced in 2008, provided for a co-funded grant of €6,000 or up to 80% of the cost, whichever was the lesser for each local authority unit improved under the programme. The balance of the cost was met by the local authority from its internal capital receipts. Under the programme, my Department co-funded the installation of central heating, and associated

energy efficiency measures, in some 28,625 local authority dwellings at a cost to the exchequer of €140 million, as set out below.

	2004-2007	2008	2009	2010
Units improved	19,600	6,050	2,975 (estimated)	N/A
Funding Provided	€94m	€31m	€15m	N/A

These figures do not take account of units improved under various remedial works, voids schemes, or local authority's own pre-letting repairs programmes. Information on the allocations provided to each local authority under the scheme in 2008 and 2009 is available in the publications section of my Department's website www.environ.ie. A more comprehensive national retrofitting programme was introduced in 2009 which provides for a combination of works to improve the energy efficiency rating of the social housing stock.

155. **Deputy Michael McGrath** asked the Minister for the Environment, Heritage and Local Government if he has received a certain proposal (details supplied) and if so, the position regarding the matter. [45572/10]

Minister of State at the Department of the Environment; Heritage and Local Government (Deputy Michael Finneran): A proposal to lease 25 houses in Carrigaline, Co. Cork was received from Cork County Council by my Department on the 19 November 2010. The proposal is currently under consideration in my Department in accordance with the terms and conditions of the initiative.

Departmental Expenditure

156. **Deputy Lucinda Creighton** asked the Minister for the Environment, Heritage and Local Government the amount spent on legal fees by him in the years 2008, 2009 and to date in 2010; and if he will make a statement on the matter. [45625/10]

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): The legal fees paid by my Department in the period concerned (excluding costs of the planning tribunal) are set out in the following table.

Year	Amount
	€
2010 (to 26 November)	1,007,252
2009	1,313,998
2008	1,240,284

Water Charges

157. **Deputy Lucinda Creighton** asked the Minister for the Environment, Heritage and Local Government the costs associated with the proposed nationwide water meter installation programme; and if he will make a statement on the matter. [45640/10]

Minister for the Environment, Heritage and Local Government (Deputy John Gormley): As outlined in the Government's National Recovery Plan 2011-2014, it is intended that the roll-out of a national metering programme to install meters in all households connected to the public water supply will precede the application of water charges to domestic consumption.

[Deputy John Gormley.]

The overall cost of the programme, and cost per household, will be dependent on the types of water meters and associated equipment chosen for use and the method of installation to be employed, all of which will be subject to a competitive tendering exercise. My Department is analysing the various options to ensure the delivery of the metering programme in the most cost effective manner.

Energy Conservation

158. **Deputy Jack Wall** asked the Minister for Communications, Energy and Natural Resources if a person (details supplied) would qualify for the warmer homes scheme; and if he will make a statement on the matter. [45452/10]

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): The Sustainable Energy Authority of Ireland (SEAI) administers the Warmer Homes Scheme (WHS) on behalf of my Department. The eligibility criteria for the WHS are that the householder is in receipt of the Fuel Allowance, and that the house is owner occupied and constructed before 2002. In circumstances where the house is not owned by the resident, the applicable scheme would be the Home Energy Saving (HES) Scheme, which is available to owners of dwellings built before 2006 including landlords and owners of multiple properties. The schemes provides grants of up to 40% of the typical cost of upgrade measures, including roof insulation, wall insulation, boiler upgrades and heating control upgrades.

Queries in relation to individual applications are an operational matter for the SEAI. Dedicated hotlines for both schemes are available (WHS hotline — 1800 250 204; HES hotline — 1850 927 000) and all queries, from scheme applicants and public representatives, on delivery dates for individual households and/or funding agreements are dealt with immediately.

Departmental Correspondence

159. **Deputy Leo Varadkar** asked the Minister for Communications, Energy and Natural Resources when he will respond to correspondence from this Deputy in respect of a person (details supplied) and directly to the person; if he will address in detail the points raised by the person; and if he will make a statement on the matter. [45514/10]

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): The individual is the operator of a 4.62 MW wind farm based in County Cork. He built his wind farm in November 1999 under the Alternative Energy Requirement (AER) 3 competitive tendering scheme. He was successful in the tender entered a 15 year power purchase agreement with ESB (the contracting partner (as Public Electricity Supplier) for all AERs). The AER scheme is funded via the PSO levy.

In late 2008, after some nine years in AER, the individual chose of his own volition to leave the AER scheme and enter the Single Electricity Market (SEM) on a stand-alone basis. One of the conditions of leaving the AER scheme is that individuals/companies have no right of return. In January 2010, the individual requested an application form for the REFIT scheme. The Department advised him that REFIT is only open for renewable generation to be newly constructed. Under European Commission State Aid environmental rules, it is not possible to provide a feed in tariff to existing renewable generation projects which has already benefitted from a support scheme.

Officials from my Department and myself have met the individual concerned and discussed matters relating to the REFIT scheme (meetings took place in January and April 2010) and have endeavoured to respond to queries and concerns. My latest substantive reply to the indi-

vidual on matters raised by him was on 14 October 2010. The individual has also made a complaint to the European Commission in relation to Ireland's State aid application for the extension of the existing REFIT scheme. My Department is not in a position to respond to these specific complaints pending conclusion of the deliberative process with the Commission on the State Aid application.

Departmental Expenditure

160. **Deputy Lucinda Creighton** asked the Minister for Communications, Energy and Natural Resources the amount spent on legal fees by him in the years 2008, 2009 and to date in 2010; and if he will make a statement on the matter. [45620/10]

Minister for Communications, Energy and Natural Resources (Deputy Eamon Ryan): The expenditure by my Department on legal fees in the years 2008, 2009 and to date in 2010 was as follows:

2008	2009	2010 to date
€2,153,233.56	€467,316.92	€415,874.03

Harbours and Piers

161. **Deputy Terence Flanagan** asked the Minister for Agriculture, Fisheries and Food if he will deal with a matter (details supplied) regarding a harbour; and if he will make a statement on the matter. [45565/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): A total of €665,000 was allocated to Howth Fishery Harbour Centre in 2010 under my Department's Fishery Harbour and Coastal Infrastructure Development Programme. The following is a summary of the moneys allocated:

	€
Safety and Maintenance	250,000
Disability access	15,000
TBT clean-up	400,000

My Department hosts regular Harbour users' forums at Howth Fishery Harbour Centre which provide an opportunity to the various harbour users to give their views and provide input for consideration by the Department for the development of future plans for the Harbour. All decisions with regard to funding projects for future years will be dependent on the availability of Exchequer funding and overall national priorities.

Direct Payment Schemes

162. **Deputy Andrew Doyle** asked the Minister for Agriculture, Fisheries and Food the details of each scheme funded by him; the total amount of funding expected to be allocated to each scheme in 2010; the co-funding obligations attached to each scheme; the number of participants involved, in tabular form; and if he will make a statement on the matter. [45339/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): Details of each scheme funded by this Department is listed in the recently published Schemes and Services booklet 2010 — 2011 which is available in Departmental offices and online at *www.agriculture.-*

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gov.ie. The total amount of funding allocated to each of these schemes for 2010 is published in the Annual Estimates for 2010 by the Department of Finance. In relation to the number of participants, it is not feasible to provide this information within the required timeframe given the resources that would be required to do so.

Rural Environment Protection Scheme

163. **Deputy Andrew Doyle** asked the Minister for Agriculture, Fisheries and Food the details of the financial commitments under the REP scheme for each year, including the current year, up to 2014; the current number of REP scheme participants; the number of REP scheme contracts due to expire each year to 2014; the annual savings this will accrue to the Exchequer, in tabular form; and if he will make a statement on the matter. [45340/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): There are 30,895 REPS 4 participants, with an estimated cost from 2010 to 2014 of 878.2m. At the beginning of 2010 there were 34,294 REPS 3 participants with an estimated cost of 147.8m to 2011 when the last participant completes their contract. There are currently a total of 56,365 active participants in REPS. The table below illustrates the number of REPS participants leaving the scheme each year to 2014 and the reductions in expenditure that will accrue to the Exchequer.

Year	Numbers leaving	Reductions in expenditure
		€m
2010	10,601	147.8
2011	23,693	0.0
2012	536	3.3
2013	11,747	72.8
2014	16,582	102.8

Grant Payments

164. **Deputy Paul Connaughton** asked the Minister for Agriculture, Fisheries and Food the reason a person (details supplied) in County Galway has not received their payment under the new REP scheme system; and if he will make a statement on the matter. [45451/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): My Department has given priority to examining applications under the Agri-Environment Options Scheme (AEOS) to processing applications with a view to issuing approvals for entry into the scheme. This process is expected to be completed shortly and arrangements will then be put in place to commence payments. Under the EU Regulations governing AEOS and other area-based payment schemes, a comprehensive administrative check, including cross-checks with the Land Parcel Identification System, must be completed on all participants before any payment can issue.

165. **Deputy Willie Penrose** asked the Minister for Agriculture, Fisheries and Food if he will expedite the payment of moneys due to a person (details supplied) in County Westmeath on foot of their single farm payment and area aid applications; and if he will make a statement on the matter. [45464/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under 2010 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person

named on 6 May 2010. The 75% advance payment on the Disadvantaged Areas Scheme which issued on 21 September 2010 and the 50% advance on the Single Payment Scheme, which issued on 18 October 2010, were both on the basis of the land cleared at that stage, as a number of other land parcels declared required digitising.

While balancing payments commenced issuing as and from 1 December, such payments would, in normal circumstances, be confined to those whose applications are fully processed, specifically, where all digitising is finalised. However, following recent consultation with the EU Commission, agreement was reached whereby, in addition to issuing balancing payments to those farmers whose applications are fully processed and whose maps are fully digitised, payments will also issue to those farmers where some or all of their maps are still to be digitised, with the payment being calculated on the basis of the digitised land confirmed otherwise eligible. I am pleased to say that, because of this change, many farmers, including the person named, whose balancing payments would otherwise have been delayed until their digitising is complete, will now receive an interim balancing payment.

166. **Deputy John O'Donoghue** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Kerry will receive their REP scheme payments for 2009 and 2010. [45470/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The EU Regulations governing REPS 4 and other area-based schemes provide that payments issue in two instalments. The first instalment of 75% may be paid once all administrative checks on all applications, as well as cross-checks against areas declared on Single Payment Scheme applications, have been completed. The SPS application of the person named has not yet been finalized. When this is completed, the REPS cross-check will be carried out and the REPS application will be fully processed.

167. **Deputy Bobby Aylward** asked the Minister for Agriculture, Fisheries and Food the position regarding an appeal for suckler cow grant in respect of a person (details supplied) in County Carlow. [45486/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The person named registered 14 animals under the 2009 Suckler Welfare Scheme. Under the Terms and Conditions of the Welfare Scheme, it is necessary in the case of herds with more than 10 animals that calves be weaned in at least two separate groups with each group being removed at a minimum interval of 5 days.

As the person named submitted a weaning date of 23 September 2009 for 13 of the animals, (one animal died at birth) the correct procedures as outlined have not been followed. However, the applicant then submitted further information regarding the weaning of his calves. Following a review by Department it was established that the original decision should stand. To this end, a letter issued to the person named on 18 May 2010 advising him of the non-payment of his animals. An appeal was received in June 2010 but offered no new information to warrant a reversal of the original decision. A letter issued on 7th July 2010 to the applicant advising him of the review decision and informing him of his right to appeal this decision to the Agriculture Appeals Office. To date, no appeal has been received from the Agriculture Appeals Office.

168. **Deputy John O'Donoghue** asked the Minister for Agriculture, Fisheries and Food if financial approval will be granted to a person (details supplied) in County Kerry; and if he will make a statement on the matter. [45491/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I understand that an application on behalf of the person in question for financial approval has been received by my Department. However, I understand that the funding for the 1,500 hectares which the Government approved in October has now been allocated and further financial approvals this year will only issue if some of the allocation referred to is not taken up. In the circumstances I cannot give any assurance at this time as to when financial approval may issue to the person in question.

169. **Deputy Ulick Burke** asked the Minister for Agriculture, Fisheries and Food if a person (details supplied) in County Galway who has been penalised, could have a percentage of their due payment granted while maps are being digitized. [45502/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on the 10 May 2010. This application was selected for a Ground Eligibility and Full Cross Compliance inspection. The inspection process is complete and the results have now been processed.

During the course of the Ground Eligibility inspection discrepancies were found with the following parcels G20215016, G20205094, G20605007 and G20215017 due to inadequate deductions for scrub, rock, trees, a house site and sheds. The claimed area for the Single Payment Scheme of 21.17ha was reduced to 20.15ha. When tolerance was taken into account this area was increased to 20.30ha. As the total entitlements held are 20.45 and the area not found is under 3% and under 2ha the area put forward for payment is 20.30ha. During the course of the Cross Compliance inspection breaches were discovered in relation to Statutory Management Requirement 4, i.e., clean water from a shed roof was not being diverted to a clean water out-fall and pit silage was stored on a concrete slab with no proper effluent collecting facilities. Furthermore slurry and effluent were stored in a facility that was leading to indirect discharge of effluent to ground water.

Non-compliance with the requirements for Good Agriculture and Environmental Condition was also found as there was a proliferation of thistles that were not topped, sprayed or controlled in parcel numbers G20215017 and G20215016. The above non-compliances resulted in a Cross Compliance penalty of 12% being applied to the 2010 direct payments for the person named.

Formal decisions issued to the person named on 18 October 2010 and 30 November 2010 that advised him of his right to seek a review of the decisions with 21 days to the District Inspector and of his right to appeal the outcome of any such review to the Independent Agriculture Appeals Office. The inspection process is complete and the application has now been fully processed. Payment under the Disadvantaged Areas Scheme and the Single Payment Scheme will issue within a week.

170. **Deputy Bobby Aylward** asked the Minister for Agriculture, Fisheries and Food when outstanding payment under the single farm payment scheme and REP scheme will issue to a person (details supplied) in County Kilkenny. [45519/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the 2010 Single Payment Scheme was received from the person named on 30 April 2010. The 50% advance payment under the Single Payment Scheme, which issued on 18 October and the further 30% payment under the same Scheme, which is scheduled to issue today, 1 December, were on the basis of those parcels cleared for payment at that stage, as a number of other land parcels listed on the application of the person named required re-digitisation. Immediately this

process is complete, provided no errors are identified, the application will be further processed, with a view to the further payments due issuing shortly thereafter.

While balancing payments commenced issuing as and from today, 1 December, such payments would, in normal circumstances, be confined to those whose applications are fully processed, specifically, where all digitising is finalised. However, following recent consultation with the EU Commission, agreement was reached whereby, in addition to issuing balancing payments to those farmers whose applications are fully processed and whose maps are fully digitised, payments will also issue to those farmers where some or all of their maps are still to be digitised, with the payment being calculated on the basis of the digitised land confirmed otherwise eligible.

The EU Regulations governing REPS 4 and other area-based schemes provide that payments issue in two instalments. The first instalment of 75% may be paid once all administrative checks on all applications, as well as cross-checks against areas declared on Single Payment Scheme applications, have been completed. The SPS application concerned has not yet been finalised and when this is done the REPS Cross Check will be carried out and the REPS application can then be fully processed.

171. **Deputy Bobby Aylward** asked the Minister for Agriculture, Fisheries and Food when single farm payment will issue to a person (details supplied) in County Kilkenny. [45522/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the 2010 Single Payment Scheme was received from the person named on 17 May 2010. During the validation of the application, a dual-claim was identified in respect of one land parcel. This matter has now been resolved following correspondence between the person named and my Department. Furthermore, a number of parcels listed on the application of the person named also required re-digitising. This process is now completed and the application processed for payment of 50% advance; however, the advance payment which issued, was net of recoupment of over-payments incurred by the person named under the Single Payment Schemes of 2005, 2006 and 2007, as it was established that ineligible features were declared by the applicant during my Department's review of the accuracy of data in Land Parcel Identification System. My Department wrote to the person named on this matter as soon as the overpayments were revealed. As the person named had not refunded these overpayments, they, consequently, fell due for recoupment. The balancing payment due will issue shortly.

172. **Deputy John Deasy** asked the Minister for Agriculture, Fisheries and Food the reasons for the delay in making a single farm payment in respect of a person (details supplied) in County Waterford and if he will ensure that payment issues immediately. [45577/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the 2010 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 17 May 2010. A number of parcels listed by the person named required re-digitisation; immediately this process is complete and providing no errors are identified, the application will be further processed, with a view to the payment due issuing shortly thereafter.

173. **Deputy Finian McGrath** asked the Minister for Agriculture, Fisheries and Food the reason for non-payment of area aid payment in respect of a person (details supplied) in County Donegal; and if he will make a statement on the matter. [45578/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named

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on the 26 April 2010. This application was selected for and was the subject of a Ground Eligibility and Full Cross Compliance Inspection. The inspection process is complete and the results are now being processed.

Under EU regulations governing the Disadvantaged Areas Scheme and the Single Payment Scheme all Ground Eligibility Inspections must be completed before any payment can issue to any applicant under either scheme, including those not selected for a Ground Eligibility Inspection. In the vast majority of cases that were inspected amendments have had to be made to the maps in order that the Land Parcel Identification System that is used for making payments to farmers is kept up-to-date. Processing of these changes is continuing with priority being given to applications that were the subject of a Ground Eligibility Inspection.

174. **Deputy Seymour Crawford** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Monaghan will receive the remainder of their area aid and single farm payment; and if he will make a statement on the matter. [45581/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the 2010 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 17 May 2010. The 50% advance payment under the Single Payment Scheme, which issued on 18 October, the 75% advance under the Disadvantaged Areas Scheme, which issued on 21 September and the 30% balancing payment under the Single Payment Scheme, which is scheduled to issue today, 1 December, were on the basis of those parcels cleared for payment at that stage. A number of parcels listed on the application of the person named required re-digitisation. This process is now complete and the application is being further processed, with a view to the further payments due issuing shortly.

175. **Deputy Seymour Crawford** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Monaghan will receive their reactor grants; and if he will make a statement on the matter. [45582/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The holding of the person concerned has been restricted under the TB and Brucellosis Eradication Scheme since 23 September 2010. As outlined in the Information Booklet for Farmers, which is issued to all herdowners at the time of restriction, the amount to be paid by the Department under the On Farm Market Valuation Scheme, which is the difference between the on-farm market value of the animals concerned and the price paid to the farmer by the slaughter plant, can only be calculated and paid by the District Veterinary Office following the receipt of a number of documents from the herdowner. In this case, the last of these documents was received in the District Veterinary Office on the 19 November 2010. The District Veterinary Office has certified a payment of €3,049.69 on 22 November 2010 and payment in respect of that amount was issued by my Department on 26 November 2010.

Food Labelling

176. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food if he will give an assurance that the labelling of food products on sale here is fully authentic and preserves the integrity of the system; and if he will make a statement on the matter. [45586/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Minister for Health & Children has overall responsibility for the general food labelling legislation. Responsibility for the enforcement of this legislation rests with the Food Safety Authority of Ireland

(F.S.A.I.). This is done through service contracts between the F.S.A.I and my Department, The Sea Fisheries Protection Authority, the Health Service Executive and the Local Authority Veterinary Service. Under the general labelling Directive (2000/13/EC), the place of origin of the foodstuff must be given only if its absence might mislead the consumer. Under EU legislation, specific country of origin labelling is only required in the case of beef, unprocessed poultry and fruit and vegetables.

My Department conducts checks, including labelling, as appropriate in the business premises for which it has responsibility and non-compliances are followed up as necessary. It is understood from the FSAI that a range of inspections are carried out at catering and retail establishments by the other service-contracted bodies which include checks on labelling. Draft EU regulations amending labelling requirements are being considered at Council Working Party level in Brussels. Ireland is represented at these negotiations by the Department of Health and Children.

177. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food if he is satisfied that all poultry products on sale here are fully compliant with labelling and traceability regulations; and if he will make a statement on the matter. [45587/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The Minister for Health & Children has overall responsibility for the general food labelling legislation. Responsibility for the enforcement of this legislation rests with the Food Safety Authority of Ireland (F.S.A.I.). This is done through service contracts between the F.S.A.I and my Department, The Sea Fisheries Protection Authority, the Health Service Executive and the Local Authority Veterinary Service. Under the general labelling Directive (2000/13/EC), the place of origin of the foodstuff must be given only if its absence might mislead the consumer. Under EU legislation, specific country of origin labelling is only required in the case of beef, unprocessed poultry and fruit and vegetables.

My Department conducts checks, including labelling, as appropriate in the business premises for which it has responsibility and non-compliances are followed up as necessary. It is understood from the FSAI that a range of inspections are carried out at catering and retail establishments by the other service-contracted bodies which include checks on labelling.

Food Industry

178. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food the steps he has taken at national or EU level to develop the food producing sector as a means of economic recovery; and if he will make a statement on the matter. [45588/10]

185. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food if he plans to launch any initiatives to investigate the agriculture and food sectors with a view to playing a major role in economic recovery; and if he will make a statement on the matter. [45595/10]

189. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food his plans to increase employment in the agri-food sectors with a view to assisting economic recovery; and if he will make a statement on the matter. [45599/10]

190. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food his plans for an economic expansion plan for agriculture and fisheries; and if he will make a statement on the matter. [45600/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): I propose to take Questions Nos. 178, 185, 189 and 190 together.

One of the major steps which I have taken to progress the food producing sector has been the development this year of Food Harvest 2020. This sets out the strategic vision for the sector, the actions to be taken, and the targets which the agrifood and fishing sector should achieve to assist the national export led recovery. Food Harvest 2020 is the Government's comprehensive roadmap for the sector. It was developed by an industry-led committee and its content reflects their wide ranging expertise underpinned by comprehensive analysis from my Department, relevant State Bodies, the input of the Harvard Business School and senior farming and food industry figures.

The key focus of Food Harvest 2020 is to show how the industry can capitalise on the expanding market opportunities. These opportunities arise from the actual and projected increase in food demand due to rising world population and increasing wealth, matched with our ability to produce high quality products using environmentally sustainable production methods.

A global increase in demand for food will inevitably follow the current surge in world population, which is forecast to reach 8 billion by 2025. Growth in demand for dairy produce is likely to be a particularly strong element of this growth due to rising global incomes. This is very opportune and presents a very real opportunity for our dairy sector. The ending of EU milk quotas in 2015, presents the sector with a once in a lifetime opportunity to significantly grow our milk output, to achieve a step-change in the scale of our dairy sector and capitalise on the significant cost advantage we have in our environmentally sustainable grass-based production system.

Food Harvest 2020 sets out a number of growth targets to be attained, the principal ones include the following:

- Increasing the value of primary output of the agriculture, fisheries and forestry sector by €1.5 billion. This represents a 33% increase compared to the 2007-2009 average.
- Improving the value added in the sector by €3 billion. This is a 40% increase compared to 2008.
- Achieving an export target of €12 billion for the sector which is a 42% increase compared to the 2007-2009 average,
- Increasing milk production by 50%;
- Adding 20% to the value of the beef sector.

In addition, Food Harvest 2020 points out the need to improve cost competitiveness by 20%, relative to our competitors and the necessity to double the industry spend on R&D.

This detailed strategy provides over 200 recommendations and suggestions on which Government, State Bodies and private enterprise must actively collaborate and implement in order to achieve the above targets. My answer to the combined Parliamentary Question 45039/10, for answer today, gives details on the progress which I have already made on its implementation.

The increased output identified in Food Harvest 2020 has the potential to increase net employment by some 3,500 in the food sector with a further 3,000 jobs in the seafood sector. In the latter industry, increased employment is expected from aquaculture production and value-added branded production assisted by the Seafood Development Centre. In addition, increased self employment is expected from the small food companies, artisan and food tourism

businesses. Currently, these micro food businesses are too small to feature in CSO employment surveys but these indigenous and mostly rural based businesses are a current and future potential source of expanding rural employment and innovation.

The Government has consistently supported the growth and development of the agrifood and fisheries sector and a continuation of the proactive implementation of the recommendations of *Food Harvest 2020* will ensure that this indigenous sector makes a significant contribution to the national export led economic recovery.

179. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food his plans to expand the dairy sector; and if he will make a statement on the matter. [45589/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The *Food Harvest 2020* report, which I launched during the summer with the Taoiseach, outlines the positive prospects for the dairy sector over the medium- to long-term, and sets an ambitious target of a 50 per cent increase in milk production by 2020. It outlines a number of recommendations designed to support the realisation of this potential growth, ranging from milk processing to on-farm competitiveness, technology transfer, and R&D and marketing. I have established, and am chairing, a very focused High Level Implementation Group which will ensure effective, joined-up action, and will act as a clearing house for the range of issues that are likely to arise in relation to the development of the agriculture sector as a whole.

I have also recently established the Dairy Expansion Activation Group, comprised of dairy farmers, processors and Teagasc, which I have tasked with addressing the specific actions required to achieve the dairy expansion target. I asked for an initial ‘road map’ to be submitted to the High Level Implementation Group by the end of November, and I expect this to be presented formally to the High Level Group shortly.

Of course this focus on how to deal with future challenges is a continuation of the approach that I have taken to the implementation of milk policy in recent years. Having secured as much additional quota as possible for Irish dairy farmers in the run up to quota abolition through the November 2008 Health Check agreement, I have continued to strive to get as much of that quota as possible into the hands of active producers while at the same time encouraging the adoption of best practice on dairy farms so that they can continue to be competitive through improved efficiency.

Innovative measures such as simplified and flexible milk quota regulations, new rules for participation in Milk Production Partnerships, the Milk Quota Trading Scheme, new measures to encourage new entrants, and the Dairy Efficiency Programme have helped the sector to progress significantly in recent years, as has the ongoing investment at processing level supported by the Dairy Investment Fund. I intend to ensure that the implementation of *Food Harvest 2020* builds on this momentum, and I am confident that it will help to ensure that the dairy sector achieves its full potential.

180. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food if his attention has been drawn to any particular trend that the scale of food products on sale here reflects a displacement of Irish products from the shelves; and if he will make a statement on the matter. [45590/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): As products, including food products, which are traded within the Community are not generally required to indicate origin on their packaging, statistical evidence of any particular trend as suggested by the Deputy is not available on an official basis. Food products trade freely within the Single Market and

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over 80% of Irish agricultural production is exported to EU and world destinations. Exports in 2010 are running more than 5% ahead of the trend in 2009, when they were worth € 7 billion, which is a positive contribution towards achieving the aims of Food Harvest 2020, which sets out a vision and actions to increase exports to €12 billion by 2020.

World Trade Negotiations

181. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food if he plans to adopt a robust stance at EU level in the context of World Trade Organisation negotiations with particular reference to enable the agri-food sector play a major role in economic recovery; and if he will make a statement on the matter. [45591/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The agriculture and food production sector is Ireland's largest indigenous manufacturing industry and it has a vital part to play in our economic recovery, particularly in the context of our exports. The role of agriculture in Europe's economic recovery has also been recognised in the contribution it makes to all three priorities of the EU 2020 strategy of smart, green and inclusive growth. Its importance has been acknowledged in the conclusions by the Heads of State and Government at the spring European Council and in the recently released EU budget review document by the Commission.

The future CAP will determine the policy framework for the successful delivery of our Food Harvest 2020 strategy and it will be of vital importance to ensure that it underpins that strategy. My priority and that of this Government is to ensure that the proposed reform of the EU Common Agricultural Policy results in a strong and properly resourced policy in the years ahead which will continue to nurture the strong economic growth in our agriculture and food production sector.

I am also determined to ensure that any WTO agreement reached is balanced in all its dimensions and does not place a disproportionate burden on EU or Irish agriculture. While the WTO talks are continuing are present, there have been no significant breakthroughs in 2010. Prospects for a breakthrough or an agreement being reached in 2011 continue to remain uncertain.

Food Exports

182. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food the location and extent of new markets secured for Irish meat and dairy products in each of the past three years to date in 2010; and if he will make a statement on the matter. [45592/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): It is my policy and that of the Government to ensure that Irish producers have access to as many global markets as possible. Irish dairy products are exported to other EU Member States and to over 100 countries worldwide. The amount of exports to any particular destination varies in accordance with changes in the supply/demand dynamics in particular regions of the world and in respect of the various dairy products involved.

In overall terms, Ireland's dairy exports amounted to €2 billion in 2009. The UK represents the largest single share of export sales at approximately 32% with the rest of the EU accounting for 48%. North America and Africa account for 6% and 7% respectively. As international demand changes the Irish dairy industry is placing an increasing emphasis on consumer food markets, particularly in the EU, US, Russia and the Middle East and in high growth emerging economies.

Irish beef production makes an extremely valuable contribution to the overall Irish economy. Irish exports of beef and sheepmeat have been largely targeted at higher value EU markets in recent years. In 2009, exports of beef to EU countries accounted for 99% of total beef exports, while exports of sheepmeat to EU countries in 2009 accounted for 98% of total sheepmeat exports. As regards access to international markets, my Department, with the cooperation of Bord Bia and the Department of Foreign Affairs, have been active in achieving agreement with third countries on the veterinary health conditions to be met by exports of beef and sheepmeat from Ireland. In the period from 2008 to 2010, agreements have been reached on the veterinary health conditions governing the export of beef to Saudi Arabia (2008), French Polynesia (2009), South Africa (2009), Israel (2009), Indonesia (2010), Morocco (2010), Tunisia (2010) and United Arab Emirates (2010). Also agreement has been reached with the Tunisian authorities regarding the export of sheepmeat (2010).

The pig sector remains an important component of the Irish agricultural sector. Almost half of Irish production is exported, with the UK accounting for 50% of exports with the remainder split between Continental Europe and third countries. Pork remains the most-consumed meat worldwide and consumption is expected to increase steadily over the next decade. We currently export to over 20 non-EU markets. China and Russia were fully re-opened to Irish pork earlier this year, a move which marked the end of the interruption to trade that arose in late 2008 as a result of the dioxin crisis. During the last three years certificates have been agreed for the export of pork to Canada, Croatia and New Zealand.

My Department, together with Bord Bia, the Department of Foreign Affairs and the industry will continue to work together to identify new potential markets for Irish dairy and meat products.

National Herd

183. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food the level of the bovine, swine and sheep numbers; the extent to which this has changed in each of the past three years to date in 2010; and if he will make a statement on the matter. [45593/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The information requested by the Deputy is provided in the following table. The figures provided relate to dates in December for each of the years in question except the 2010 bovine figure which refers to the live population on August 1st 2010.

	Bovines (millions)	Swine (millions)	Sheep (millions)
2007	6.162	1.575	3.270
2008	6.234	1.605	3.090
2009	6.120	1.602	3.075
2010	6.529		

There are no 2010 figures available for swine or sheep at this stage. Preparations are currently being made to issue census forms to keepers in respect of the 2010 sheep and goat census which will be carried out between 10th and 14th December this year.

Food Industry

184. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food the extent he has monitored the degree to which prices awarded to the producer and a charge to

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the consumer here compare to those prevailing in other EU countries, eurozone and non-eurozone; and if he will make a statement on the matter. [45594/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): Agricultural production in Ireland and the EU must be viewed in the context of a reformed and evolving Common Agricultural Policy (CAP), with much more competitive EU and world commodity markets. As a result of the reformed CAP farmers can now take advantage of the freedom to farm exclusively for the market. They can focus on meeting the requirements of the consumer in a competitive manner.

Overall output prices fell by approximately 15% in 2009. There were declines in the output prices for cattle, milk and pigs of 10%, 31% and 9% respectively. These developments followed notable increases in output prices across the majority of sectors in 2008. Consumer prices in Ireland also fell in 2009. The overall CPI fell by 4.5% for the year. The overall price of food as measured by the food price index fell by 3.5%.

The data currently available in this area is quite limited. However, EUROSTAT is currently developing systems to monitor prices at various stages in the food chain through harnessing available data on price developments at different steps of the supply chain and comparing price developments for the relevant agricultural commodities, for the relevant food industries as well as for the chosen consumer goods. The European Commission has included an initiative on developing an improved European Food Prices Monitoring Tool in its Communication on a better functioning food supply chain (COM(2009)591) and a mandate for an Experts Platform on this subject was agreed in November by the High Level Forum on better functioning of the food supply chain. Under the mandate the Platform will organise consultations with other stakeholders, develop further the monitoring tool in cooperation with EUROSTAT and discuss with National Statistical Institutes through working groups the possibilities of receiving and publishing more data than are presently available.

Prices paid by consumers in the EU primarily remain a function of prevailing market and competitive forces in those countries. EUROSTAT data indicates that there was a 0.9% increase in food prices to consumers across the EU-27 in 2009 following on from the 6.7% increase experienced in 2008. However there was a wide divergence in food price developments within the EU in 2009 with food prices increasing by over 5% in 2 countries (Malta and UK) whilst prices fell by over 3% in 4 countries including Ireland.

Question No. 185 answered with Question No. 178.

Fishing Industry Development

186. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food his plans to develop the fishing industry in a way which is sympathetic to the needs of coastal counties and fishing families; and if he will make a statement on the matter. [45596/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): In July 2010, together with Minister Connick, I launched the Bord Iascaigh Mhara 2010-2012 Strategy — ‘Delivering on the Potential of Irish Seafood’, and the Government’s Irish National Seafood Programme 2007-2013. These two documents encapsulate Government’s plans for developing the seafood industry in the next few years.

The BIM Strategy, drafted in consultation with the Irish seafood industry, will bring innovative, developmental and financial benefits to both the sector and the economy as a whole. It concentrates on avenues to deliver essential developmental services to a seafood industry

undergoing rapid and unparalleled change. The strategy sets down over 70 detailed actions under four key themes that underpin the opportunities for the Irish seafood sector. It is anticipated that the strategy will be central to creating some 600 additional jobs across the Irish seafood sector, in addition to developing an extra €50 million in value added seafood sales through processes such as the differentiation of some 40,000 tonnes of seafood products as eco-labelled and of Irish origin worth approximately €120 million, the increase in aquaculture production capacity by approximately 10,000 metric tonnes valued at an estimated €18 million in new sales together with delivering some 3,500 training places to the seafood sector in over 30 coastal locations annually. The strategy is geared toward improving the seafood sector's performance through difficult and challenging times by assisting industry through focused support programmes.

The Irish National Seafood Programme 2007-2013 provides Exchequer funded support to the seafood sector to develop new products and processes through enhanced innovation that adds value to products, while maintaining and improving environmental and food quality standards with improved cost efficiency. Grants totalling €1.91 million have been made available to 19 seafood projects in both the processing and aquaculture sectors under the Programme, for investment projects worth €6.5million.

In addition, the separate Seafood Development Operational Programme 2007-2013, jointly funded by the Exchequer and the EU, provides financial support in a number of areas. In 2010, grants were made available under three schemes. Under the Marine Environment Protection Measure, grants of €426,000 were made available to 9 projects. Under the Seafood Environmental Management & Certification Scheme, grants of €350,000 were made to 7 projects, involving 159 vessels and under the Shellfish Discard & Live Reduction Scheme, grants of €113,000 were made to assist up to 42 inshore fishermen associations to v-notch up to 15,000 lobsters. Further additional measures are planned for the remaining years of the Operational Programme, subject to availability of funding.

Common Fisheries Policy

187. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food the discussions he has had at EU level in the matter of the Common Fisheries Policy and review; and if he will make a statement on the matter. [45597/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The current review of the Common Fisheries Policy (CFP) was initiated by the European Commission when it issued a Green Paper in April 2009 and sought responses to the proposals it contained. The CFP, which was first put in place in 1983, has been subject to reviews every 10 years. The most recent review was in 2002.

Minister Killeen, who had responsibility for the Fisheries portfolio when the Green Paper was published, appointed Dr. Noel Cawley to chair a nationwide public consultation process. The result of these extensive consultations contributed in no small way to Ireland's Response to the Green Paper which issued on the 23rd of February. The report in its entirety, and all formal submissions received during the public consultation process, are available on www.fishingnet.ie.

Ireland's response on the CFP reform sets down a number of informed recommendations which we believe must be incorporated into the new Common Fisheries Policy. They take a pragmatic approach, promoting measures that collectively take account of economic, social, environmental and sustainability factors important to the Irish seafood sector. The changes we consider necessary include:

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- New focus on addressing discarding of fish at sea with a complete ban being introduced for stocks in a depleted state;
- The retention of a management system based on national quotas supported by increased flexibility and a rejection of the mandatory privatisation of fish quotas or the introduction of international trading of fish quotas;
- Access to coastal waters to be re-examined with a view to an extension of the coastal limit to 20 miles with new management arrangements in place to strengthen coastal communities dependant on inshore coastal fisheries;
- New measures to strengthen the market for EU producers and increase quay side prices;
- Reinvigoration of European aquaculture with continued structural support and a road-map that establishes a route for growth in harmony with Community environmental law;
- New regional structure to decision-making at EU level, with increasing industry responsibility and the development of a culture of compliance.

Consultation at European level on the review is ongoing, with a variety of meetings being held, including a number of stakeholders' conferences. In May an informal meeting of Agriculture and Fisheries Ministers to discuss the reform, both of which were held in Spain. The reform has also been discussed at the Fisheries Council in June. In addition, as soon as Minister Connick was appointed as Minister of State, he attended a bilateral meeting with the Maria Damanaki, the new EU Commissioner for Fisheries and Maritime Affairs. This meeting was arranged at my request to discuss Ireland's Response to the Commission's Green Paper.

At this meeting and at the subsequent informal and formal Council meetings he advised that we have many areas where we have common ground with the EU Commission. However, he made it quite clear that Ireland does not support the Commission's ideas expressed in the Green Paper which would allow our national fish quotas to be privatised and traded away to large European fishing companies. He stressed that one of Ireland's main objective in the Reform Process will be to protect the national fish quotas as a public resource to be used for the benefit of our family owned fleet and to support our coastal communities.

Under the planned EU timetable for the review, a legislative proposal to the Council and the European Parliament is expected to be adopted in 2011, with a view to its entering into force in 2012. Nationally, I intend to continue close collaboration with the Federation of Irish Fishermen and the other stakeholders to put Ireland's case forward during the review, to vigorously defend Ireland's maritime interests, and to convince our colleagues in other Member States and in the Commission to strengthen the current policy in line with Ireland's submission on the reform of the CFP.

Ministerial Travel

188. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food the number of countries and locations he has visited in each of the past three years in the course of promotion of Irish food products; and if he will make a statement on the matter. [45598/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): Since assuming office in May 2008, I have sought at all appropriate opportunities to raise the profile and secure market opportunities and share for Irish Food and Beverage products on export markets. This has been and will remain a key priority. Trade promotions are a key part of the relationship

building process with current and potential customers of Irish food and drink in Ireland's prospective and existing markets.

Ministerial attendance can obviously raise the profile of events and significantly attract key senior decision making buyers and executives. This allows Irish companies to build their relationships with existing customers and forge new relationship to expand Ireland's €7.1 billion export food and drink business. This is precisely the level of contact that our Irish food exporting companies require and appreciate in terms of gaining access or increased market share in key and invaluable EU and 3rd country markets.

The details in terms of countries and the related events and which I have attended since assuming office in May 2008 are set out below. Where practicable, events were scheduled to coincide with other elements of official business including bilateral meetings with Ministerial counterparts.

2008

Month	Location	Event(s) & Location
October	France	SIAL (In conjunction with Bord Bia) Paris
November	United States	Enterprise Ireland Promotion including events in Chicago and Philadelphia as well as opening of Bord Bia office in New York
December	United Kingdom	Bord Bia Trade Reception in London

2009

Month	Location	Event(s) & Location
January	Japan	Trade Mission to Japan including Enterprise Ireland & Bord Bia trade promotion events in Tokyo
March	Germany	Trade promotion events (Bord Bia, Bord Iascaigh Mhara and Enterprise Ireland) in Munich, Düsseldorf and Berlin
September	Finland & Denmark	Enterprise Ireland Business Development visit to Helsinki & Copenhagen
	France	Bord Bia Promotion

2010

Month	Location	Event(s) & Location
March	Italy	Trade promotion events in Rome, Milan and Bologna
May	China	SIAL Shanghai and (In conjunction with Bord Bia) & trade related promotions in Beijing including Irish Dairy Board office opening
October	France	SIAL Paris

Questions Nos. 189 and 190 answered with Question No. 178.

Grant Payments

191. **Deputy Bernard J. Durkan** asked the Minister for Agriculture, Fisheries and Food the extent of farm payments still outstanding in respect of each of the past three years to date in 2010; and if he will make a statement on the matter. [45601/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): My Department is involved in the payment of a wide range of grants and subventions including, for example, payments under the Single Payment Scheme to some 130,000 beneficiaries and area based compensation allowances to some 102,000 farmers. The information sought by the Deputy is not readily available in my Department and the resources required to compile the level of detail in the required timeframe would not be justified. In general payments are made within the deadlines laid down in the Charter of Farmers Rights.

192. **Deputy Michael Moynihan** asked the Minister for Agriculture, Fisheries and Food the reasons for the delay in issuing the payment for the single farm payment scheme in respect of a person (details supplied) in County Cork and when he expects payment will issue. [45602/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): An application under the 2010 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 16 April 2010. A number of parcels listed by the person named required re-digitisation in order to remove ineligible features (buildings, farmyard, roadway) and immediately this process is complete and providing no errors are identified, the application will be further processed, with a view to the payment due issuing shortly thereafter.

193. **Deputy Michael Ring** asked the Minister for Agriculture; Fisheries and Food when a person (details supplied) in County Mayo will receive their 2010 REP scheme payment. [45615/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The EU Regulations governing REPS 4 and other area-based schemes provide that payments issue in two instalments. The first instalment of 75% may be paid once all administrative checks on all applications, as well as cross-checks against areas declared on Single Payment Scheme applications, have been completed. This process is under way and my objective is to make all payments for 2010 as soon as possible. The balancing payment of 25% can issue once all on-the-spot inspections for the year have taken place and these will be completed shortly.

Departmental Expenditure

194. **Deputy Lucinda Creighton** asked the Minister for Agriculture; Fisheries and Food the amount spent on legal fees by him in the years 2008, 2009 and to date in 2010; and if he will make a statement on the matter. [45619/10]

Minister for Agriculture, Fisheries and Food (Deputy Brendan Smith): The amount paid by my Department in legal fees for 2008 was €164,801, for 2009 was €157,626 and to date in 2010 is €123,049.

195. **Deputy Ciarán Lynch** asked the Minister for Enterprise; Trade and Innovation when the undertaking was given to provide public funds to an organisation (details supplied) in regard to Your Country Your Call; the funds that have been provided and under what heading; and if he will make a statement on the matter. [45462/10]

Minister for Enterprise, Trade and Innovation (Deputy Batt O’Keeffe): Your Country, Your Call aimed to identify proposals, which would have a positive economic impact on Ireland and create sustainable employment. The Competition was a very successful one and the winners were announced on 17th September 2010. To date, no funding has been paid by my Department for this initiative.

196. **Deputy Lucinda Creighton** asked the Minister for Enterprise; Trade and Innovation the amount spent on legal fees by him in the years 2008, 2009 and to date in 2010; and if he will make a statement on the matter. [45624/10]

Minister for Enterprise, Trade and Innovation (Deputy Batt O’Keeffe): The information requested by the Deputy in respect of expenditure on legal fees in my Department and in the Offices of my Department for the years 2008, 2009 and to date in 2010 is set out in the following table.

Year	Amount Spent on Legal Fees
	€
2010 (to 25 November)	449,893
2009	2,153,436
2008	900,070

National Recovery Plan

197. **Deputy Lucinda Creighton** asked the Minister for Enterprise; Trade and Innovation the way he plans to cut costs for small and medium enterprises under the four year plan; and if he will make a statement on the matter. [45641/10]

Minister for Enterprise, Trade and Innovation (Deputy Batt O’Keeffe): The National Recovery Plan provides a blueprint for a return to sustainable economic growth and includes actions which the Government will take to reduce costs for business across the economy, including the SME sector. The Plan sets out specific measures which will be taken to cut costs in relation to labour, energy, property rental, professional fees and other areas.

To facilitate cash-flow for businesses, the Government will extend the existing 15-day payment rule which applies to Government Departments to the wider public sector. Enterprise agencies will also work directly with SMEs to improve their performance, productivity and competitiveness.

The Annual Competitiveness Report 2010, published by the National Competitiveness Council in July this year, acknowledged that since January 2008, Ireland has regained some of the competitiveness it had lost at the start of the global economic downturn. The measures outlined above, along with other strategies outlined in the Recovery Plan, will build on the progress already made by the Government and will further improve cost competitiveness for all businesses, including SMEs, in the years ahead.

Departmental Expenditure

198. **Deputy Lucinda Creighton** asked the Minister for Community; Equality and Gaeltacht Affairs the amount spent on legal fees by him in the years 2008, 2009 and to date in 2010; and if he will make a statement on the matter. [45621/10]

Minister for Community, Equality and Gaeltacht Affairs (Deputy Pat Carey): The details requested by the Deputy in relation to my Department, including fees paid to legal professionals for advice and research, are reflected in the table.

	2008	2009	2010 to date
Department of Community, Equality and Gaeltacht Affairs	€6,050	Nil	Nil

199. **Deputy Lucinda Creighton** asked the Minister for Defence the amount spent on legal fees by him in the years 2008, 2009 and to date in 2010; and if he will make a statement on the matter. [45622/10]

Minister for Defence (Deputy Tony Killeen): The main requirement for legal services in the Department is in the context of litigation, usually in the form of judicial review and personal injury proceedings. The Chief State Solicitor's Office is responsible for the costs of the State's legal teams in cases that it manages on behalf of the Department. External legal costs incurred by the State Claims Agency arising from the defence of any claims managed by the Agency for the Department are refunded to the Agency by the Department. In addition the Department may pay plaintiff's legal costs as part of awards/settlements. The amount spent on legal fees is as follows:

Year	Department of Defence	Coiste an Asgard	Civil Defence	Army Pensions Board
2008	€3,745,847	Nil	Nil	Nil
2009	€2,696,339	Nil	Nil	Nil
2010	€3,143,998	€5,354	Nil	Nil