



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

Thursday, 31 March 2011.

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IMLEABHAR 729

VOLUME 729

Déardaoin, 31 Márta 2011.
Thursday, 31 March 2011.

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

Paidir.

Prayer.

Requests to move Adjournment of Dáil under Standing Order 32

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

Deputy Finian McGrath: I seek the adjournment of the Dáil under Standing Order 32 to raise a matter of national importance, namely, the need to protect Ireland's independent foreign policy on international matters. I call on the Government to assert Ireland's independent and humanitarian view and call for the suspension of the use of arms in Libya by all groups and call on the United Nation to go back to its roots in conflict resolution and peacekeeping.

Deputy Martin Ferris: I seek the adjournment of the Dáil under Standing Order 32 to raise a matter of national importance, namely, the changes announced in budget 2011 to the school transport scheme for primary school pupils, particularly in amalgamated schools which entered into agreements with the Department of Education and Skills which included a guarantee of free transport in return for the closure of a small local school; the damaging effects the changes are having on pupils and parents across the State; the need to debate the unwillingness of the Minister for Education and Skills to reverse the changes, and the consequences this may have for rural schools.

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

Order of Business

The Tánaiste: It is proposed to take No. 6*b*, election of Leas-Cheann Comhairle; No. 7, motion re proposed approval by Dáil Éireann of the Finance Act 2004 (Section 91) (Deferred Surrender to the Central Fund) Order 2011; No. 8, motion re proposed approval by Dáil Éireann for a regulation of the European Parliament and the Council on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast); No. 6*c*, motion re conduct of Member; No. 1, Communications Regulation (Postal Services) Bill 2010 [Seanad] — Second Stage, to adjourn at 1.30 p.m., if not previously concluded; No. 11, statements on “Making Committees work in the 31st Dáil”; and No. 11*a*, statements on banks recapitalisation and restructuring.

It is proposed, notwithstanding anything in Standing Orders, that: (1) the Dáil shall sit later than 4.45 p.m. and business shall be interrupted at the conclusion of No. 11*a*; (2) Nos. 6*b*, 7 and 8 shall be decided without debate; (3) the proceedings on No. 6*c* shall, if not previously concluded, be brought to a conclusion after 30 minutes and the speech shall be confined to Deputy Michael Lowry who shall not exceed 30 minutes; (4) the proceedings on No. 11 shall, if not previously concluded, be brought to a conclusion at 3.30 p.m. and the following arrangements shall apply: (i) the statement of a Minister or Minister of State and the main spokespersons for Fianna Fáil, Sinn Féin and the Technical Group who shall be called upon in that order shall not exceed 15 minutes in each case; (ii) the statement of each other Member called upon shall not exceed ten minutes in each case; (iii) Members may share time, and (iv) a Minister or Minister of State shall be called upon to make a statement in reply which shall not exceed 5 minutes; (5) the proceedings on No. 11*a* shall be taken at 4.45 p.m. and shall, if not previously concluded, be brought to a conclusion after 85 minutes and the following arrangements shall apply: (i) statements shall be confined to a Minister or Minister of State and the main spokespersons for Fianna Fáil, Sinn Féin and the Technical Group who shall be called upon in that order, may share their time and shall not exceed 20 minutes in each case; (ii) a Minister or Minister of State shall be called upon to make a statement in reply which shall not exceed five minutes.

An Ceann Comhairle: There are five proposals to be put to the House. Is the proposal that the Dáil shall sit later than 4.45 p.m. agreed to? Agreed. Is the proposal for dealing with Nos. 6*b*, 7 and 8, motions re election of Leas-Cheann Comhairle, proposed approval by Dáil Éireann of the Finance Act 2004 (Section 91) (Deferred Surrender to the Central Fund) Order 2011 and proposed approval by Dáil Éireann for a regulation of the European Parliament and the Council on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters agreed to? Agreed. Is the proposal for dealing with No. 6*c*, motion re conduct of Member, agreed to?

Deputy Mary Lou McDonald: It is not agreed. The agreement reached among the Whips was that the motion would be taken without debate. It is scandalous that the Government is once again prepared to accommodate Deputy Michael Lowry for a further 30 minutes. The Deputy has been facilitated twice and has had an hour and a half at his disposal to put his position on the record. The House has heard that position, but clearly does not share that view. The motion will be taken without debate and it would be quite outrageous and unacceptable yet again to give 30 minutes to Deputy Lowry, so we object to this.

Deputy Micheál Martin: I articulate our complete surprise at this, because there was unanimous agreement among the Whips that this motion would be taken without debate. There was no indication to us, until this morning's Order Paper, that there was a change. It is not the way to do business. If the Whips agree something on behalf of all of us, then it should hold. I am extremely surprised that this has now occurred and at the manner in which it has occurred. I think it is wrong.

Deputy Catherine Murphy: This is a complete surprise to us as well. This issue was specifically discussed at the Whip's meeting, and we were categorically told by the Government side that no time would be made available, but no communication has been made to us at all.

An Ceann Comhairle: At the beginning of statements on the report of the Moriarty tribunal, I outlined to the Members that the House is not a court of law. Questions of guilt or innocence are matters for decision by the courts. There is an onus on Members, if at all possible, to avoid referring to others in a manner which could be construed as being prejudicial to any subsequent investigations that may be deemed necessary by the appropriate authorities.

In that context and as Ceann Comhairle, I feel there is an obligation on the House to ensure the protection of the rights of any Member to be heard, where he or she may be subject to a motion of censure by the House. It is important to note that the proposed order to take this motion affords Deputy Lowry the opportunity to speak if he so wishes. I would not like to lay blame on the Government for this matter. My views were made known to the Government that I felt obliged to make this point on natural justice. It is a matter for Deputy Lowry if he wishes to take the opportunity. I appreciate fully that the parties and groups in the House agreed to take this motion without debate, but as a matter of justice, when we are censuring a Member, he or she should have the right to be heard, if he or she so wishes. If he or she wishes to forgo that right, then so be it.

The Tánaiste: A Cheann Comhairle, thank you for the clarifying the position. This was communicated to the Government and it is our view that natural justice requires that where a motion is being tabled which is directed at one Member of the House and calls upon that Member to resign from the House, then that Member should be given an opportunity to reply to the motion. My understanding is that this was communicated to Whips. If there has been a breakdown in communication, then I regret that. It is a requirement that we should discharge this by way of natural justice and it is a matter for Deputy Lowry whether he wishes to avail of the opportunity.

Deputy Joe Higgins: I agree with your position, a Cheann Comhairle. I can understand how annoyed Members of the Dáil are because Deputy Lowry has received a large amount of time. However, leaving the whole affair aside, the principle of the matter is that any of us in the Dáil could be accused of anything, including a political charge, and we would certainly be within our rights to demand the right to reply and to defend the position. It is not a question of focusing on this scandal, but on the right of any Member to defend himself or herself. Therefore, I do not think that people should press this to a vote, but should accept your proposal.

Deputy Micheál Martin: I have no difficulty at all with Deputy Lowry responding to the motion. I accept the principle of a person being in a position to respond to a motion of censure. The only point I make is that there was no communication to our Whip, nor to the other Whips. That will have to be rectified in the future, because people are entitled to an expectation on what will unfold for a debate in the House. I would uphold the right of a Deputy in the House to respond to a motion of censure. I do not have any difficulty with that at all.

Deputy Mary Lou McDonald: I do not think anybody is objecting to the notion of procedural correctness and natural justice. Deputy Lowry had to have the opportunity to respond——

Deputy Jerry Buttimer: You did just that earlier.

An Ceann Comhairle: Please allow the Deputy an opportunity to speak.

Deputy Mary Lou McDonald: Excuse me, in the course of the debate——

An Ceann Comhairle: The Deputy should speak through the Chair.

Deputy Mary Lou McDonald: ——it may interest Deputy Buttimer to know that I made precisely the point about the Deputy's right to defend his character and to natural and procedural justice. However, the Deputy in question has been given unprecedented amounts of time so far. He has now been afforded a further 30 minutes, and he has been afforded this in a manner that was misleading to the Whips of the other parties. That is not acceptable. If the Government is minded to facilitate Deputy Lowry in this way, then so be it.

Deputy Emmet Stagg: On the advice of the Ceann Comhairle.

Deputy Mary Lou McDonald: For future reference——

Deputy Brendan Howlin: The Deputy was obviously not listening.

An Ceann Comhairle: Deputies, please.

Deputy Mary Lou McDonald: ——it is not an acceptable way to proceed. I hope in future that other Members on the Opposition benches will be afforded the courtesy and the latitude of time allocation in debates.

An Ceann Comhairle: I hope we will not have to face this situation ever again.

Deputy Catherine Murphy: I raised the issue of natural justice in respect of this matter. It was on the Government side that the decision was made, even though it may have predated the communication you had with the Chief Whip. It is unacceptable that this was not communicated to us.

An Ceann Comhairle: I am sorry that did not happen, but as you will appreciate, that was not my responsibility. I am glad that people see the point and I appreciate your co-operation on this matter. Is the proposal for dealing with No. 6c agreed to? Agreed. Is the proposal for dealing with No. 11, statements on "Making Committees work in the 31st Dáil", agreed to? Agreed. Is the proposal for dealing with No. 11a, statements on banks recapitalisation and restructuring, agreed to?

Deputy Mary Lou McDonald: No. We do not believe the arrangements as currently envisaged allow sufficient time for Opposition spokespersons to digest and consider the results of the stress tests. We are asking for an hour long adjournment to be taken at 4.45 p.m. to allow for proper consideration of the results, and that following such an adjournment, the Minister would then come before the House, make his statement and allow others to do likewise.

An Ceann Comhairle: Was this agreed between the Whips?

The Tánaiste: Last week we were asked if the Minister for Finance would make a statement in the House following the announcement of the results of the stress tests on the banks. This

issue was raised by Deputy Lenihan during the Order of Business this time last week. On that occasion, I agreed that time would be given in the House, once the stress tests were announced, for the Minister for Finance to make a statement and that is what is being done here. The results are being announced by the Central Bank at 4.30 p.m. The proposal is that the Minister for Finance will make a statement in the House at 4.45 p.m. and that the Opposition spokespersons will have an opportunity to respond to that statement. Those arrangements are set out in the proposal before us.

Deputy Mary Lou McDonald: Clearly, the Minister must make a statement on this matter but, as the Tánaiste said, the results of the stress tests will be published at 4.30 p.m. and the Tánaiste has proposed that the Minister will come before the House at 4.45 p.m., leaving only 15 minutes between those two events. I notice the contrast in timing between this and the previous items we discussed. It is our firm view that people require a short period of time to study and consider the results of the stress tests. It is only reasonable, therefore, that the House would be given an hour-long adjournment.

Deputy Micheál Martin: Just to be constructive, obviously the timing——

Deputy Paul Kehoe: The Deputy had the last 14 years to be that.

Deputy Micheál Martin: Get used to it.

Deputy Joe Higgins: Where is Punch and Judy now?

Deputy Micheál Martin: Obviously, the news today will be significant for the country. It is important that the House is in a position to deliberate on it in a considered way. Today, in essence, we can only have, at best, preliminary statements in terms of reaction to what the Central Bank will announce and what the Minister will announce to the House. We ask that early next week, by which time people will have had a proper opportunity to go through the full policy implications of this, that time would be made available for the Minister for Finance and Opposition spokespersons on finance to engage in a question and answer session and that sufficient time be allotted to facilitate a detailed probing of the issues involved in the Dáil next week.

Deputy Joe Higgins: Do we have a commitment in that regard for next week? That would resolve the issue.

The Tánaiste: The announcement that will be made today will be a significant one and it will give us the scale of the legacy of the banking crisis the Government has inherited. It is important that an opportunity is given for the Minister for Finance to respond to that announcement and that his response should be made here in the House. Criticisms have been made previously that on the occasion of major banking or economic announcements the response by Government to those announcements was given outside the House, sometimes after the Dáil has adjourned for the weekend period. It is important that this opportunity is given in the House for the Minister for Finance to respond and that Opposition parties, in turn, give their initial response to it. Having considered and reflected on what is in the announcement from the Central Bank today, and the Minister's response to it, it is also reasonable that if Members and parties want to return to the issue next week, that can be discussed by the Whips and arrangements can be made for that.

An Ceann Comhairle: I am now putting the question, that the proposal for dealing with No. 11a, statements on banks recapitalisation and restructuring, be agreed to. Is that agreed? Agreed.

[An Ceann Comhairle.]

Moving on with the Order of Business, I call Deputy Martin.

Deputy Micheál Martin: I am okay.

An Ceann Comhairle: I call Deputy Higgins.

Deputy Micheál Martin: Are we not dealing with the election of the Leas-Cheann Comhairle first?

Deputy Brendan Howlin: We are still on the Order of Business.

Deputy Micheál Martin: That is the next item.

Deputy Joe Higgins: It is all of 160 years ago since the heroic Chartist Movement led to the abolition of rotten boroughs in Britain and Ireland but today Members of this Parliament, in voting for the Second House of Parliament, have no less than five votes each and some have an extra vote because they happened to go to a university. While our neighbours who pay their taxes, work hard and are good citizens have no vote, why are we going through this charade of the Seanad and how long will it last? When will the legislation for the abolition of the Seanad be brought forward, for which some of us have been calling for the past 20 years?

Talking about throwbacks, the HSE action in savagely cutting the wages of nurses forced to work with an agency is a real throwback to days of dictatorial employer methods. Will the Tánaiste ask the Minister for Health and Children to intervene to stop this disgraceful attack on nurses, many of whom are young nurses who cannot get a position in a permanent capacity and are subjected to this kind of abuse?

The Tánaiste: First, I thank Deputy Higgins for raising the issue of the future of the Seanad and the method of voting in Seanad elections. As the House is aware, the programme for Government commits to a referendum on the future of the Seanad and that will form part of the package of reform proposals which the Government will be bringing before the House.

Second, in respect of voting entitlements, as the Deputy is aware, the programme for Government has committed to the establishment of a constitutional convention where both Members of this House and the general public can consider, reflect and, effectively, decide for the future on the voting arrangements and entitlements that people should have. That will form part of the remit of the constitutional convention.

On the issue of agency nurses, I am not sure if it is entirely in order but I understand that the position is that the Health Service Executive has introduced some new arrangements for contracting agency staff and I will ask the Minister for Health and Children to respond directly to the Deputy on that issue.

Deputy Dara Calleary: Will the Tánaiste confirm whether the legislative programme for the Government will be published next week and, if so, if the Construction Contracts Bill will be included as a priority Bill? It is an all-party Bill agreed in the Seanad awaiting clearance in the House.

The Tánaiste: It is the Government's intention to publish the legislative programme next Tuesday and I believe the Bill to which the Deputy referred is on the Order Paper.

Deputy Pearse Doherty: I appreciate the earlier response to allow for a further and more in-depth debate on the results of the stress testing of the banks, possibly next week. The Tánaiste will be aware that the stress tests only deal with four of the guaranteed banks and the State is

transferring €2.53 billion to Anglo Irish Bank and a further €0.5 billion to the Irish Nationwide this morning. This is aside from what will happen on foot of the results of the stress tests, which will be announced at 4.30 p.m. Given the fact that €3 billion is being transferred by the State to these zombie banks that do not have deposits, will there be an opportunity to discuss the issue of the promissory note that was given to these banks and the fact that €3 billion is to be given to these banks every year for the next ten years?

The Tánaiste: The transfers to which the Deputy referred in regard to the payment of promissory notes are not new payments; they arise from commitments that were entered into by the previous Government under the previous arrangements and commitments, which were made for the capital requirements of Anglo Irish Bank and the Irish Nationwide Building Society at that time. The Deputy asked if an opportunity will be given for that issue to be raised in the course of the debate. If he wants to raise that issue in the course of the debate later this evening, he is free to do so, and if arrangements are made for a further discussion on the issue next week, he would also be free to do so on that occasion.

An Ceann Comhairle: I will move on to No. 6b, Election of Leas-Cheann Comhairle and I call on——

Deputy Micheál Martin: Will the Ceann Comhairle grant me leave to raise a matter I omitted to mention at the start of proceedings? I ask the Ceann Comhairle and the House to join us in wishing a good colleague and friend, Mr. Denis Reid, who has served us down through the years and who is a man of great wit, a raconteur, a living historian and keeper of customs and no doubt the book will be a great read, a very happy retirement. I wish Denis and his family well and I hope he will have a very happy retirement in the months and years ahead.

He will retire today and I am sure Members will join me in wishing him the very best. I have no doubt the Ceann Comhairle will do the same.

An Ceann Comhairle: Absolutely.

The Tánaiste: I join Deputy Martin in wishing Denis Reid the very best on his retirement today from the service of the House. He has been and no doubt will continue to be the best weather vane and the best informed political commentator in the country. That man knows more about politics and what goes on in here and in individual political parties than anybody else. I wish him and his family the very best.

An Ceann Comhairle: I am sure many of the new Deputies did not have the opportunity of listening to the wisdom that comes from Mr. Reid.

Deputy Pat Rabbitte: They are pioneers.

An Ceann Comhairle: Perhaps if he was here for another few months they would have appreciated his value to the House, particularly if they frequented the Members' Bar for their lunch or a little drink after work. I join the Tánaiste and the leader of Fianna Fáil——

Deputy Finian McGrath: Ceann Comhairle——

An Ceann Comhairle: I see my colleague, Deputy Finian McGrath wishes to contribute.

Deputy Finian McGrath: A delayed reaction.

An Ceann Comhairle: I will let him speak, but first I join him in wishing Denis and his family many years of happiness in retirement.

Deputy Finian McGrath: As somebody who knows Denis, I wish him and his family the best of luck. I got to know Denis since I was elected to the House in 2002. I know him very well although that is not to imply I am a regular customer.

Deputy Emmet Stagg: He looks like a regular.

Deputy Finian McGrath: Some of the smoking gang in the Dáil would know him very well from having a chat out the back. I wish him well and thank him for all the stories and yarns over the many years.

Election of Leas-Cheann Comhairle

Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore): I move:

That Deputy Michael P. Kitt be elected Leas-Cheann Comhairle.

Question put and agreed to.

Finance Act 2004 (Section 91) (Deferred Surrender to the Central Fund): Motion

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I move:

That Dáil Éireann approves the following Order in draft:

Finance Act 2004 (Section 91) (Deferred Surrender to the Central Fund) Order 2011, copies of which have been laid in draft form before Dáil Éireann on 28 March, 2011.

Question put and agreed to.

International Agreements: Motion

Minister for Justice, Equality and Defence (Deputy Alan Shatter): I move:

That Dáil Éireann approves the exercise by the State of the option or discretion under Protocol No. 21 on the position of the United Kingdom and Ireland in respect of the area of freedom, security and justice annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union, to take part in the adoption and application of the following proposed measure:

Proposal for a Regulation of the European Parliament and of the Council on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (Recast),

a copy of which was laid before Dáil Éireann on 10 January, 2011.

Question put and agreed to.

Conduct of Member: Motion

Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore): I move:

That Dáil Éireann:

— notes the Final Report of the Moriarty tribunal;

- believes that the conduct of Deputy Michael Lowry set out in the tribunal's report was completely unacceptable for a member of the House; and
- calls on Deputy Lowry to voluntarily resign his membership of Dáil Éireann.

An Ceann Comhairle: Does Deputy Lowry wish to respond?

Deputy Michael Lowry: Yesterday during the course of my contribution I asked the Taoiseach, the Government and the leaders of the Opposition to frame a motion in such a way that it would not prejudice my position in relation to any action I may take at a later date. I understood it was being taken without debate but ten minutes before the Dáil resumed this morning I was told that in actual fact a right of reply had been inserted in the motion because of the necessity to give me the entitlement to respond. It was not something that I looked for nor it was inserted at the request of the Government or anybody else.

Obviously, I will not take 30 minutes to reply but I will make a few points in a very short space of time. I repeat that I have been the subject of investigation by various institutions of the State over a 16 year period. Eight separate inquiries have been conducted into my personal financial affairs and company affairs. The level of scrutiny, the level of inquiry and the level of intrusion is unprecedented in the history of this State. I believe — and I repeat — it is absurd that any individual should be subjected to such a prolonged and sustained attack. Several reports have been produced and, because it is important to understand this, I remind the House that despite the length of the investigation and time involved no charge has ever been brought against me. I have not been convicted of any charge and I remind the House that I am not a criminal despite the commentary to that effect.

Recently the Moriarty report was published after 14 years. Since that report was published it has been accepted as fact in many situations. I am a practising politician and I know in my heart that probably nobody in this House has actually read the report. They have all gone on the soundbites or picked up on the pieces they read in the media. They have all picked up on the pieces that led to sensationalism. The House should be reminded that the motion before it is in response to a publication that is based on opinion and not based on law or fact. This report is seriously flawed and is not grounded in fact or evidence. It does me and the civil servants involved a serious injustice.

Members should be mindful that since the report was published, or since this inquiry started, I have been punished to an extraordinary extent. There has not been a day in those 14 years when I was not abused verbally or vilified. To be blunt about it, there were times when I felt humiliated. In that regard, I thank the Members of this House who have shown kindness to me and I thank my family and friends for the support they gave me in very difficult times.

I ask the Ceann Comhairle to confirm that the motion does not restrict or interfere with my rights and entitlements or the privileges this House affords to democratically elected Members. I wish to have that confirmed.

I want to say to the people of the constituency I represent that I will continue to serve as a Member of this House, that I will give them the service I provided in the past and that I will do my best to do what is right for the people who have placed their confidence and faith in me.

I have followed the debate and I have heard the commentary in the House and on radio and television. I have listened to various contributions. Yesterday, I observed the main Opposition party, Fianna Fáil, push this motion and listened to the comments of that party's leader. Perhaps this morning's commentary reflects something of the debate we have held over the past two days but the general consensus was that the best part of yesterday's debate was its wind up, when the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte,

[Deputy Michael Lowry.]

exposed the hypocrisy of Deputy Martin and gave him one of the best bushwhackings I have seen in this House for a long time. In regard to the kind of posturing practised by the new leader of Fianna Fáil, Deputy Martin, and his clean-cut, Steve Silvermint image, it will not be long before the wraps come off. I am sure we will not have to wait long before other reports or issues come before the House and when the wraps come off I do not think they will be smelling of mint for Deputy Martin or his party colleagues who were so anxious to condemn me.

Deputy McDonald's sense of natural justice makes me want to retch. It comes from somebody who was associated with atrocities, mutilation and murders of civilians and unarmed gardaí. I will not take a lecture from Deputy McDonald or anybody in the Sinn Féin Party on my behaviour. As far as I am concerned, I am dealing with a report that has a long way to go before any of the opinions that were formulated in it find any favour. In light of the prolonged nature of these investigations — they have been going on for 16 years now — I am asking the Tánaiste, as a citizen of the State, that my constitutional right to have all these matters brought to a conclusion be respected. How long more am I expected to withstand this kind of scrutiny? How long more am I expected to stand up without any support or assistance to defend myself legally or any other way? I am asking him and the Minister for Justice and Law Reform to ensure that whatever Garda inquiry takes place be done expeditiously and brought to an end, and that I then be allowed to respond to whatever may or may not emanate from that inquiry. I do not want this report to be sitting indefinitely in the Garda headquarters or the Office of the Director of Public Prosecutions or wherever it is sent. I want a result. I want a decision and I am entitled to that after this prolonged period of time.

An Ceann Comhairle: In reply to Deputy Lowry, I repeat that this House is not a court of law, and questions of guilt or innocence are matters for decision by the court. Is the motion agreed to?

Deputy Eamon Gilmore: Does the Ceann Comhairle want me to reply?

An Ceann Comhairle: No; there is no debate, as we agreed.

Deputy Michael Lowry: A Cheann Comhairle, could I have a response to the——

An Ceann Comhairle: No, thank you. I have put on the record that it is a matter for the courts to decide on the question of guilt.

Question put and agreed to.

Communications Regulation (Postal Services) Bill 2010 [Seanad]: Second Stage

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I move: "That the Bill be now read a Second Time."

I am pleased to present this Bill for the consideration of the House. The Communications Regulation (Postal Services) Bill is the first piece of legislation I will be introducing to the 31st Dáil and I am pleased that it is such a significant one. The Bill was passed by the Seanad last December and was introduced in this House prior to its dissolution in February. I have read with interest the contributions made by Senators and Deputies during the earlier Stages of the Bill. As befits a discussion about a service that is so important for the country both economically and socially, many Senators and Deputies spoke on the Bill and I agree with many of the sentiments that were expressed.

Although the Bill I am re-introducing today is as passed by the Seanad, I wish to advise Deputies that there are a number of very specific proposals with regard to the Bill in the programme for Government, to which I will give my full consideration before Committee Stage. These proposals include the duration of the designation of An Post as the universal postal service provider; the provision of Exchequer funding for provision of the universal postal service; and the requirement for ministerial approval for ComReg's decision on the designation of a universal service provider. My consideration of these proposals will be guided not only by my own deliberations and meetings with relevant stakeholders, but also by the discussions in the House. I look forward to listening to contributions from across the House on this important Bill. I intend that at the end of the legislative process the Bill will reflect the concerns and wishes of those who spoke and the people they represent, in so far as these correspond with the best approach for Ireland as a whole.

The postal services market has been fully open to competition since 1 January of this year under the third postal services directive, and competitors to An Post are now free to enter the letter post market. The aim of the Bill is to establish a robust regulatory framework for this newly liberalised postal sector. The economy and society at large need a strong and vibrant postal service, and a framework is needed which takes account of the significant challenges facing the sector over the coming years. The Bill incorporates mandatory provisions under the third postal services directive, such as the safeguarding of the universal postal service and the removal of the remaining area reserved to incumbent postal service providers, plus other provisions to achieve the spirit of the directive. This directive is a significant milestone for the postal sector in that it is the final step in the opening of the market.

The Bill aims to strike a balance between safeguarding the universal service, protecting consumers' interests and establishing a framework for the development of a competitive postal sector providing high quality postal services. It represents a pragmatic approach to the opening of the postal sector and the aim is for the individual consumer, the business sector and the wider economy to benefit from increased competition and a broader range of services.

That the sector is facing challenges must be acknowledged. Liberalisation and competition will pose challenges for An Post, but there are far greater and more immediate threats to An Post and its business model. The ongoing effect of the recession and the impact of electronic substitution are having a far greater impact on An Post's letter post market than will any market entry by traditional postal competitors. The migration from post to electronic communications will only accelerate and it is essential that An Post adapts to this new reality. An Post's situation, however, is not unique. Postal service providers worldwide are having to reinvent themselves. A reliance on legal protections that shield An Post from competition will not ensure it is in a position to face other challenges. In fact, ignoring or turning a blind eye to liberalisation only delays acceptance of the reality of the postal market and, as trends accelerate, will leave An Post in a weakened position and less able to compete.

As a form of communication, the postal sector worldwide has evolved. A total of 90% of letter post is now business-related and this has implications for how postal service providers, including An Post, must position themselves. It requires far greater flexibility and a focus on innovation to meet the evolving needs of users, particularly business users, and maximise the value added by post to their customers. A commercially focused An Post, offering high-quality, competitively priced services, is a must for the development of the postal sector. This was the strong message from stakeholders, including competitors and potential competitors to An Post. Everyone expects that An Post will remain an important player in the market.

An Post must look afresh at its relationships with its customers, and, indeed, its competitors, and adapt accordingly. It must actively seek to meet the needs of its users, consider ways of

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harnessing the potential of electronic communications and incorporating them into its product offerings and increase its business accordingly. Success in this regard will be critical in ensuring that An Post remains strong and is the postal delivery company of choice for the foreseeable future.

An Post has many genuine strengths, such as its dedicated workforce, its trusted brand and its strong, visible presence in every community in Ireland on every working day of the year — a presence that few, if any, competitors will be in a position to replicate. An Post and its staff must play to these strengths and ensure that its resources are aligned with the needs of its users. To do so will involve significant change and I understand this is under way. The adoption of such a strategy offers the most sustainable future for An Post and its workforce, given the third postal services directive is a reality. A continuation of the partnership approach, which has delivered significant benefits for An Post in recent years, is the best way for the organisation to thrive in a changed postal landscape.

The Government is committed to a strong and vibrant An Post. Currently, it wins a significant volume of business from Government departments, both for postal services and financial services delivered through the post office network. However, while the Government will continue to strongly support An Post, a reliance on Government contracts in the future is not a valid or robust strategy for it to take to address the challenges it faces.

The Bill does not impact on issues such as the rural post office network, post office banking services and other savings services supplied by An Post. In addition, the delivery of Government and financial services through the post office network is not affected by the Bill. The strong presence of An Post throughout the country will continue, but An Post must fundamentally reinvent itself and I am confident that the management and staff are capable of this. Along with some compulsory elements of the directive, a number of decisions are left to individual member states with respect to how the directive is transposed and stakeholders have been widely and comprehensively consulted on the general approach reflected in the Bill.

The legislation sets out the high level principles underpinning the regulatory framework, striking a balance between ensuring the provision of the universal service, enabling the development of competition and putting in place provisions around consumer protection. Safeguarding the universal postal service is one of the explicit requirements of the directive and is central to this Bill. The universal postal service will ensure the collection and delivery of mail to every address in the State on every working day and it is important that this minimum, but significant, level of service is enshrined in primary legislation.

Another central theme of the directive and the Bill is the protection of the interests of users. In addition to ensuring the universal postal service throughout the country, the Bill also provides for complaints procedures to apply to all postal service providers. The introduction of a price cap will afford protection against significant price increases for those users, including individuals and small and medium enterprises, who do not have the bargaining power to negotiate a better deal for their postal services.

Market opening is a requirement of the directive and the legislation represents a sensible and pragmatic approach to facilitate this. The objective in opening any market is the promotion of effective competition and the encouragement of innovation, all with a view to improving choice and ensuring access to high quality, competitively priced and innovative products. A competitive, customer-oriented postal sector can play a key part in Ireland's recovery of its competitiveness but this will require a sharper focus on innovation and satisfying the current and future needs of consumers.

The opening of the postal sector has been signalled for a long time. Postal reform began in the EU in 1988 with a review of policy to bring the sector into line with the Single Market. In 1992, the Commission published its Green Paper on the subject and the first postal directive was published in 1997. Since then there has been a managed and gradual phasing in of competition to the sector, giving all players time to adapt to the changes and implement strategies suitable for the new environment. The final step is the transposition of this third directive and the removal of the remaining area reserved for incumbent postal service providers.

At its heart the Bill recognises the fundamental difference between An Post and other postal service providers. As the incumbent and the most significant operator, it is appropriate that An Post be subject to the greatest level of regulation. The most significant obligation to be imposed on An Post is that it will be designated as the universal postal service provider. The essential element of the universal service is the collection and delivery of mail to every address in the State on every working day. This minimum service is guaranteed by the directive, and designating An Post offers certainty to that organisation, postal service users, the market and the EU that the universal service obligation will be met.

This designation does not prevent the development of competition. An Post's legal monopoly on the final reserved area — the letter post market — has been removed and other postal service providers have been free to enter this market segment since January. The Bill charges the Commission for Communications Regulation, ComReg, with the objective of enabling the development of competition and innovation in postal services, which should also bring benefits to consumers.

An Post has to date met the costs of providing the universal service from its own resources. It is my strong expectation that the organisation will continue to meet this from its commercial revenues. However, in line with the options permitted by the directive, the Bill contains a provision whereby costs that arise in meeting this obligation which are found to be an unfair burden will be met by the postal industry through a sharing mechanism. It is right and appropriate that those postal service providers competing with An Post within the universal service contribute where the Regulator verifies that an unfair burden exists. This mitigates the impact of potential cherry-picking on the universal service provider. Other member states have also made provision for sharing mechanisms.

Exchequer funding of the universal service is not an option currently provided for in the legislation. However, the programme for Government contains a proposal to provide for Exchequer funding and I will consider this in the context of introducing amendments on Committee Stage. The framework being put in place has many similarities to that for the communications sector and other regulated sectors. It contains no new legal or regulatory principles and it does not attempt to break new legal ground.

The Bill sets out the high level regulatory principles for the sector and provides that the detail of the regulation will be the responsibility of ComReg, the Regulator of the postal sector. ComReg has a critical role to play in the overall development of the sector. It will be charged with ensuring the provision of the universal postal service, ensuring compliance by postal service providers with their obligations and will be required to review the designation of An Post. Currently, provision is made in the Bill for other postal service providers to be designated in regard to universal services after the seven-year designation has expired or for no designation to be made, as the case may be. The duration of An Post's designation is something I will also consider in the context of the programme for Government proposals.

As regards ComReg's role, I am confident that the many lessons learned in the regulation of the communications and postal sectors to date will be put to good use when regulating this new framework. A regulator, independent of postal service providers, is an explicit requirement

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of the directive and, where member states retain ownership or control of postal service providers, effective structural separation of regulatory functions from activities associated with ownership or control is also required. I understand that an issue that was aired during the debate on the legislation in the Seanad was a perception that there was a lack of accountability of ComReg to the Houses of the Oireachtas. I assure Deputies that the Communications Regulation Act 2002, which established ComReg as an independent statutory body to regulate and to take key decisions in regard to the electronic communications and postal sectors, also provides that ComReg is accountable to the Oireachtas on the performance of its duties. In addition, where it is necessary from a strategic perspective, the 2002 Act allows the Minister for Communications, Energy and Natural Resources to issue strategic policy directions to the regulator. We must keep under review whether these checks and balances are satisfactory and in the context of the programme for Government, I will give consideration to a role for the Minister for Communications, Energy and Natural Resources in the designation process. The Bill contains a basic provision to enable the State to establish a national postcode system.

I turn to the text of the Bill, as passed by the Seanad. A detailed explanatory memorandum on the Bill was published, and I will highlight the main provisions, including those agreed to on Committee Stage in the Seanad. The Bill is divided into three parts. Part 1 contains standard preliminary provisions and amendments to other enactments. The main part of the Bill, the regulation of postal services is set out in Part 2. This part addresses ComReg's role and powers, defines a universal postal service and provides for the designation of a universal postal service provider; price regulation; authorisation procedures and conditions; and the regulation of the terms and conditions around the provision of free postage to electoral candidates. It also addresses enforcement issues and offences with regard to postal services.

Part 3 enables the Minister for Communications, Energy and Natural Resources to establish, maintain and operate a national postcode system. This Bill shall, when enacted, be cited collectively with the Communications Regulation Acts 2002 to 2010 and these Acts shall be read together as one Act.

The intention is for this Bill to come into operation as soon as possible, with the exception as the case may be, of section 43, which relates to the referral of postal packets to the Revenue Commissioners, and is dependent on the progress of the draft customs Bill. Some key items of existing postal legislation have been updated by this Bill so that they are compatible with a liberalised market. Some of this legislation predates the founding of the State and repeals and revocations are provided for in Part 1.

Part 2 is the essence of the directive. ComReg is designated as the national regulatory authority for the purposes of the directive and its functions, objectives and powers as set out in the principal Act of 2002 are amended accordingly. ComReg is charged with ensuring the provision of the universal postal service, promoting competition and innovation, and ensuring compliance by postal service providers with their obligations. Part 2 addresses ComReg's enforcement and information gathering powers in respect of postal operators — mainly in Chapters 1, 2, 3, 9 and some of Chapter 10. It is important that the design of the enforcement element of the postal framework is proportionate. In this regard, the power to summon witnesses and examine them under oath, which represents a very strong enforcement option, is not appropriate for the postal sector at this time and consequently is now being removed. Similarly, I am confident that the powers available to ComReg such as the direction making powers, and those concerning information gathering, pricing and access will allow it to discharge its competition functions and therefore co-competition powers are not being extended to ComReg for the postal sector.

ComReg's enhanced powers will result in improved services and more choice for the consumer, safeguard the provision of the universal postal service and provide the regulatory cer-

tainty to encourage more players to enter the market. The individual consumer, the business sector and the wider economy will benefit from increased competition and a broader range of services, which is the ultimate aim of this important Bill.

The essential element of the universal postal service is the collection and delivery of mail to every home and premises in every corner of the State on every working day. This is enshrined in Chapter 3. Chapter 4 designates An Post as the universal postal service provider for a period of seven years. ComReg is to review this designation before the end of this period and may designate An Post again, or designate another postal service provider or decide that no such designation is required. ComReg is also required to ensure that the reasonable needs of users are met, and will specify by regulation the services to be provided by a universal postal service provider.

Chapter 4 also provides for oversight by ComReg of a universal postal service provider's terms and conditions. This replaces An Post's power to set out its terms and conditions in schemes under the Postal and Telecommunications Services Act 1983, the Act under which An Post was established, and is more appropriate for a liberalised and multi-operator market.

ComReg will also have a role in price regulation. In the interests of protecting consumers in those products or market segments where An Post, as the dominant postal service provider, is not likely to face competition at least in the immediate term, the Bill requires ComReg to impose a price cap, providing certainty to both An Post and its customers.

A central theme of the directive is the protection of the interests of users. In this regard, the Bill sets out in section 23 the tariff principles with which a universal postal service provider's services must comply, including affordability and cost orientation. Section 27 provides for the setting and monitoring by ComReg of quality of service targets for the designated universal postal service provider or providers, while section 37 provides that prior notice be given to users where a postal service provider intends withdrawing a postal service that is within the scope of the universal postal service. Section 38 requires every postal service provider to draw up and implement a code of practice dealing with complaints from postal service users. ComReg will be charged with resolving disputes that remain unresolved after the procedures in the code of practice have been followed.

The Bill sets out clearly in Chapter 6 the obligations with which postal service providers must comply — distinguishing, as the directive does, between postal service providers depending on whether they offer services within or outside the scope of the universal service. All postal service providers are required to register with ComReg and section 32 requires ComReg to publish guidelines to enable providers to declare whether the postal services they supply are within or outside the scope of universal service. This distinction is fundamental to the regulation of postal services.

Section 40 extends protection for whistleblowers who disclose appropriate information on the postal sector to ComReg. Chapters 7 and 8 set out a series of technical provisions associated with the provision of postal services, while Chapter 9 deals with enforcement issues. Chapter 9 also includes a new section, section 47, introduced on Committee Stage in the Seanad, which provides for an appeals mechanism allowing persons affected by decisions made by ComReg to appeal those decisions to the High Court. This provision is in addition to the right to judicial review.

Chapter 10 provides for offences, including offences relating to the opening of postal packets and mail bags, the sending of certain items by mail, the obstruction of a universal postal service provider, malicious interference with a post box and the secretion of postal packets. This chapter also includes a new section, section 49, which was introduced on Committee Stage in the Seanad. Section 49 enables the Minister for Communications, Energy and Natural Resources

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to issue directions to all postal service providers on the interception of postal packets carried by those postal service providers. This power had previously been confined to packets carried by An Post only. The Department of Justice and Law Reform has advised my Department that it is essential from a law enforcement and security perspective to ensure that all postal service providers in the market are subject to directions to comply with interception authorisations.

Chapter 11 amends the regulation of the provision of free postage to electoral candidates. Electoral candidates' entitlement to free postage under electoral legislation remains unaltered by the Bill. However, the provisions set out in chapter 11 reflect the fact that An Post will no longer make statutory schemes under which its terms and conditions are set, and in keeping with the spirit of the directive and liberalisation, provision is made for the Minister for Finance to designate An Post, or another postal service provider, to provide free election post.

Finally, Part 3 of the Bill provides that the Minister for Communications, Energy and Natural Resources may establish, maintain and operate a national postcodes system. In addition to the provisions I have just set out, I will bring forward a number of amendments to the Bill on Committee Stage. In the main, these amendments are of a technical nature and seek to clarify certain provisions in the Bill. I will also give consideration to the proposals in the programme for Government which relate to the Bill, which may result in more substantive amendments.

I look forward to hearing the views of Members on this important piece of legislation. I also look forward to the assistance of Members in facilitating the Bill's early passage into law as the transposition date for the 3rd Postal Services Directive has now passed. In the interests of providing certainty to all market players, enabling the development of fair competition and enhancing the protection of postal users, it is important that the most appropriate regulatory framework to oversee this newly liberalised and valuable market is put in place swiftly. I commend the Bill to the House.

An Ceann Comhairle: I call Deputy Éamon Ó Cuív. I understand he is sharing time with Deputy Seán Fleming. Is that correct?

Deputy Éamon Ó Cuív: Le cead an Tí, ba mhaith liom mo chuid ama a roinnt leis an Teachta Seán Fleming.

Ba mhaith liom buíochas a ghlacadh leis an Aire as ucht an cur síos cuimhsitheach a rinne sé ar an mBille. Glacaim leis nach bhfuil aon rogha ag an Aire ach an Bille seo a thabhairt isteach, ach is fiú dúinn an dia beag atá déanta ag an Eoraip de iomaíocht a phlé beagáinín sa Teach. Tá mé cinnte, lena chúla i bPáirtí na n-Oibrithe, go mbeidh spéis ag an Aire ins an cheist seo a chíoradh agus a phlé.

I am delighted to have an opportunity to speak on the Bill. I accept that the Minister, no more than the previous Government, has no choice but to implement this EU directive, but it is important to reflect whether Europe has not made a little god out of competition as the resolution of all problems and the guarantee of top class services.

I do not necessarily think, particularly in an island such as ours that is on the periphery of Europe, that competition is the answer in all cases to quality services. It is interesting at this juncture to examine the impact the absolute fixation with competition has had on Europe. The banks are probably one of the best places to start because in setting up the euro it is interesting to consider the tight fiscal controls on states specified by the European Union. I refer to the 3% borrowing requirement. The EU did not specify any similar controls on the private sector because of the belief that the private sector would eventually regulate itself and control itself and that competition would provide the best service to the customer. We now know of course what competition did in that case. The excuse given by the likes of Rabobank, Allied Irish

Banks and others for following Anglo Irish Bank in the property market was that competition and share price dictated that they had to follow in order to try to make competitive profits. I therefore think it is important to examine once again at a European level whether the structure it has put in place to govern competition is the appropriate model in all cases. I am not sure it is.

There is still a role for saying that certain essential services should not be open to competition, that the principle of universal service should be maintained and that it should not be subsidised by the taxpayer perennially. It is interesting to note the number of guarantees made in the Bill to ensure that in the event of cherry-picking by the private sector, which it will inevitably do, it must return its profits to the universal service provider so that it can provide a universal service. The Minister has given away that even he does not believe that because he said that he is now considering the possibility of including in the Bill the power to give Exchequer funding. In other words, no more than in the private health insurance market, the Minister is not sure that when push comes to shove the Government will be able to force private operators that will come into the market and no doubt be more than willing to provide services to big businesses in the city to hand over profits through ComReg to the universal service provider that must literally go from house to house in the most rural parts of the country.

It is important that we reflect on that point because I foresee what will emerge from the Bill is profit for the private sector in cherry-picked areas while the Exchequer funds services in rural parts of the country. What will happen over time is that there will be a campaign to say that it is no longer possible for the Exchequer to fund day to day services in rural areas. The Minister referred to the digital divide and the fact that those in more isolated areas could do with a two day or three day service or would have to pick up their own mail. That is the way I predict this will all play out in the next ten to 15 years. It is important that we look forward to see the inevitable path on which we are going to go.

Another interesting issue is the row-back already made by the Minister on the firm commitment in the programme for government that the universal service would be provided by An Post for 20 years. It is interesting to note that the Minister said:he would consider the commitment in the programme for government. We heard about the Treaty of Limerick. The ink was not dry on that particular treaty before it was broken. It seems to me from what the Minister said today that the programme for Government is a bit like the Treaty of Limerick — no sooner was it signed than the Government started rowing back on the very fine commitment it gave. I urge the Minister to honour the commitment given when he is considering the matter on Committee Stage and to ensure that the 20 year guarantee of a universal service to every house, every day of the working week will be guaranteed by An Post. If he does not do that, the credibility of the Government will be tarnished.

I was interested in what the Minister said about giving strategic directions to ComReg. I am sure that in his previous life as a Minister of State, the Minister felt many times that it was in the interest of the public to give direction to a semi-State body but he was told that he could not do that, he could not interfere. He would have been told that because the direction was not a strategic direction he could not give it. I suggest to the Minister that he might reflect on an amendment to the Bill and consider putting in a provision to the effect that the Minister can give any direction to ComReg that he sees fits subject to laying it before the Houses of the Oireachtas. While I believe one must have independent regulation, sometimes the regulators hide behind their independence and do not necessarily always act in the wider interest. There is no point in saying that the regulator must appear before a committee and give a great cur síos ar an obair a tá sé a dhéanadh, but that the Oireachtas does not have power to direct it if it believes that the service being provided and the competition being offered is not in the best interests of the people. Therefore, a direction would be useful, even if it was part of an armoury

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that would only be used in extreme circumstances. The Minister would retain that power subject to the relevant information being laid before the Oireachtas. Thus, there would be full transparency when a direction was given. Having that power would mean that if concerns were raised with ComReg by a Minister, the former would know that the Minister would have the power, in the extreme, to give a necessary direction in the public interest.

It is all fine to talk about independence, but we must consider every consequence. I understand the dilemma if the State, semi-State and private sectors are all mixed together and that there is a need for day-to-day independence. However, there is another element of independence that warrants considerable examination. Independence often means independence of the Oireachtas and the Government elected by the Oireachtas. This means people lose any control they may have over the actions of the bodies in question. That can often lead to frustration in the public mind. When something happens with which the public is not satisfied and about which it is absolutely mad and Members who are all elected to act on behalf of the people ask the Minister about it, they may hear a stock reply to the effect that he or she cannot give any direction on the matter because the body in question is totally independent of him or her. Having been a Minister, I understand this can be frustrating. We need to strike the correct balance. A direction, if given, must be transparent. All of the relevant bodies should be subject to the overwhelming will of the Oireachtas. I hope the Minister will consider this issue in more detail as the Bill passes through the House and suggest how he will ensure this measure does not take on a life of its own, thereby failing to achieve what people want and eliciting the response that he can do nothing about a matter because the regulator is independent.

I am interested in the issue of price mechanisms. I know there is a price cap, but this seems to represent the thin end of the wedge in respect of another major change that is to take place. I believe private companies will enter the market over time and cherry-pick all of the urban areas where they will offer very competitive rates and cherry-pick the easy business. They will undermine the cross-compensation we are used to in the postal service, whereby, irrespective of whether one posts a letter from Ballydehob to Malin Head or down the street within one's own village, the cost is the same. The private operators will provide very competitive services at very good prices in their designated areas. An Post which will have enjoyed cross-subsidisation in respect of a letter that travelled 100 yards and one that travelled 100 miles, will find itself losing money. Therefore, it will make the case that it should receive compensation because of the private companies. As I stated, my belief is that when it makes that case, the money will not be forthcoming. The case will have to be made to the Exchequer for funding for something that is now self-funding on a reasonable basis. I refer to the sending of a letter from one destination to another at a uniform cost. In time, the practice of posting a letter at standard costs to national and international destinations will disappear. It will be discovered that if one wants to post a letter to the far end of Ireland, it will be more expensive than if one wants to post it within urban areas. A system of universal service at a universal charge is being done away with subtly. I am not sure all these changes are for the good.

I am sure that the Minister, with his union background, will agree with me that there was a lot of sense to the idea behind a semi-State body providing a universal service, at a universal cost, that was vital to everybody in the country. We did see weaknesses in the system, however, and there was lazy management or management that was not innovative in some of the companies in question. However, others were incredibly successful. We also witnessed very restrictive labour practices, driven by unionised people who did considerable damage to the interests of the workers within certain semi-State bodies by refusing to modernise work practices quickly and move with the times. Given the Minister's background, I was very interested to hear him talk about the need to modernise. I agree with him in this regard. Reference was made to the

need to use digital technology in conjunction with the physical letter which will always need to be delivered to houses, not only because of the digital divide but also because there are certain documents that can be posted more conveniently than sent by e-mail.

I do not agree with the European Union's view that the wholesale doing away with the approach we have had is necessarily good. The previous Government was very clear in its view that it had no intention whatsoever of selling off any of the basic State assets. I hear rumours about Coillte and I am totally opposed to selling it. I also hear rumours about the ESB. Any selling off of ESB Networks would be utterly disastrous for the country. I refer again to the idea of a universal service.

I understand it is intended to introduce postcodes. "Postcodes" may be the wrong word. Postcodes, be they for one's satnav or another purpose, would provide a unique identifier of every location or address in the country. For millions of reasons, this is a very good idea and should have been introduced years ago. An Post is one of the groups which need postcodes least because it already has a very efficient system of sorting the post. However, having a unique address in my part of the world would not be too bad because certain letters would not arrive at their proper destinations if the sender did not distinguish between recipients' names such as Páraic Míicil Mac Donnchadha and Páraic Tomás Mac Donnchadha. If there were a unique code, it would make sense.

When this issue was being discussed by the previous Government, the concept of an alphanumeric code was raised. That gave rise to a further issue, namely, that if one were using the alphabetical part of the code, the letters in the code, one would have to ask whether the code should begin with a letter corresponding to the placename or whether there should be no easily discernible relationship between the code and the place. One could use the letter "G" for both Galway and Gaillimh without difficulty because they begin with that letter in the two official languages of the State. However, a difficulty would arise with other locations in that one would have to determine whether the alphabetical part of the code for Dublin should be "D" or "BAC", the latter being derived from Baile Átha Cliath. If one were to opt for an alphanumeric coding system that would make locations decipherable, there would be a dispute between those who believed the first official language of the State should be the basis of the code, those who believed the second official language should be its basis and those who believed it should be the choice of the user to use either language in the code. We saw this occur in respect of car registrations. I, therefore, ask the Minister to reflect very carefully on the issue. The former Minister for Communications, Energy and Natural Resources, Mr. Eamon Ryan, received delegations on the matter.

The easy answer to the problem is not to use an alphanumeric code that relates in any way to the postal destination. I can never make out postal destinations from the codes used in Northern Ireland. I do not know if there is a relationship in the codes between places and letters.

However, if the first official language were chosen no doubt one would receive 100 arguments from public servants as to why it was not practical, although for the life of me I do not know why one would state it would not be practical. When I write letters to England I just write the alphanumeric code but it does not tell me to where I am writing; I never see the connection between the code and the place in London or Manchester to which I am writing. I just write the numbers and letters. This matter could be forestalled by a little bit of careful consideration. Will the Minister consider this issue carefully as I believe that a potential row could be forestalled by using a purely numeric code or an alphanumeric code that does not try to identify the area? My preference would be to use the first official language since I do not think it makes much difference. If the number for a house in Dublin

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was 5268BAC I do not think it would make any difference if one did not know from where the “BAC” came originally. It has never caused me any difficulties in writing to British addresses that I do not know how they derived the code; I merely copy the code.

Deputy Sean Fleming: I thank Deputy Ó Cuív for sharing time and look forward to speaking on the Communications Regulation (Postal Services) Bill 2010. I was very intrigued by the final part of Deputy Ó Cuív’s commentary on whether the alphanumeric part of the code should be in Irish or English. I have not even thought about that but I suggest — perhaps it is the accountant in me coming out — that it be kept strictly numerical. People know the telephone code for their part of the country, whether it is 01 or 057. In my area, 05787 is south Laois and 05786 is north Laois. In Cork, the code is 02, and 06 and 07 are used elsewhere. I will leave aside the mobile phone network. When a numeric code becomes established, as the phone codes have done, in time people get the gist of what code represents what part of the country. I would leave out letters and keep it simple.

I was looking forward to speaking on this legislation prior to the general election being called because I had many reservations about the Bill as originally produced by the previous Government. At the time, I and several other Fianna Fáil the backbenchers spoke with the then Minister, Eamon Ryan, about flaws we saw in the legislation and we asked him to take on board our comments on Second and Committee Stages. To be honest, I do not think the man understood the first thing about what we discussed. If there is one good side-effect from the change of government, it is that Eamon Ryan will not pilot this through the House, because he did not understand the rural postal system, about which most of us spoke to him. He was debating rural post offices. His mind was not where the legislation was and that is all I have to say. I am pleased the election intervened and that we will have more time to make an input. I was concerned the legislation was going to be rushed through prior to the election.

At this early stage, I commend some of the proposals made by the Minister. When we were in government, we listened to workers at An Post and members of the Communication Workers Union. The agreement to designate An Post for a 20 year period offers more certainly to An Post as does the provision of Exchequer funding. The possibility of ministerial approval for ComReg to designate a universal service charge is to be welcomed. I would prefer if the Minister would go further on this but I welcome the direction in which he is going.

There has been much discussion about the role of quangos. ComReg is an independent quango and this is enabling legislation to transfer powers from the Department and the Minister to a new enlarged quango, ComReg. Inevitably, when ComReg takes on this area it will require more power, staff, resources, functions, authority and independence. The more we strengthen the role of quangos, the more we take power from those who elect the Government and hand it over to what we call “independent bodies”. We will lose democratic control. We do not want political interference in these matters but the idea of the Oireachtas divesting itself of power to give greater powers to either a new quango or to beef up an existing quango needs to be considered because it is not very good. We are passing enabling legislation to give power to ComReg to do whatever it chooses. When dealing with an independent State organisation, one depends on the character, philosophy and ethos of the chief executive. One will be dependent on whether he or she believes in competition.

I am pleased there will be an appeals mechanism against ComReg through the courts. However, this will be very expensive for a new entrant to the field. We must bear in mind that ComReg will be funded by the State and will have limitless resources. Even if a Government body knows it is wrong, it will appeal a case to the highest court so it can state that it did so. This is how the public service works.

It is important that everyone recognises we are discussing the posting of normal envelopes. Parcel post has been dealt with separately and the market is working well. I am concerned about the idea that people will have to pay An Post for the use of its services. It will become like the VHI; we will end up doing to An Post what happened to the VHI, which is a bankrupt organisation which needs subsidies from its competitors. However these subsidies are not enough and it needs further levies from the private insurance market and the Government is examining the situation because it knows it is not tenable.

What is happening to the Royal Mail will also happen to An Post, whereby it is stated this element of competition almost bankrupted it. Under this Bill, An Post will be obliged to provide a daily service and this is very important and we agree with it. However, this is the most expensive part of the system as it involves putting someone in a van to deliver post to 100 houses every day. This is highly expensive and it could cost up to a couple of euro to deliver letters to remote areas. If this legislation is introduced, An Post will be caught with this element as other providers will cherry pick. People argue cherry picking will not happen, but the purpose of the legislation is to allow private competition. If it was not going to be this way the private sector would not seek the business. This will cause a problem for An Post. Where will the private sector intervene in the postal service? It will not want to make local deliveries in rural areas. It will want to sort at national level but bypass An Post's regional mail centres and make the very expensive end of delivery at local level compulsory for An Post. This will cause a big argument about how much the local postman should be paid to make the delivery.

I am very concerned for areas such as Portlaoise which has one of the largest mail centres outside Dublin with approximately 400 staff. Major investment has been made there and it is the most efficient part of the system. However, this will be undermined because the private sector will be able to bypass regional mail centres and local sorting offices and go straight to the postman who will be obliged to deliver the letters regardless of whether An Post thinks a fair price has been paid. This will be decided by the communications regulator. This approach has almost bankrupted the Royal Mail and it is happening here also. There will be cherry picking.

If a cap is placed on the price of a stamp or franked mail, a levy will be introduced and we will be told it is not an increase in the postal price but a levy to pay for the universal delivery charge. It will be like the ESB bill, which shows extra levies and one is told they do not represent an ESB price increase. There was a time when one received an ESB bill with only one price for usage but now it contains approximately six charges which one is told are not ESB charges. However, they are costs to be borne by the individual. What powers will the Minister retain to ensure the universal service delivery will be protected without bankrupting An Post? I advise the members of the Labour Party that this is a significant step on the road to the ultimate privatisation of An Post. People may choose that but, in my view, the mad rush to privatisation of every service in the country is not necessarily the best way. This Bill is a significant step on the road towards privatisation. The parcel service is in the main used by the commercial and retail sectors as most people nowadays receive very few parcels to their homes. However, they need to receive a daily letter post and once this system is undermined, An Post will be in a difficult position, the State will not wish to subvent it and it will end hiving off some of its activities, and this will be another step towards ultimate privatisation.

I am pleased the Minister has said he will table amendments on Committee Stage which can then be teased out. We will be seeking to table some additional amendments. However, I acknowledge that some of the measures he has proposed will be an improvement which we did not get around to before the general election because time did not allow that legislation to be dealt with. It is good we decided to postpone the Bill. The Minister has said the EU deadline has already passed but I do not think a few extra weeks for the passage of the Bill through the

[Deputy Sean Fleming.]

House will be a problem. The sky will not fall in. We will want to see the Commissioner for Communications Regulation coming before the committee to discuss some of the regulations he intends making. His perspective is to see the market working and the needs of the customer might come second. He spends his time dealing with the business and commercial market and with those who want to cherry-pick An Post. He will not be meeting the consumers, the users of the service. I suggest ComReg should set up a postal service users' council on the lines of RTE's system for regularly checking with viewers to obtain feedback on programmes. An Post carries out its own surveys and it says that delivery levels are 95% when letters are correctly addressed. In my view, there is a case for a consumer council to provide an informal input. I look forward to discussing this legislation in further detail on Committee Stage.

Deputy Martin Ferris: I wish to share time with Deputy Seán Crowe.

Acting Chairman (Deputy Joanna Tuffy): Is that agreed? Agreed.

Deputy Martin Ferris: Unlike Fine Gael, Labour and Fianna Fáil, Sinn Féin opposed the postal directive in the European Parliament and we are opposing this consequential Bill. The reason we opposed it in the European Parliament is that it clearly sets the agenda not only for liberalising the postal services, but for breaking them up and selling them off. Prior to the election, Sinn Féin opposed this Bill which was supported at that time by the then Opposition parties, Fine Gael and the Labour Party and also by Fianna Fáil. The former Minister, Deputy Éamon Ó Cuív, made valid points in his contribution, yet when he was on the other side of the House he was prepared to push the Bill through. I acknowledge he spoke very well about the consequences of the Bill, such as cherry-picking, and his arguments were quite good, yet, when he was a Minister, he was prepared to support it. I do not understand how a person can change his position overnight, like switching off a light.

Defenders of the directive claim that it can provide protection of the universal service obligation. However, in reality, that is not the case and the proof of this can already be seen in other EU states which have legislated to put the directive into domestic law. As I said when I spoke on this Bill in the previous Dáil, this is a charter for the breaking up and the ultimate privatisation of postal services throughout the EU.

When the former Labour Government in Britain first proposed the introduction of measures to put into effect the provisions of the directive, it claimed that it would actually protect against privatisation and would maintain existing levels of services. In fact, Labour had already decided to sell off 30% of Royal Mail. Of course that has not prevented Labour, now in opposition, claiming that it is opposed to privatisation. This is hypocrisy. What Labour in Britain did when in government and what it now says in opposition is very similar to what I hear in this House today. The legislation introduced by its successors in the Conservative-Liberal Democrat coalition to put in place the directive also contains provision to privatise postal services and clauses which will allow postal providers to opt out of the universal service obligation.

It is clear that those who are claiming that this Bill will protect An Post are being less than honest. The provisions of the Bill provide scope down the road for a radical dismantling and selling off of An Post and the doing away with the obligation to provide a universal service.

This Bill is a charter for cherry-picking, the process whereby market entrants provide services solely or mainly in the lucrative end of the market leaving the existing operator with most or all of the loss-making end. In postal terms we can expect the private operators to be interested in Dublin and Cork, leaving rural Ireland to the State provider. This will make the provision of rural postal services non-viable without significant price hikes or taxpayer subsidies. Cherry-picking is not a possible outcome of this proposed liberalised market; it is a certain outcome.

The Ecorys 2005 report on the development of competition in the European postal sector predicts that private providers in Ireland will seek to operate in niche markets and in certain geographical areas. In the new market, rather than establishing any genuine competition with An Post, the private companies will simply take the easy profits. This will remove the revenue streams that are necessary for An Post to cross-subsidise the price of deliveries to rural homes. As a competing business, An Post will be left with three options, which are to hike the price of stamps exorbitantly in rural post offices, to seek Exchequer funding support or to sell off key parts of the business. This seems inevitable but I hope I am proven wrong.

The so-called “sharing mechanism” contained in the Bill, is a non-runner. The Bill provides that ComReg may at an unspecified time come up with some sort of mechanism to have the new private operators compensate An Post for the burden of their universal service obligation. This reminds me of risk equalisation and the health insurance market that was liberalised in the not too distant past and we all know how that ended. The compensatory transfers necessary to ensure community rating were successfully challenged by the new insurance entrants and the cherry-picking that ensued has contributed to phenomenal price hikes like those announced recently the VHI. This is what will happen in this case. Likewise, the private postal companies will challenge the proposed sharing mechanism as a barrier under EU competition law, resulting in the inevitable outcome.

A 2006 PricewaterhouseCoopers report for the European Commission found that the member states with a more liberalised postal market for longer would be well placed to exploit the opening of postal markets elsewhere. The Ecorys report concluded that the degree of liberalisation in Germany and the UK is significantly more advanced than that of Ireland. This Government is hell-bent on handing over Irish taxes to private companies from the bigger EU players. This has to stop, we simply cannot afford it and once again, there is no benefit for the people, in particular for those living in rural Ireland.

The decision to liberalise the postal market is a purely ideological one. It is based solely on the myth, now entirely busted by the banking sector, that private businesses can do everything better, even when all the evidence points otherwise. The liberalisation of postal markets across Europe has resulted in job losses, price hikes and the scaling back of universal obligations.

The Bill gives significant powers to ComReg, but the objectives and functions are more akin to that of the Competition Authority than what would be required of a regulator entrusted to ensure that the people have equal access to the post regardless of where they live, that the highly sensitive and personal data of the citizenry is protected to the highest standard and that systemically vital functions from business communications to dole cheques are delivered with minimum disruption. It is difficult to see how ComReg can prioritise those vital issues when its priority job will be to develop competition, which is a total contradiction. This reminds me of the Commission for Energy Regulation which at a time of increasing energy poverty refused to let the ESB reduce its prices despite its willingness to do so — all in the name of competition. That is what An Post customers have to look forward to.

Another aspect, particularly for rural people, is the social consequences of what the Bill proposes. Probably the only social contact people living in isolated areas, particularly the elderly, those with disabilities and those with no transport, have outside their own homes is with the local postman. The services provided go way beyond their duties. I know postmen and postwomen who actually deliver groceries to people who live in isolated areas. They provide a fantastic service considerably beyond the call of their duty.

The only way to guarantee the universal service obligation is to reject this Bill and to reject the EU directive. The danger of privatisation has significantly increased since the adoption of the IMF-EU austerity programme. The memorandum of understanding that underpins the

[Deputy Martin Ferris.]

programme contains a clear statement of intent with regard to the selling off of State companies. The Government has already committed itself to selling off €2 billion in State assets. It claims that these will be non-strategic assets but that means very little. The only assets that private companies will be interested in buying will be profitable ones. In the case of An Post that will mean that when the company is divided up and if it is put up for sale, obviously private operators will want to buy those parts that are profitable, which will mean the off-loading and-or running down of non-profitable parts, including rural postal deliveries.

The Government has also indicated that in its assessment of which State companies or parts of State companies are to be sold off it will be guided by the report of the review group on State assets and liabilities which was chaired by Professor Colm McCarthy. That report seems to have been delayed for some reason with one suggestion that this related to the downgrading of the Bord Gáis debt rating. Clearly, therefore, the report has closely examined the financial state of State companies with a view to how and when they might be sold off. As An Post is one of the State companies that has been subject to the review, it will be interesting to see what Professor McCarthy has to recommend on it. Going by his an bord snip nua report, we may expect that this report will take a similar right-wing view on the State sector.

As I have said before and as I have requested in questions to the Minister for Finance, it is vital that the report is made publically available as soon as it is received by the Government and that we have a full debate here and engage with the workers representatives in those companies likely to be affected on its findings and recommendations before they are acted upon. Given Labour's relationship with the trade union movement, it is incumbent on Labour Ministers and Deputies to ensure that they involve the trade union representatives in any decision-making process on the proposals before us.

Given that An Post is one of the companies subject to the review by the McCarthy report, it is possible that we are debating this Bill without knowing the full picture. It is possible that this legislation if passed might be over ridden by the report if it recommends, as it might very well do, breaking up and selling An Post. That is something Deputies on all sides need to bear in mind as we debate this Bill and I would particularly ask that Members of the Labour Party do so given their commitments to the postal workers that they would protect jobs and services. Deputy Spring from my constituency is in the House. During the general election campaign in our constituency, postal workers trade union representatives lobbied all candidates in this regard. I made absolute commitments to stand by their position. I understand that other Deputies made similar commitments. It will be interesting to see how they vote on the Bill.

Deputy Seán Crowe: If I have any time left over, maybe I could share it with the Technical Group? Do I have 15 minutes? Can I do that?

Acting Chairman (Deputy Joanna Tuffy): There are 20 minutes left. Yes, that is grand.

Deputy Seán Crowe: If the Acting Chairman does not mind, I can pass it on.

I take the opportunity to congratulate my constituency colleagues, an tAire nua, Deputy Rabbitte. I wish him all the best in the new job. There is a shadow hanging over this Bill based on what we know from Government statements and the programme for Government of the plan to sell off non-strategic assets. The big question is whether An Post is a strategic or a non-strategic asset. The reply to that question will impact on the Bill's proposals supposedly to copper-fasten postal services.

Deputy Martin Ferris spoke about the strategic role An Post has in society, particularly in rural areas. He spoke about the importance of the postman or postwoman calling on someone's

house occasionally being the difference between life and death situations. In some cases the first person to find out that a person has died is the postman discovering that the letters have not been collected, which alerts them to the problem in that household.

In this electronic era, An Post has a key role in postal delivery for personal and business purposes. In my constituency there has been concern over unread X-rays and the role of doctors sending their letters to the consultants at the hospital. Patients going to the hospital are normally given notification and those depending on the letter will sometimes get a text message, etc. The same applies to basic things like bank statements and so on. A number of years ago there was a strike which caused a crisis not only in people's personal lives, but also in the commercial life of the country. I know of a number of firms that hired private couriers to deliver letters and invoices. The postal service plays a key role and is one that many of us take for granted.

The key aspect of this Bill is the liberalisation of the market and introducing so-called competition. Deputy Martin Ferris spoke about the so-called liberalisation of energy and the effect it had, which was not positive for consumers. They are the ones who are paying for this nonsense of so-called liberalisation. I often wonder if the drafters of this European regulation are the same ones who wanted the straight bananas. The object of this Bill is supposedly to liberalise the postal service. In effect, its claims to protect the universal service obligation is not worth the paper upon which it is written, nor is the claim that the EU directive will protect it for ever. If we need proof of that, we need only look at what is happening in Britain.

When similar legislation to give effect to the EU directive was published, assurances were given that six day delivery and collection would be copper fastened and now as the Government there is preparing to privatise Royal Mail it has emerged that the provision of services will all be dependent on profit margins. That will mean if a postal company can prove that it is losing money it will be able to downgrade its services and only operate profitable ones.

The defenders of the Bill claim that the universal service obligation is copper fastened. If one reads the Bill, one will find that it makes clear that it will be reviewed by ComReg before the seven year period under which An Post is designated. It is being sold to unions and workers on the basis that it will copper fasten the universal service obligation and their jobs. The same section also provides for the designation of companies other than An Post as a universal provider but, more importantly, contains a clause under which the obligation can be removed altogether.

There are currently no plans to privatise An Post as a whole, we are told, but this Bill and the whole tenor of EU liberalisation of postal and other public services will inevitably lead not only to the breaking up of An Post and postal services but the cherry picking and selling off of its most profitable parts. That is what has happened in other countries and there is no reason it will not happen here.

My fear is that privatisation of State assets will be part of the IMF EU bailout for the banks. The review group on State assets, chaired by Mr. Colm McCarthy, has already made clear its support for privatisation. Its report is due to be presented soon. It will be interesting to see what he recommends and how the Government will respond to the recommendations. The key question on this Bill is whether the postal service is a key asset and whether it will be sold off.

It will be interesting to see what the report has to say about Coillte and other successful State companies which are prime targets for the privateers, especially those with an inside track who have clearly been eyeing up the juicy bits of the companies long before most of us were even aware that the sale of State assets was coming down the tracks. The former Minister for Finance, Deputy Lenihan, and his successor, the Minister, Deputy Noonan, have said in replies

[Deputy Seán Crowe.]

to questions on the report that they will be guided in their decision on any sale by its recommendations.

It is clear that the privatisation of State assets has been discussed as part of the bank bailout. The Government is on the record as saying it will do it and it has already discussed it with EU and IMF officials. The former Minister, Deputy Lenihan, when asked about this before the election stated that the Government will consult the Commission on the results of the assessment with a view to setting appropriate targets for possible privatisation of State assets. It appears that the new Government is following the same track and there is no real change. There may be slight changes in presentation but the reality is that it is committed to selling off many State assets.

The IMF and EU will no doubt take a hands-on approach to this matter. It is also a reality that the current Government has accepted all of the parameters of the terms of the bailout as laid down in the memorandum of understanding signed by its predecessors. In the current climate I would like to see much harder guarantees that An Post will not be asset stripped, that the people of this State will not be left with a poorer and more expensive service and that rural communities will not be left in a situation where postal collection and deliveries do not take place six days a week.

If such guarantees are not built into this Bill by way of amendment then Sinn Féin will vote against it. We will do so to protect the jobs of postal workers and the excellent service which An Post currently provides throughout this State. We will also oppose the Bill because we do not believe profitable public companies which have been built up over generations should be stripped down, torn apart and sold off to private profiteers.

We do not support selling off any State company to comply with the terms of an IMF EU bailout for bankers and speculators, some of whom, no doubt, will join the former Taoiseach Mr. Bertie Ahern in companies ready to move in for the kill if and when they are sold off. It is clear that this Bill, as it stands, does not serve to protect our postal services. It is also clear that it lays the basis to break up An Post and to sell off profitable parts of the company to private companies. Unless this Bill is radically amended to guard against this we will vote against it.

Acting Chairman (Deputy Joanna Tuffy): Before I call Deputy Flanagan, Deputy Crowe should note that I cannot rearrange the time in the middle of a debate. Whatever time Deputy Crowe has left will be available at the end of the debate.

Deputy Seán Crowe: I was trying to be nice.

Deputy Luke 'Ming' Flanagan: I wish to share time with Deputies Daly and Pringle.

Acting Chairman (Deputy Joanna Tuffy): Is that agreed? Agreed.

Deputy Luke 'Ming' Flanagan: I am very concerned that this Bill, which is being introduced as a result of EU Directive 2008/6 on the full accomplishment of the internal market of community postal services, will seriously damage An Post's viability at a time of falling letter volumes and its continued obligation to provide loss-making services. The provision of postal services has been historically based upon a universal service obligation which legally obliged An Post, in our case, to deliver and collect mail for the same price regardless of location.

The same price goes anywhere principle was supported by a monopoly or reserved area whereby An Post was the only operator who could carry and deliver mail below a certain weight limit, which in recent times was below 55 g. This enabled An Post to cross-subsidise

utilising profitable urban groups to carry the burden of loss-making rural routes. In simple terms, a letter posted in the GPO for 55 cent and delivered in Ballsbridge makes money but a letter posted in the GPO and delivered to Trean or Ballinamore loses money.

On the universal service obligation, its funding in a liberalised market is a major issue which has not been resolved anywhere. The Bill suggests a compensation fund into which licensed operators would pay to fund the universal service obligation. It has not worked in any other country and will not work here. The programme for Government includes an option for State aid in a worst-case scenario, which is welcome. However, the Bill should be framed to ensure An Post is supported in continuing to provide the universal service obligation from its own resources, supported by a viable market share.

Cherry picking or cream skimming occurs when competitors enter the market and undercut An Post unprofitable routes. Competitors will not compete on loss-making services but An Post will still have the universal service obligation. If it loses market share on profitable routes it can cross-subsidise and will in a short time go bust. The only way to open up the market and fund the universal service obligation is to impose the same obligation on all operators to deliver everywhere at the same price as An Post does. This is what has happened in Finland. The Bill facilitates cherry picking, unfortunately, and I must oppose it otherwise An Post will not be able to compete.

Downstream access happens when competitors compete for customer postings at a lower rate than An Post and then insert them into An Post's network for delivery. The downside is that An Post could end up receiving mail at delivery office level, having lost the postage, and be forced to deliver it at a loss. An Post has invested in excess of €40 million in four mail centres around the country which will be redundant if downstream access is allowed below a certain level. In the UK the Royal Mail is losing money because it is delivering mail for competitors at a rate set by the regulator which does not cover the cost of delivery. This Bill facilitates downstream access. The Bill must prevent it below automated mail centre level, otherwise the investment will be redundant.

The Bill gives ComReg unfettered powers to decide on almost every matter to do with the mail business, regardless of the social implications. Experience elsewhere shows that regulators have facilitated competition by curbing the previous monopoly providers' share by allowing cherry picking, downstream access and price caps. The UK example shows that regulatory policy has been a contributory factor in the precarious position of Royal Mail and the British Government is currently considering how to address this. The legislation should ensure that the regulator is answerable to the Minister and the Oireachtas on key matters, such as the USO which has national implications.

On employment issues, liberalisation in Germany has resulted in the loss of 21,000 full-time and 12,000 part-time jobs in Deutsche Post, with competitor company employees being eligible for social welfare support. In Holland, full-time jobs have been reduced from 40,000 to 24,000.

The recycle 16 directive permits member states to provide for social considerations to be included in the legislation. The legislation should include recycle 16 to protect employment standards. An Post employs almost 10,000 right across the country. By any standards, it is a major employer in every city, town and village in the State. Its commitment to rural areas is commendable. In fact, it is soon opening a brand new sorting office in my home town of Castlerea. That vote of confidence in the community deserves our support in shaping this Bill so that the national postal service continues to provide a good service and good employment.

I am disappointed by the lack of rural TDs in here today to fight for and discuss this issue. If we go ahead with what is planned here, ten years down the line those same TDs will be telling their constituents that they are only getting post on two days in the area because they

[Deputy Luke ‘Ming’ Flanagan.]

had no choice. They have a choice to fight it here and now, but where are they? They are gone, at a funeral maybe. What are they doing?

The most telling statement made here today on anything was made by Deputy Ó Cuív. He stated, in this regard, that he accepts we have no choice. I say his grandfather would be turning in his grave after fighting for Irish freedom to hear that his party, along with all the other main political parties, seems to accept that we have no choice. It was the same with the turf-cutting ban. Apparently, we have no choice. When it comes to Europe we swallow everything — hook, line and sinker. Other European countries take what is good for them and argue about and stop what is happening that is bad for them.

Earlier it was mentioned by a Sinn Féin Deputy that An Post provides more than just a service which delivers the mail. My uncle worked in An Post for 50 years and my aunt worked there for 49 years, and I can tell the Minister that they provided more of a service than merely delivering post and handing out stamps. On many occasions they provided the only bit of company that anyone would have had for possibly a week. They saw situations where a cheque should not be delivered on a certain day because a certain partner might have been drinking too much and held it back for a couple of days until, maybe, the wife or husband was there alone — not something that is in the job remit. I can guarantee that when the company is privatised down the line, if the Government gets away with this, none of those services will be provided by staff. It will be rush in, rush out or, possibly, put it in a box at the end of the road and down the line there will be a newspaper headline stating, “Old person found dead — undiscovered for five days because no-one called around”. I am not saying that should be the job of a postman or postwoman but in a world where one looks at matters a little more holistically, it is a good idea that he or she would do that.

From what Deputy Ó Cuív stated, obviously, Ireland is no longer independent, Ireland is finished as a State and we must accept this. Apologies to Deputy Ó Cuív, but I am on his Grandad’s side on this one. I believe we have a choice if we fight for a choice and for our right to make our own decisions. The last time I looked at my passport I was an Irish citizen, not a European citizen first. I will always be an Irish citizen first. I have stated here previously that I have lived in many European countries and I am not against Europe. I have no problem with the European people. In fact, I have great time for them because if they had this sort of stuff put before them or stuff such as the ban on turf-cutting, they would fight and win on it. It is a shame we do not have enough Members in here who are willing to fight it.

It is a shame we do not have enough Members in here. There were more members in front of me in Roscommon County Council. I do not get it. Is there no quorum required here? It is ridiculous.

Deputy Fergus O’Dowd: They are listening to the Deputy on the monitor. They are enthralled by the Deputy.

Deputy Luke ‘Ming’ Flanagan: They could watch it on their monitor at home as well and save us the expenses.

Deputy Clare Daly: This is the final phase of the opening up of the postal service to market competition. It is quite clear that the agenda here is to allow the private companies enter the market and provide services which previously were exclusively the remit of An Post. What is wrong with An Post providing that service on its own? What potential benefit is there if, on Monday, a postman comes into the area in an An Post uniform and the same day, or the next, one is there in a TNT uniform? What possible benefit is it to the recipient of the service? There

is none. This is about a prize and getting a piece of the pie for the private companies operating out there. Some excellent points have been made in that regard already.

The crass opportunism of Fianna Fáil and the points made by Deputy Ó Cuív were unbelievable, that not everything should be privatised and some matters are natural monopolies. These points are valid, but coming from the mouth of a Minister in the previous Government, given the litany of privatisation, etc., it showed brass neck and some cheek.

However, the points he made were valid and paint a picture of what will happen to An Post. We need not look too far. We can look at the position in the Minister, Deputy Rabbitte's constituency in terms of refuse collection, which example is similar in many ways. Here one had a public service on which a price was put, it was commodified, the private operators came in, employed their workers on lower terms and conditions and undermined the local authority's service. There arose the ludicrous situation where there were three or four different bin trucks in the area on the same days. The private operators undercut the local authority and the position today is that the local authority is driven out of that market and bin workers have been faced with a reduction of €200 in their weekly pay while those in the communities have no guarantee that the waiver will remain. No doubt the private companies will increase the prices and leave a private monopoly at the end of it. It is quite clear that the agenda of all privatisation and liberalisation are a serious attack on the pay and conditions of the workers and lead to a worsening in the service to the public.

The idea, as has been raised previously, that the universal social guarantee somehow means that the service will be maintained simply does not stand up to scrutiny. We know that it does not when we look at the experience of other countries. In fact, one could say that moves in that direction have already resulted in serious attacks on jobs and a worsening of services in Ireland. Traditionally, An Post has employed a significant number of people — thousands upon thousands of workers — but that number has been reduced over the past decade. The company is looking for another 1,200 jobs to go. Against the backdrop of the present economic situation, that is lunacy.

We have already seen decisions being made which have resulted in a worsening of the service to people in the areas. Even in my area, in Dublin, we have seen parcel collections centralised in an area of Balbriggan which means a pensioner or an unemployed person living in Lusk, Ballyboughal, Garristown or Rush who does not have a car and is not at home when the parcel calls, must find the means of driving miles away to Balbriggan to collect it. That is the scenario that is opening up. If that is the case in Dublin, as other Deputies have stated, the problems will be magnified in rural areas. Let us be clear here. This will not assist the recipients of postal service and it will not help the workers in An Post. Who will win out in this situation and what is the real agenda?

In 2007, the EU postal service was worth €94 billion. That is a massive industry in anybody's books. What we have seen, by liberalising the market, is the private companies being given a slice of the pie. That is the name of the game. Their purpose is not to enter the market because they are worried that companies such as Deutsche Post or An Post might not be doing a good enough job for some Granny living up a mountain in a rural area, but to make a profit. Inevitably, this will lead to a reduction in services and pressure on wages and conditions for the workforce in the drive to extract more profit. It is clear from contributions made by Members that nobody believes these companies will be concerned about the social element of their role. It is inevitable they will cherry pick and that will leave the social obligations with An Post, with serious consequences for many rural communities. The attitude of the private companies was summed up very well by Nick Wells, the chief executive officer of TNT Post in the UK.

[Deputy Clare Daly.]

When the British postal services were liberalised, he said “...us handling your granny’s postcard is unlikely”. That will happen here.

Let us look briefly at the experience of other countries which have gone further in the liberalisation process than we have. There are 1.44 million postal workers employed across the European Union, but not one of the private companies that operates across Europe pays wages anywhere near what state companies provided. The unions that have conducted surveys suggest they pay approximately 20% less on average. In the Netherlands, where the service has already been fully liberalised, workers in many of the private companies do not get a salary or wage. Their contract is operated on the basis of piece work and if they go out to work in the morning but none of the people on their route are in, they do not get paid. They must keep going back and are only paid on the basis of delivery. That is how the company competing with the state companies operates and as a result workers in the state company are being told they must take a 25% reduction in their wages. It is a race to the bottom we are experiencing throughout Europe. In Belgium, the numbers employed in the postal service have gone down from 43,000 to 35,000 and the new contracts are fixed term. In Germany, TNT provides fixed term contracts which offer 60% less than what the state company pays, with the result that many of those workers must rely on the state for social welfare to make up a decent wage. We have seen another side of the process of liberalisation where over the past ten years of the process throughout Europe, some 10,000 postal outlets have closed. The serious social consequences of that, particularly in rural areas, have already been well articulated.

It is not the experience, nor is it true, that the universal social service guarantee will be maintained. That is not the case. In reality, the private companies will concentrate on the profitable business and leave the loss making business to An Post. As a result the State will lose money and there will be a drain on resources. Finland is a good example of what happens. It had a state postal service which was making a profit of between €30 million and €80 million but has ended up paying a private company €150 million to deliver a service. It has lost the profits of the state company and has to pay an extra €150 million in order to have a rural service provided. The owners of the private company are the only winners in that situation. It is clear the process of liberalisation has gone ahead significantly throughout Europe, but the trade union movement across Europe has a responsibility in this regard. There was not a sufficient fight early on in the battle, but it is not too late to fight against it. The unions have an onus and responsibility to mobilise their members against the threat to their wages and conditions and to the service provided by their companies.

Government parties in Europe, ably assisted by Fianna Fáil, have set the scene for the Bill. They have already supported it in Europe and have allowed it to come here. The Bill before us is only a continuation of the betrayal the Government’s representatives started in the European Parliament. However, we can make a stand on it and stop it happening here. We should register for the record that if the Bill proceeds, An Post will be shackled with the loss making sections of the service, while the private companies will take the spoils. As a result of that decision, the viability of An Post and the future of the thousands of workers who depend on it for their livelihoods will be seriously undermined, as will that of their families and those in the community. We must continue to oppose this. If it proceeds and if in the future people bemoan the loss of the jobs and the service, the blame will return here. Therefore, it is better we make a stand on the issue now and that we fight for our historic and necessary service for the people.

Deputy Thomas Pringle: The Communications Regulation (Postal Services) Bill provides for the final liberalisation of the Irish postal market. This in effect means the privatisation of the market. Liberalisation is euro speak for privatisation. Members will remember the sell-off of

Eircom that took place a number of years ago, where ordinary Irish people were conned into buying shares, believing in the neo-liberal dream that they too could share in capitalist wealth generation. This Bill provides for a similar break up and sell-off of a semi-State company.

I was amazed to hear the Minister state in his contribution earlier that An Post has greater problems than the liberalisation of the market due to the impact of electronic mail and such like. I find it amazing that a Labour Party Minister would speak in that manner. An Post has performed well and performs without State intervention currently. The greatest threat faced by An Post is this Bill and the so-called liberalisation or privatisation of the market.

An Post does not receive any subvention from the State and meets all its costs from its revenues. Therefore it is not a burden on taxpayers. However, the enactment of this Bill will be the death knell of a national asset. Every Member would agree that a postal service is in the interests of the people and a public postal service is a vital national asset that should remain part of the strategic interests of the State. Interestingly, the US, the bastion of free market capitalism, has protected its postal service, recognising that it is not in the interests of the people to break up the postal service. In other European countries, the postal service has already been privatised with massive job losses. In Germany between 2006 and 2009, some 33,000 jobs were lost in the former state run operator. In the Netherlands employment has dropped from 40,000 to 24,000. The changes that have taken place in the contracts of the remaining workers in the postal service there have already been highlighted.

It is estimated that privatisation here will lead to the loss of over 10,000 jobs in An Post. This will happen, because private operators will cherry pick the routes and services they want to provide. I am reminded of a discussion I had a number of years ago with a public servant from the Department of Finance on the question of public private partnerships in the water services and road building areas. When I put it to him that the private operators would cherry pick the contracts that led to the biggest profit for them, his response was that if one wanted to make a cherry salad, one had to pick cherries. That is what the private operators will do in the market once it is liberalised.

In rural Ireland, and particularly in Donegal, the postal service provides a vital social service as well as a postal delivery service. In many areas the postman is the only regular point of contact for people who live alone and in isolation. Having a regular postal delivery gives them contact with the outside world and a human contact they would not otherwise have. Over recent years, we have experienced the threat of post office closures, most recently in Fintown in west Donegal. This will become an even bigger problem in the years after privatisation. The focal point for many communities when people come to collect their pensions, child benefit and other payments will be withdrawn and people who very often do not have transport nor access to public transport will have to travel huge distances to collect vital payments, adding significant extra costs on them.

Recital 16 of the directive allows member states to regulate postal services and states that social considerations should be taken into account when preparing the opening of the postal market. This allows member states to protect the social values of the postal service and prevent social dumping, allowing full-time jobs with proper pay and conditions to be protected rather than the experience of other countries where jobs have been replaced by low paid part-time workers who depend on social welfare to supplement their income. Recital 16 needs to be enacted strongly in the Bill to provide some protection for the service and the rural communities that depend on it.

1 o'clock

[Deputy Thomas Pringle.]

An Post has been designated as the universal postal provider in the Bill, but it is not clear how this option will be funded. It will possibly be by other companies that will operate in the universal service provider sector.

If this is to be implemented, then the Exchequer will have to provide funding for the public service obligation of the universal provider. There is no doubt about this, because the other companies will refuse and ComReg will probably not enforce their contribution to the costs. Otherwise there will be massive job losses and a rundown of the service that will ultimately lead to calls to sell An Post, and this will see the reduction in the standard of service that the postal service provides.

This Bill needs to be strengthened to protect the public interest, provide for a strategic postal service, protect the provision of services in rural Ireland and ensure that our postal service can contribute to our economic revival. If this is not done, it should be rejected by this House.

Deputy Joe O'Reilly: I consider this Bill to be of critical importance to the people I represent and to people of this country. I did not accidentally select this matter to make my maiden speech in this House, because I consider this to be a crucial Bill and one we cannot let pass without active participation by as many Members as possible.

Since the EU directive on postal services came into effect on January 2011, we are confronted with the reality that there is to be a liberalisation of postal services and that there is no longer an exclusive monopoly for An Post. That is the backdrop to which this Bill is being introduced and it is an unavoidable reality. However, it is important that we use the Bill to build in the maximum safeguards that the directive allows, and that we protect the universal service obligation, the workers, the quality and the cost of the service.

An Post currently employs 10,000 people, who deliver 2.5 million items every day. They have a record of 87% next-day delivery. That is a huge achievement and is the position from which it is beginning. It is a strong position, but it is not invulnerable to unregulated and uncontrolled competition.

An Post has four hub centres around the country from which it delivers the post. Those four centres are the crucial arteries of the postal service and I believe that we should enshrine it in the Bill that nobody can enter the market at a lower point than those four hub centres. In simple terms, I seek to prevent the situation whereby a private operator could come and cherry pick a densely populated area, use the An Post infrastructure to deliver letters at a cheap rate within that densely populated area and not have any responsibility beyond that. Prospective competitors should not be allowed to enter the market below the level of the hub centre. It is crucial because it prevents distorted competition which will undermine the universal service obligation and next-day delivery. The universal service obligation essentially means that every home on every working day can expect to have post delivered at a competitive cost without exclusion, without distinction and without any privilege built in. It is vital that the universal service obligation is preserved for that reason. A total of €100 million was recently invested in an automated system in An Post's four hub centres, and that cannot be undermined by private sector companies coming in below that level.

Under the initial proposition of the Bill, An Post has the universal service obligation remit for seven years. It has an exclusive remit to deliver the post all over the country for seven years. That may well be too short a period, and I am encouraged that in the Minister's comprehensive Second Stage speech today, he said that he was looking at that period with a possible view to extending it. ComReg can decide under the Bill whether An Post remains the universal

service provider after seven years, or it can decide to designate another universal service provider, or it can decide that none is required. That might be too loose. In respect of strategic planning and investment and the risk of uncontrolled competition, the period needs review. I hope the Minister will do that and I am encouraged by his remarks about this on Second Stage.

All international analysis and consultancies suggest that Ireland, due to its population base and the nature of the country, does not have the potential for more than one universal service provider. International studies suggest that we may not have rampant competition in this country, but it is important that we do not allow for a situation where that would be the case to the detriment of next-day delivery.

The Minister made the point that the 2002 legislation establishing ComReg allows him or a given Minister to intervene in strategic planning and to give strategic direction. I agree with that, but I am anxious that the Minister would consider further ministerial control of the process at all points. That is crucial. We should not let this opportunity pass without saying that our postmen and women have done an excellent job right across the country. They have provided an extraordinary social service and have been an extraordinary link to ordinary people in isolated rural communities. They are often the only point of human contact for people in the day. They provided an entire network of message delivery and support for people, and they have often gone way beyond their brief. We cannot lose that. No situation should be allowed to arise whereby people would come to collect their post at a designated centre, thus eliminating the personal delivery to each home on a given day. People in more isolated areas should not be expected to come to a centre to collect their post. We cannot underestimate what a crucial part of the fabric of our society the traditional postal service has been, and how vital it is to maintain. While accepting the EU directive, it is vital to build in the kind of safeguards that will preserve it and prevent its erosion in any shape or form.

I am happy the Minister is committed to examining the seven-year term and considering ministerial intervention, albeit while not micro-managing. Nobody expects the Minister to micro-manage An Post but he should have the capacity to control untrammelled competition. I am anxious that we examine the hub centre issue and entry below that point. I am also anxious to ensure that the legislation protects what we have and what is good in our postal service. I accept the reality, value and merit of introducing a postcode system, which is a necessary part of a modern infrastructure, but it cannot be introduced in a way that will affect universal delivery of a postal service to every house every day.

An Post has achieved a great deal and that should be recognised. It needs to build and diversify on that. It was right that the Minister said that in the event of An Post needing subsidisation, although we will be working hard to prevent that, it would be provided to ensure that it would continue to meet the universal service obligation.

As in the case of the importance of the provision of a transport system for the old people, the postal service is a crucial part of our national network and must be preserved.

Deputy Paul J. Connaughton: It has become the custom for a Member making his or her maiden speech to thank his constituents. I thank the people of Galway East for affording me the opportunity and honour to serve them in the 31st Dáil.

As Deputy O'Reilly said, the subject of this legislation is not an issue one would tend to read on the Order Paper and on which one would decide to comment. Having been a member of Galway County Council since 2009, I am aware that this matter has been issue for some time.

[Deputy Paul J. Connaughton.]

Like Deputy Luke ‘Ming’ Flanagan, I come from a constituency that covers a vast rural area. I will comment on the role An Post has played in the rural community. Canvassing for many months, I met people who live in remote areas. In many cases the postal service is the one social connection they have. It provides an extremely important social outlet for them. During the debate on the Road Traffic Bill, the importance of the role played by the local pub in keeping a community together was mentioned. The role played by the postal service is of similar importance. I was pleased to note in the Minister’s speech that the provision of a next day delivery service was mentioned on numerous occasions and I would like to ensure that continues to be provided.

I have no problem with competition as long as it is properly regulated, ensures fairness in the market and a level playing field for all. I would not want players to enter the market, take what they want out of it and the only people to lose out would be the State and the end users.

I support the work of the Minister and will put forward amendments to ensure that the Bill works as effectively as possible. I understand the important role ComReg will have in terms of this legislation. I want to ensure that this will be done properly, step by step, protecting the service for the user at the end of the boreen or road at all times. Unfortunately, in the not too distant past we saw the impact on many sectors of society of a lack of regulation. I hope that we have learned lessons from that and have started to provide a more equitable basis of regulation of services.

Despite what some Members will say, this legislation is not anti-An Post and that company will still provide a very valuable role in the future delivery of postal services. Since the start of this year other companies have been allowed to enter the market to create competition. As Deputy O’Reilly said, the seven-year term is extremely important to allow An Post a chance to change, innovate and, perhaps, become more competitive with other companies entering the market. As Deputy O’Reilly said, it would probably be helpful if An Post were given more time to do that because it will be extremely important in the context of the role it will play in the future.

We need to be tough on the new entrants to the market. A fair, balanced approach is probably the best way forward. They will have to work to the same guidelines as An Post and provide the same level of service to every member of the community, whether they live in Dublin city, Mountbellew, my home town, or wherever.

I welcome the Minister’s speech. I look forward to working with him in amending sections of the legislation which require amendment. I welcome his assertion on numerous occasions that a next day delivery service will be provided and that it is considered an extremely important part of any future postal service. He also referred to the local post office, which is a crucial social element in small towns and villages throughout the country, to the effect that it would be protected as much as is humanely possible.

I want to work with the Minister on this legislation with which I have a few issues. I want to ensure the protection of a next day delivery service at all costs and to make sure that the service user is protected in all parts of this legislation.

Deputy Charlie McConalogue: This is important Bill which follows on from a process of changing the way the postal system operates in Ireland which has been under way since the late 1990s. It is the third and final phase of deregulation of the postal market here and deals with the small envelope market, those weighing under 50g. It deals with two elements, namely, the introduction of competition into the 50g envelope market and the introduction of postcodes.

The changes must be carefully considered to ensure we do not make mistakes similar to those that were made in other European countries which led to a poorer service, higher costs and job losses. Postal delivery is a vital public service. We must ensure that every household and business continues to receive a good service through the postal system. It is essential to the social well-being of our local communities and to maintaining the fabric of rural Ireland where the service is not as difficult to provide in some cases as in urban areas.

In the absence of a proven method of financing, there are serious questions we have to consider in terms of the universal service obligation and how it will be financed. I am glad the Bill has been amended to ensure that the universal service obligation will be offered to An Post for a period of 20 years rather than the seven years originally intended. That is important change. We must take on board the lessons learned from the service delivery in other countries, particularly in the United Kingdom where the introduction of a universal service obligation threatened the structure. The experience of the Royal Mail shows how important it is to get the universal service obligation correct to ensure that, with privatisation, the service to the end user and the daily service which is so important across the country is maintained. If it is handled poorly, it could endanger An Post and many of the 10,000 jobs it provides.

An issue of which we must take cognisance is that of cherry picking, namely, ensuring that new entrants to the postal market do not take only the profitable routes and leave the more difficult and less profitable routes for the State to subsidise while those private operators make money out of the system. Such cherry picking of routes would result in a reduction in the vital revenues of An Post and leave it with only loss making routes, which, in turn, would threaten its provision of and ability to operate the universal service obligation.

An unfortunate aspect of privatisation is that it often goes hand in hand with job losses. That has been the experience across different sectors. According to a comprehensive study conducted by the Union Network International across several liberalised markets, this has been the experience in almost every case in which a postal market has been opened to competition.

Social dumping is another serious issue, whereby decent jobs with reasonable terms and conditions are replaced by less attractive employment at lower levels of remuneration. At a time when unemployment is high across the country and many households depend on the jobs provided by An Post, it is important we ensure these jobs, which are particularly important to rural areas, do not become less attractive or force people into a more difficult situation.

The social value of the postal service is acknowledged across the State, and particularly in rural communities. During last year's difficult weather conditions, postmen took their lives into their own hands to venture down frozen roads. The postman was the only person the inhabitants of many of these areas saw during that period. In my area, postmen volunteered to pass on messages and ensure vulnerable people were being looked after. That role is not directly linked to the provision of postal service but it is very important to communities and we must ensure it is maintained. It is remarkable that the legislation does not refer to the vital role the postal network plays in rural communities. The regulator's decisions must take account of the valuable service that postmen offer. With our substantial rural population, we have to ensure the interests of a competitive market do not take precedence over this community service.

Despite the fact that An Post remains a public company, it works quite well in terms of the service it provides to end users. It currently employs 10,000 staff and every day it delivers 2.5 million items of mail to 2.2 million businesses and residential addresses across the country. It serves 1.7 million customers per week through its network and the purchase and servicing of

[Deputy Charlie McConalogue.]

its vehicles, uniforms and other equipment provide spin-off benefits to local suppliers throughout the State.

The planned introduction of a post code is long overdue. We are now the only country in Europe which has not introduced a post code. Alongside the privatisation of the postal market, post codes are critical to ensuring that the postal service is operated as effectively and cheaply as possible. It will be of particular benefit to rural areas which do not have the unique addresses enjoyed by those who live in cities and towns. In country townlands where doors are not numbered it can be nigh impossible to identify the proper address. Often in rural communities the regular postman is the only person who can deliver letters to the intended address and deliveries can be a nightmare for a temporary replacement. Post codes are essential to allowing other operators to enter the market and for businesses to minimise the cost of sending post. It will be possible to address mail to individuals within households. I have heard numerous complaints from businesses and organisations with countrywide membership regarding the difficulty of identifying exactly who lives in a household in order to send one notification instead of several to the same address.

The initial intention behind the privatisation of Eircom and deregulation of the telecommunications market was to ensure a high quality of services for end users. Unfortunately, large tracts in the more peripheral areas of the country still do not have a decent service. The State has been removed from being able to invest directly to provide services to areas which are not financially rewarding. We must take cognisance of the Eircom experience as we deliberate on this Bill. Although we are not dealing with physical infrastructure in the sense of telephone lines, investment and subsidies will nonetheless be required either from the Government or through charges on those who get contracts in lucrative areas.

Although the intentions behind the Bill are good, we have to ensure it is implemented in a way that provides an equal service to everyone. Companies should not be allowed to profit while some of our citizens suffer.

Deputy Noel Harrington: This is my first time to speak in the Chamber and the first time in the history of the State that someone from the Beara Peninsula has had the honour of gracing this House. To put the peninsula into context, it is the same size as County Louth. I also declare my interest in the legislation in that I run a post office, although I am not directly employed by An Post.

I welcome the provision in the Bill for a universal service obligation but the important question is who will pay for it. The Bill requires that An Post or another designated company will be required to pay for the obligation. We will have to strengthen this provision because otherwise the Exchequer may be forced to copperfasten the obligation to deliver to rural and peripheral areas and the islands.

Debate adjourned.

Declaration by Leas-Cheann Comhairle

An Leas-Cheann Comhairle: As this is the first occasion on which I have taken the Chair since my election, I must perform my first official duty as Leas-Cheann Comhairle. In accordance with Standing Order 9 of the Standing Orders relative to Public Business, I now wish to make the following declaration:

I do solemnly declare that I will duly and faithfully and to the best of my knowledge and ability execute the office of Leas-Cheann Comhairle of Dáil Éireann without fear or favour, apply the rules as laid down by this House in an impartial and fair manner, maintain order and uphold the rights and privileges of Members in accordance with the Constitution and the Standing Orders of Dáil Éireann.

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): It is a great pleasure for me to be the first to congratulate you on your election as Leas-Cheann Comhairle, an office about which I know something, as I was honoured to hold it during the lifetime of the previous Dáil. I wish you well and I know you will be a great credit to the House in exercising the responsibilities and duties of the office.

Making Committees Work in the 31st Dáil: Statements

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): We are at a critical juncture in our history and our democracy. The scale and depth of the crisis that has engulfed our State has undermined confidence in our public institutions. The political culture that captured the previous Government and allowed this crisis to happen — a culture of golden circles, of impunity, of conflating party political interest with the national interest — has sown among our citizens distrust, at best, and contempt, at worst, for those who hold public office.

On its own, the complexity and reach of this current crisis are enough to shake our systems of governance to their core. This crisis is the third time since the foundation of the State that our country has been brought to the brink of disaster by political recklessness and economic mismanagement. It is long past time to say “Never again”. Never again will Ireland be brought so low by the actions of a few. Never again will the livelihoods of our people be exposed to such unacceptable risk. Never again will Ireland’s good name be dragged through the mire. That is the task willingly shouldered by the new Government, its pledge and its purpose.

Times of crisis test the quality of a democracy. February’s general election demonstrated that Irish citizens are not afraid to exercise their democratic right to a change of Government. However, this is just the beginning of the kind of transformation we need. We need to change how Government itself works, so that it is more democratic, more transparent and more capable of taking on the complex challenges our country faces now and in the future. Put simply, we need a system of governance that is fit for purpose.

Before and during the general election campaign, both the Labour Party and Fine Gael outlined in detail their plans to radically reform the Government. Those plans reflect the bitter lessons of the past, but they also reflect a belief in the potential of our Parliament and its Members on both sides of the House to lead change, to govern effectively, and to hold the Government to account — a potential that is considerably greater than has been realised to date.

The programme for Government agreed by the two parties contains the most ambitious and far-reaching agenda for political reform ever put before the House. It must be ambitious if we are to restore the people’s trust and confidence in the institutions that serve them. Our agenda for reform is two-fold: to challenge the overall context in which the Government operates so that the people’s business is no longer concealed behind closed doors; and to change the way the Government operates, making it more effective and more democratic.

Changing a political culture is difficult, particularly when one party has been in power longer than any other. We can start by restoring the principle of a democracy of equals. In such a democracy, influence is not for sale. One of the most important commitments by this Govern-

[Deputy Brendan Howlin.]

ment picks up where the Labour Party left off in 1997 when it introduced the first limits on electoral spending. We are committed to drastically reducing the amount that can be donated to political parties and lowering the threshold for declaring those donations. We will also make appropriate constitutional provisions to ban corporate donations.

The Government is committed to shining a light on how the people's business is conducted. We will legislate to establish a statutory register of lobbyists and clear rules governing the practice of lobbying. We will restore the Freedom of Information Act to what it was before it was filleted by the previous Government, and we will extend it to other bodies substantially funded by the public purse. We will legislate to protect whistleblowers who speak out against wrongdoing or cover-ups, whether in the public or the private sector. Government is not something that happens behind closed doors, to be accessed only by the chosen few. Changing the context in which we govern — throwing open the doors, rather than seeking protection behind them — is a powerful and practical message that this is government of the people, by the people, for the people.

The second pillar of the Labour Party and Fine Gael's reform agenda is to change the structures and practices of the Government itself. Democracy is debased if its most important institution, the Parliament, is not relevant. Underpinning the Dáil reforms detailed in the programme for Government is the principle that every vote cast, in every school, community hall and other place of polling, matters. Democracy is not just about electing a Government: it should be also about electing an effective Parliament. This is the principle that underpins the Government's proposal to abolish the Seanad. It is not a knee-jerk reaction to the need for cost savings or demands for reform or smaller government. It is about strengthening democracy itself. It is my view and the view of the Government that Ireland's democracy is not well served by a superfluous second Chamber which is widely regarded as being arcane and irrelevant. If our democracy is to be seen as relevant, it must demonstrate that it can reform itself. That includes consigning institutions that have served their purpose to the history books, as well as making existing ones more effective.

One of the most important tools of an effective Parliament is parliamentary committees. Yet Ireland is unique among parliamentary democracies in having an extremely weak committee system with very limited powers and no power at all to investigate matters of fact. The reforms to the committee system being proposed by the Government are centred on making committees more relevant, strengthening the Dáil's engagement with the European Union, and strengthening its capacity to investigate matters of grave public interest.

First, as part of this Government's commitment to breaking its monopoly on legislation and Dáil business, committees will be given considerably more power and responsibility to progress the work of Parliament. They will have the power to introduce legislation themselves rather than simply scrutinise Bills introduced by the Government. Legislation is made by the representatives of the people, which include all Members of this House and not just those elected to the Government side. By opening up the power of tabling legislation to committees and to every individual Member of the House, the people's business can be done more effectively and efficiently — and, most importantly, more democratically.

Scrutiny of legislation will continue to be a critical function of committees, but to make that scrutiny more meaningful, the Government will amend Cabinet procedure to allow it to publish the general schemes of Bills. This will enable Oireachtas committees to begin to debate legislation, to hold hearings and to talk to the people involved at an earlier stage of the legislative process. To provide for more in-depth analysis and work by legislative committees, every fourth sitting week will be a committee week. During those weeks, the House will sit only to take Question Time and the Order of Business, with the rest of the day devoted exclusively to

committee work. Many of us have worked in committees buried in the bowels of another building with no scrutiny or interest on the part of the press. Important legislative business and the productivity of the House went unnoticed and remarks made in the Chamber were passed over by the media. We need to put legislative business and the work of committees centre stage. Too often, the good work that happens in committees falls down the back of a silo. Reports painstakingly researched over months are compiled and published and then never heard of again. It is proposed that new Friday sittings be given over entirely to committee reports and Private Members' business in order that Members can debate and examine in more detail the often useful policy findings that emerge from committees and to allow them to use that time, as they do in the British Parliament, to bring forward legislation.

Second, committees should be the vehicle for a much more proactive engagement between the democratically elected Oireachtas and the European Union. This Government will not continue, except in exceptional circumstances, the previous Administration's practice of automatically enacting EU legislation by statutory instrument. Is it any wonder Irish citizens feel disconnected from the EU when there is little or no debate about the laws and policies that originate from it? In future, regulatory impact assessments prepared for Ministers on all EU directives and significant regulations will be automatically forwarded to the relevant sectoral committees. These committees will be required to advise the Minister and the Joint Committee on European Affairs whether EU directives should be transposed into Irish law by statutory instrument or by primary legislation. Most important, committees will be responsible for ensuring that EU laws and policies comply with the principle of subsidiarity, in accordance with the reforms introduced by the Lisbon treaty. It should be up to Members to decide whether the EU is overstepping its competencies. Finally, to enhance the transparency and accountability of Government in its dealings with the EU, all Ministers will be obliged to appear before their respective committees or the Joint Committee on European Affairs prior to attending Council meetings in Brussels or elsewhere.

The third significant reform we propose to the committee system is also a significant step forward for our democracy. Ireland has the only parliament in the world that I have studied which does not have the power to conduct investigations that might attribute blame to identifiable individuals. This was further underlined by the *Abbeylara* judgment of the Supreme Court, which has had the effect of quashing any hint of criticism of a named official by an Oireachtas committee. It is simply not right that the representatives of the people elected to this Parliament are not entitled to establish clear facts about right and wrong when matters of grave public importance are before them. This Government does not accept that our Parliament should be neutered in this way, almost uniquely in the world. We have committed in the programme for Government to amend the Constitution to allow for comprehensive inquiries by Oireachtas committees. Every citizen in our democracy has a right to his or her good name but that right must be balanced with the undeniable public interest realised by effective investigation into matters of serious public concern.

The programme for Government also proposes establishing a powerful investigations, oversight and petitions committee. This committee would be structured along the lines of the Committee of Public Accounts, and chaired by a senior member of the Opposition. Once the Constitution is amended to roll back the restrictions of the *Abbeylara* judgment, every Oireachtas committee will have the power to conduct an investigation. However, the investigations, oversight and petitions committee will have the specific function of addressing citizens' concerns as they relate to public services or public administration. For example, the committee could be a formal channel of consultation between the Oireachtas and the Ombudsman, responsible for ensuring her recommendations are acted upon. It would also receive petitions from individuals and groups on issues of public concern in the same manner as the petitions committee of the

[Deputy Brendan Howlin.]

European Parliament. The most glaring problem our system of governance in recent years has been its failure to provide the checks and balances that would have reined in the excesses of previous Administrations, much of which amounted to electioneering with the people's own money.

It is my intention, together with my colleague, the Minister for Finance, to radically overhaul scrutiny of public spending by the Dail. My immediate priority, as Minister for public expenditure and reform, will be to undertake a comprehensive review of all public expenditure. Public spending will be measured against its effectiveness in achieving its stated intentions and outcomes. This is a significant departure from previous efficiency reviews, which focused exclusively on doing less of everything, rather than asking what was done or what was intended to be done in the first place. The results of this comprehensive spending review will inform the budget to be introduced later this year.

Other measures include the establishment of an independent fiscal advisory council, which would objectively monitor fiscal policy, and which would report to the House in order that there will be an independent watchdog to advise Members. The Estimates procedure will be brought forward and will be accompanied by a detailed performance report on what the previous year's spending had achieved. This will include a performance report from agencies funded from the public purse. There will also be a significant role for Oireachtas committees in scrutinising performance and expenditure of Departments and agencies, some of which have never been subject to public oversight.

The programme for Government includes changes to Dáil procedures, which will enable every Member to contribute meaningfully to the business of government. These include granting Opposition and backbench Government Deputies the right to introduce their own legislation, ensuring there is adequate time to debate important legislation and amending the Adjournment debate format to make it a meaningful forum for raising topical issues. The overall effect of these reforms will be to rebalance considerably power between the Executive and the Parliament.

Governing effectively is not the same as hoarding power and democracy is not well served by knee-jerk defensiveness. This rebalancing of the Oireachtas will, I hope, better reflect the serious responsibility conferred on every Member when he or she is elected to the Dáil. That responsibility is to put the people's interest first and not just the people today, but their children and their grandchildren. It is our responsibility to hand our country on to its next stewards in a better condition than that in which we found it.

The reforms I have outlined are not partisan and they are not designed to increase the Government's advantage. It is quite the contrary; they are about doing what we were all elected to do — get our country back on its feet, get our people back to work and to put the concerns, hopes and aspirations of our fellow citizens at the heart of how we do our business.

Deputy Seán Ó Feargháil: Ba mhaith liom comhghairdeas a ghabháil leis an Leas-Cheann Comhairle as a bheith tofa anseo ar maidin. Is onóir speisialta í don Teachta agus dá chlann gur tofadh é d'aonghuth tar éis tréimhse fhada fhiúntach a chaitheamh sna Tithe seo.

I also congratulate Deputy Howlin on his appointment as Minister and I welcome, in particular, the fact that his remit covers public service reform. His zeal is well established and the public will have general confidence in him as he takes on the daunting challenge that lies ahead.

With regard to the limited subject matter before us, I welcome the opportunity to discuss the many strengths of our committee system, the many challenges the system faces and the way in which committees can be given a more prominent and effective role in our parliamentary

democracy. I also welcome some of the Government's commitments set out by the Minister in the recent programme for Government aimed at strengthening the role of committees. We strongly support some of these measures but others will have a negative impact.

The debate is timely following the publication of the Moriarty tribunal's final report. The report has once again shed a light on the huge costs and inefficiencies associated with tribunals of inquiry and the need for an alternative, more efficient and inexpensive way of conducting inquiries in the future. The Government has proposed reversing the effects of the *Abbeylara* judgment to allow Dáil committees full powers of investigation and Fianna Fáil strongly supports this. In his statement to the Dáil on the Moriarty tribunal report this week, the Taoiseach announced the Government intends to scrap the current restrictions on the nature and extent of evidence by civil servants to Oireachtas committees and replace it with new guidelines that reflect the reality of the authority delegated to them and their personal accountability for the way it is exercised. We welcome and look forward to a full debate on these proposals when they are put before the Dáil.

Fianna Fáil fully supports a strong and well resourced committee system and believes this is the best way in which the Legislature can hold Government to account. While our committee system can be said to be weak and underdeveloped compared to some of our European counterparts, some of this is down to the fact that we have a relatively young committee system that was only properly developed and reformed since the early 1990s. We need to look at the current strengths and weaknesses of our committee system and how these can they be improved. Committees can be defined as a small group of legislators who are assigned, on either a temporary or permanent basis, to examine matters more closely than the full Chamber could. The strength of the committee system is that it enables Deputies to tease out legislation and put forward detailed amendments to the relevant Minister. The committee system tends to adopt a less adversarial approach than is taken in the Chamber.

Committees allow for specialisation giving Deputies and Senators the opportunity to pursue and gain expertise on particular policy areas. Unfortunately, not every Deputy or Senator approaches his or her respective committees in this manner and the level of dedication and interest can vary widely among committee members. One of the weaknesses of the current system is the large number of committees in operation. In order to ensure committees continue to encourage and foster specialisation, this must be addressed. There are 19 Oireachtas joint committees in total and I support the proposal in the programme for Government to somewhat reduce the number of committees. We need a stronger and more focused committee system, one that allows for specialisation. However, unfortunately the programme for Government does not give any specifics on how it intends to reduce the number of committees.

We believe the number of joint committees could be reduced from 19 as a certain number of committees overlap, such as the joint committee on European affairs and the joint committee on European scrutiny and also the joint committee on the environment and the joint committee on climate change. It would be wiser to have one joint committee for each of these areas with relevant sub-committees. We also propose a close correlation between Departments and committees as this allows committees to better participate in the policy development process and to hold each Minister and Department to account.

The Taoiseach recently seemed to forget his party's previous commitment to reduce the number of Ministers of State from 15 to 12 when he announced his 15 Ministers of State a few weeks ago. I hope that when it comes to reducing the number of committees, Fine Gael shows a stronger commitment to this area of reform.

While we support a reduced number of joint committees, we would like to see more focused and specialised committees. This will play to the strength of the committee system and offer a

[Deputy Seán Ó Fearghaíl.]

level of specialisation the Dáil cannot offer. One proposal is for a new joint committee on children to be created following the creation of the new Department with responsibility for children. Within this joint committee on children, we propose a sub-committee on children's welfare. A sub-committee on children's welfare was established by the Joint Committee on Health and Children shortly before the 30th Dáil was dissolved and I would like to see this committee re-established under a new joint committee on children. I commend the Taoiseach on creating the new Department with responsibility for children and his appointment of Deputy Frances Fitzgerald as Minister.

Regarding the committee on health, we propose setting up of a number of specialised sub-committees, such as a sub-committee on older people and a sub-committee on suicide. I recognise the enormous contribution of Deputy Dan Neville and Senator Mary White to the work of the previous sub-committee on suicide. The sub-committee on older people is particularly important considering that the Government, having appointed a Minister with responsibility for children, seems to have forgotten and neglected older people. A committee for older people, operating under the aegis of the committee on health, would be worthwhile.

While we support giving more time to committee work and encouraging elected Members to take their committee work more seriously, we do not agree with Fine Gael's proposal to devote Friday sitting days to committee reports. This is not a solution to the problem and simply pushes committee work to the margins of the Dáil working week. We would like to see the work of committees integrated into the Dáil week rather than pushed out to the edge.

Certain committees meet more than others, some are better attended and there is also a variation in the output of work. Each and every committee is as important as the next and should be treated as such by their members. We need to ensure a high and consistent standard across all committees. The answer is not simply to devote Friday sitting days to committee reports or introduce a committee week every fourth week. Similarly, Fine Gael's proposals to increase Dáil sitting days to four days is not necessarily the answer. There is no evidence that simply increasing the number of days where the Houses or committees of the Oireachtas meet will make any significant change in the quality of debate, the relevance of policy or the strength of legislation.

Instead, all parties need to ensure that committee members have a genuine interest in the policy area, in particular the committee chairmen. The success of the committee is dependent on the buy-in of all committee members to its work programme and the Chair's priorities must also reflect the members' priorities. We cannot have a situation where the Chair is allowed to use the committee for his or her agenda or where parties use committees as a system of patronage, with jobs for the boys and girls.

I was Chairman of the Joint Committee on Health and Children during the previous Dáil. A number of positive measures were introduced, which other committees would do well to consider. This ties in to the importance of buy-in from all committee members. The Joint Committee on Health and Children ensured that the former Minister for Health and Children, Mary Harney, and the former CEO of the HSE appeared before it on a quarterly basis. Committees benefit from a strong partnership approach with the relevant Minister. The Government of the day needs to ensure its Ministers are prepared to be open in their relationship with committees. While we need well resourced committees, it costs nothing to bring about a new mindset and partnership approach. I strongly recommend that the new committees engage regularly with their relevant Ministers and the relevant State agencies under their remit, not just on legislation but on the broad policy agenda.

While Committee Stage is the third stage in the legislative process, there is still a clear pattern of Government dominance of legislation at all stages. Committee members can table as many amendments as they see fit but unless the Minister is willing to take on board some, the committee's work is ineffective. Unfortunately, our current system means the Government continues to have a stranglehold over legislation.

One of the advantages of committees is their ability to engage with a wide range of interest groups. This ensures an important link between the public and our elected representatives. While committees regularly invite interest groups and public servants to appear before them and provide input into the work of the committee, there is also an opportunity
2 o'clock for committees to travel around the country and meet with groups outside the environs of Leinster House. For example, the previous Joint Committee on Health and Children visited centres in Monaghan and Mosney to meet asylum seekers and witness at first hand the conditions in which they were living. The previous Joint Committee on Enterprise, Trade and Innovation, under its Chairman, Deputy Penrose, travelled around the country talking to business owners about access to credit. Both committee initiatives were beneficial and this type of active engagement should continue.

This kind of open relationship, whether it be with Ministers or particular interest groups enables more efficient and effective processing of legislation. It also creates stronger legislation by flagging particular flaws or changes that need to be made to legislation at critical stages. The success of a committee is down to its ability to take on board relevant views and effect change in the legislative process.

Apart from its legislative function, committees play an important role in providing oversight of the executive branch of Government but this depends on their ability to get evidence and compel witnesses. I welcome the Taoiseach's announcement this week that he intends to scrap the restrictions on the nature and extent of evidence by civil servants to Oireachtas committees and replace them with new guidelines.

The intention to bring forward a referendum on the Abbeylara judgment is welcome, as is the Government's intention to allow committees to conduct more effective investigations. However, if we expect the public, by way of referendum, to convey quasi-judicial powers on committees, we would need, I respectfully suggest, to demonstrate that we can abandon our primal, adversarial tendencies as politicians and show instead a greater capacity for balance, reason and mutual respect.

The Houses of the Oireachtas Commission, established under law, stands above the normal committee system. It has worked well. I urge the Government, Ceann Comhairle and Leas-Ceann Comhairle to re-establish it quickly.

I acknowledge the hard work and dedication of the staff of the committees. They are hard-working, dependable, committed, respectful of and fair to all committee members. It is essential that committees continue to be well resourced so that the important work of committee staff can continue. I acknowledge also the good work done by the communications unit on behalf of the committees.

In summary, Fianna Fáil supports a reduction in the number of Oireachtas committees, especially where duplication or overlap exists. We recommend the establishment of a number of sub-committees with focused responsibilities, for example, in the area of older people and child welfare. We endorse the proposal to hold a referendum on the Abbeylara issue, to allow committees to conduct effective investigations.

[Deputy Seán Ó Fearghaíl.]

The Minister, Deputy Howlin, is anxious to ensure that the process is not just about Government, but about all the Members of the House. In this new situation where the Government has such a massive majority we must see a change in the process whereby more of the committee Chairs can be drawn from the ranks of the Opposition parties and groupings to ensure that we have transparency, accountability and effective oversight of the legislative process in the public interest.

Deputy Caoimhghín Ó Caoláin: A Leas-Cheann Comhairle, i dtús báire, ba mhaith liom comhghairdeas a ghabháil leatsa, as do phost nua. Go n-éirí go geal leat san phost.

I welcome this opportunity to address the role of committees in the 31st Dáil and in the Oireachtas generally. These statements are timely in that they come before the Government decides what committees it will establish and what the composition of those committees will be. I was somewhat sceptical about the proposition to hold this discussion because it can only be a useful exercise if the Government listens and takes on board the experience, views and concerns of Deputies, especially those who have served in previous Dáileanna and who have participated in the committee structure. They have much to share and it is important that their points are taken on board.

In the 30th Dáil I was in the unique position of being my party spokesperson on health and children while being deliberately — I use the word “deliberately” advisedly — denied full membership of the Oireachtas joint and select committees on health and children. I was the only party spokesperson to be so excluded. The previous Taoiseach, but one, refused to accord me and, more importantly, the people and the party I represent, the right to membership of those committees. That was factually the position that applied post the general election of 2007. It was a right earned through hard and consistent work on issues relating to health and children since I was first elected in 1997, something many who are familiar with my role in regard to such matters would acknowledge, irrespective of party differences.

I have no hesitation in pointing out that the exclusion at the time of Sinn Féin from the Oireachtas Joint Committee on Health and Children was for purely party political reasons. That is not my assumption. That fact was shared with me by members of the then Taoiseach’s party.

Deputy Seán Ó Fearghaíl: Deputy Ó Caoláin was never refused the opportunity to participate and he participated fully.

Deputy Caoimhghín Ó Caoláin: If Deputy Ó Fearghaíl would allow me to continue, he might find that I will willingly acknowledge that without a prompt.

The points I make were underlined by the fact that not one but two Fianna Fáil Deputies from my constituency were accorded full membership of the committee by the Taoiseach of the day. Let us be under no illusion. That was against the backdrop of serious actions on the part of the Government of the day and the Department of Health and Children in terms of acute hospital services in the north east. That same Taoiseach approved an extension of the committee’s membership to accommodate a second representative of another political party, but no accommodation was made for this Deputy or my party in terms of membership of the committee.

I record my thanks to the former Chairmen of the Oireachtas Joint Committee on Health and Children and to the committee secretariat which facilitated me in attending and contributing to meetings and keeping my office up to date on committee work, despite the fact that I was not a committee member. It is a very important point that every Deputy and Senator is entitled to

full membership of a committee of the Houses of the Oireachtas. As recently as the previous Dáil, that was not honoured.

I have referred to this experience not as a gripe, but to make the point that there needs to be absolute fairness in the allocation of committee membership to all Deputies and Senators. I urge the new Government to be fair and equitable in its allocation of committee places and to accommodate all Members of the Houses in a manner respectful of their respective mandates.

In the past the positions of Chairs of Oireachtas committees have been doled out — some would say as goodies — to favoured Government backbenchers and to so-called Independent Deputies who supported the Government by one means or another. I recall one individual, whom I will not name, who was awarded a committee Chair. I will not put a tooth in it. He was clearly incapable of the duties required of him. This ballyhoo must end; I witnessed it personally. Committee Chairs should be allocated proportionally on the basis of party strength or from among Independent Members. They should be allocated to competent Oireachtas Members who have a particular interest in the area of responsibility and who can properly fulfil the role entrusted them. There should be no additional remuneration attached to the position of committee Chairman. It should be an honour to take up such a position which does not necessarily have to run for the duration of the Dáil of five years. The position could be rotated.

If the Oireachtas had long ago instituted a proper system of investigation by committees we might have been spared much of the huge expense and long duration of the tribunals. I welcome the new Government's commitment to amend the Constitution to give such powers to committees. Between 2002 and 2007, the Joint Committee on Finance and the Public Service, of which I was a member, conducted an investigation into customer charges and interest rates set by the commercial banks in this State. Its report was published in June 2005 and exposed how ordinary customers were being ripped off by the banks. The very fact that an Oireachtas committee had to carry out that investigation in the first place showed the failure of the Central Bank to carry out its duties and proper regulatory role. We now know this was only the tip of the iceberg of gross profiteering by the banks and gross negligence by the so-called regulators, those who were given the responsibility of oversight in respect of the banking institutions. The institutions' crimes — I mean crimes absolutely — were facilitated and encouraged by previous Governments and have brought the economy of this State to the edge of complete ruin. We have yet to see anyone held accountable before the courts for this real crime against citizens, who are suffering daily as a consequence of neglect or willful participation in the activities I have described.

Considering the role of Oireachtas committees is not an academic exercise. The function of the Dáil is to hold to account the Government it elects from among its number. We may well ask if a more empowered and vigilant Oireachtas could have held Governments more effectively to account, particularly in the past decade and a half, thus helping to avoid the worst excesses that led to the current economic nightmare.

It is often said that Dáil committees are expensive and ineffectual. They should represent no additional cost other than that associated with the provision of the supports they need. They represent an integral part of our responsibilities as elected representatives of our respective constituencies. Committees should not be ineffectual. The only way they can be effective is if the Government takes heed of their work and not only notes but also acts upon, in all reasonableness, recommendations made by them. This is related to my earlier appeal in regard to this debate.

[Deputy Caoimhghín Ó Caoláin.]

I recently served on the Joint Committee on the Constitutional Amendment on Children, which is a case in point. It came up with wording on the constitutional amendment on children that received all-party support after holding more than 60 meetings over approximately two years. There was some cost in terms of the legal supports provided. On many occasions since the publication of that committee's third report, at the outset of last year, I asked the last Government and the Minister of State with responsibility for children what progress had been made on the wording recommended by all parties. I asked whether there would be a referendum in 2010. It was like trying to extract teeth from an unwilling patient in a dental surgery; it was impossible to obtain absolute clarity. I appeal to the new Government, as I did last week, to move now towards accepting the wording all parties have agreed on after protracted hearings, discussions and negotiations. That is the only logical outcome of the committee's work. Otherwise, its report, like so many others produced by Oireachtas committees, will sit on a shelf and never be acted upon. I hope and expect that the Government will shortly confirm, very likely on the formal setting up of the new Department of Children and the appointment of Deputy Francis Fitzgerald as the Minister at its helm, that a date for a referendum will be set this year.

The Abbeylara judgment was very disappointing and negative and has had very serious consequences for the relevance of Dáil committees since it was issued. It has certainly impaired the opportunity that might have been available to many Oireachtas committees to carry out necessary investigative work. I hope that matter will be addressed this year to give teeth and opportunity to the committees of the Houses of the Oireachtas to play once again the part they can quite rightly play. In carrying out this function, they could save the State considerable sums of money.

I hope the Minister of State at the Department of Foreign Affairs, Deputy Jan O'Sullivan, will relay some of my points to her colleagues in Government arising from today's discussions.

Deputy Maureen O'Sullivan: I wish to share time with Deputy Catherine Murphy.

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Deputy Maureen O'Sullivan: Comhghairdeas leis an Leas-Cheann Comhairle ar a phost nua.

An Leas-Cheann Comhairle: Go raibh míle maith agat.

Deputy Maureen O'Sullivan: Tá súil agam go n-éireoidh go breá leis ina phost.

In the term of the Thirtieth Dáil, I concluded that the committee system was a very complicated labyrinth involving joint committees, sub-committees, select committees, Seanad committees, standing committees and special committees. A number of diverse reports were produced by all of them. The purpose of the committees was to advise on a wide range of legislative, social, economic and financial business and to process proposals for Bills on Committee Stage and examine Government expenditure. I was fascinated to see on the Oireachtas website that "the setting of up of well-organised joint committees has resulted in Deputies and Senators having additional opportunities to participate to an even greater extent in specialised parliamentary work where they take evidence from interest groups, meet witnesses or invite key Departmental officials in on specific issues of interest."

I like the title of these statements, "Making Committees Work in the 31st Dáil", because I have had, since I was a teenager quite some time ago, considerable experience of committees,

all in a voluntary capacity. Some of that committee work continues today. The committees on which I participated were associated with youth clubs, community projects, community organisations, boards of management, festivals, drugs task forces and the Young People's Facilities and Services Fund. They all had one thing in common: they generally comprised a small number who were all committed to the work and who were not members to fill seats. There were no expenses involved and there was no remuneration for chairing the committee. Punctuality was a key factor. People arrived on time and stayed for all of the meeting. Most important, decisions were made and actions followed. At the meeting after a decision was made, a report would have been produced on that action. The meetings were to the point, and when people spoke it was not to score points but to advance the issue.

I was on committees that convened solely to do a specific job and when that was done they were disbanded. Equally, there were committees whose members worked together for a considerable time out of loyalty to the relevant organisation.

When I entered the Thirtieth Dáil, I was interested in the work of some committees but my status as an independent precluded me from being a member of a considerable number of them. I attended committee meetings when I could and found they were attended by very few of the actual members. There were committees at whose meetings a member would ask a question of the visiting delegation or speaker and then leave before that question was answered. I attended committees to listen to a presentation and noted members spent more time talking to each other than to the delegations and were not paying the slightest attention to the speaker. Chairmen also spent considerable time consulting staff during presentations. Some delegates were civil servants, in respect of whom I sometimes wondered about the time they spent getting here, speaking and leaving. I wondered whether they would not have made a better difference if they had stayed at their desks. Some delegations would come to speak and as meetings take place during Dáil sittings the bell would ring for a vote and the delegation would be left speaking to an empty chair. I attended the launch of certain reports and I wonder where those reports are languishing now and to what they have led.

I pursued being on a committee and I got an opportunity to sit on the Joint Oireachtas Committee on Foreign Affairs. Overall, it was a positive experience. However, some of the issues I mentioned were relevant such as the bells ringing in the middle of presentations and delegations being left alone, and some members appearing and disappearing in almost the same moment. Also, there was a change of membership after a few months. I was fortunate to have had on that committee the benefit of the considerable experience on human rights issues of former Deputy Michael D. Higgins and Senator David Norris. At that committee we met delegations from Colombia, Gaza, Afghanistan, Iran, Pakistan, Zimbabwe, Ethiopia and Haiti. What difference did these delegations make to the crises, situations or human rights abuses in their countries? Yes, it was decided that letters would be written but to what did they lead? It was very frustrating and sad to sit there and listen to those stories feeling totally powerless to advance the issue the delegations had brought to the committee's attention.

I welcome what Deputy Howlin stated and that he accepts the committee structure has been weak. For reform we need committees to be meaningful and relevant and we also need a consistent and interested membership which has a real role to make a difference. There is a need for a protocol on attendance and participation, and each committee could do with outlining a mission statement. Above all, the committees should not be talking shops. I welcome the plans in the report for the committees to have more power and responsibility and I hope that what Deputy Howlin stated is not left to languish.

Deputy Catherine Murphy: I wish to be associated with the congratulations to the Leas-Cheann Comhairle and I also congratulate the Minister of State, Deputy Jan O’Sullivan.

I was intrigued by the name of the portfolio Deputy Howlin will take up, which is the Minister for Public Expenditure and Reform. I hope this will go far beyond reform of public expenditure because we need a vision on how we work and how we remodel our way of working and how our governance is organised. Deputy Howlin spoke about the principle of subsidiarity in the European Union. However, he did not speak about subsidiarity in terms of what we do at home. We have a very centralised system and a valid criticism made during the election campaign, one which has been made for many years, is that there is too much localism at national level. This localism cannot be eradicated if we do not have a change in where we make decisions. There needs to be serious reform whereby some decisions we make are moved to a reorganised local government system which is democratic, fair and works. This could also deliver efficiencies. This is missing from Deputy Howlin’s speech. I realise it may not be Deputy Howlin’s area and that others may have specific competency in this area. However, it is necessary to state this. If we continue to do work that is not properly done in parliament we will reduce the role of parliament.

I agree with Deputy Howlin on the need for the abolition of the Seanad. I do not see how it can be reformed and I wish to put this on the record.

A reduction in the number of committees has been discussed and last night I watched “Tonight with Vincent Browne” on which Deputy Costello made the point that it is intended to reduce the number of committees from 24 to 12. This was not included in Deputy Howlin’s speech. If such detail is known it would have been useful to have it today. It poses particular questions given that if 134 Deputies and 60 senators are to be included and have a right to be a member of one or more committee it would mean very large committees. I find that very large committees can be quite ineffective. However, having said that, in the short time I was a Member of the Dáil from 2005 to 2007 I witnessed other members of the committee of which I was a member who did not attend meetings.

From my experience of being a member of a raft of various committees outside of the Dáil, I found committees which worked best were those with a particular task with a beginning, middle and end. It would be perfectly possible for this type of committee or sub-committee to report on a particular body of work. This would require rules and regulations defining the body of work, the length of time and who would do the work. In reducing the number of committees there is the potential for efficiencies in the use of staff on the secretariat of those committees.

I agree the positions of committee chairman should be shared between Government and Opposition Members. I also agree that no payment should be made for the honour of chairing a committee. If this were so, we would be far more likely to get people who have a deep interest in being involved in a particular topic.

In his broad statement, Deputy Howlin stated the most glaring failure of our system of governance in recent years was the failure to provide checks and balances which would have reined in the excesses of the previous Administration. One of the reasons we have not had the type of oversight required is because of a movement to outsource government. Decisions made at one remove create a Teflon layer, and this was a description applied to a former Taoiseach. This has to be quickly and substantially reined in so we have democratic control over decisions on public expenditure. This was missing from the speech but it is absolutely essential if the work of the Dáil is to be meaningful.

One area that will dominate all committees is that of public service reform, because every committee has an element connected with this. We need to have a vision for public service reform rather than looking at it purely from the point of view of cutting expenditure. However, certainly we have to get value for money. I understand an overarching role will exist such as that of the Joint Oireachtas Committee on Finance and Public Service in the previous Dáil. It will be necessary to debate at committee level how we can function with a smaller public service, because this is likely to be the case and it is outlined in the programme for Government. A total of 55,000 public servants are ear-marked to lose their jobs. This will have a profound impact on front line services. The members of the Technical Group want to spend their time usefully and effectively. I am aware that people in other walks of life have, in a sense, made a career out of being members of committees. Deputy Maureen O'Sullivan made an interesting point in her contribution regarding committees in the community and voluntary sector. People may have spent time on committees and no decisions were ever made. It seemed to be almost a job in itself to be a member of one committee after another. I do not want this to be the case in the Oireachtas and I hope committees will have a defined output because that would be in all our interests.

An Ceann Comhairle: I call Deputy John O'Mahony who is sharing time with Deputy Catherine Byrne.

Deputy John O'Mahony: It is appropriate the House is discussing how an effective committee system could and should work because for the past two days we have been discussing the findings of a tribunal that was like a soap opera for 14 years. At least soap operas such as "Fair City" or "Coronation Street" are broadcast with ad breaks in the middle, which means money is being earned as well as expended. However, in the case of the tribunal, all the money was going out.

The Moriarty tribunal did its work as per its instructions, but this was at a significant cost to the State. Up to now, at least, it seems to have had no more of an effect than five or six people in a pub on a Friday night having a chat and gossiping. These tribunals have all the trappings of the Supreme Court or High Court but the difference is there is as much confusion at the end as there was at the beginning. If there were an effective committee system, armed with the investigative powers to investigate such matters of public interest, with people forced to give evidence, would there be any need for further tribunals? Was it foreseen when it was instituted that the tribunal could run into the sand as it did? In this regard it is ironic to be discussing the committee system today. We need to get the system right, once and for all.

When I suggest that people should be forced to attend committees to give evidence, I mean people such as Ministers and the Taoiseach. This would provide a level of accountability to the House whereby the facts could be established quickly and the appropriate action taken by the relevant bodies, whether the Garda Síochána, the Director of Public Prosecutions or the Revenue Commissioners.

The public have been infuriated for the past 15 years by the fact that there seems to be one rule for the high and mighty and another rule for the other classes, as it were. I am glad to see that the programme for Government clearly outlines how we plan to overhaul the way politics and government works. The Government realises this radical overhaul is necessary. The failure of the political system over the past decade has led to the financial crisis about to unfold before us in a few hours time. One of the biggest criticisms of the political system over recent years is that this House is completely disconnected from the public. The promise in the programme for Government to establish an investigative, oversight and petitions committee will go a long

[Deputy John O'Mahony.]

way towards addressing the gulf between politics and the people. This committee will receive parliamentary petitions from individuals and groups seeking to have grievances redressed with regard to public services and administration. The concept of a petitions committee has worked well at European Union level and there is no reason it will not work well here.

I was elected to this House for the first time in 2007 and I found the lack of accountability mind-boggling. For example, questions were often disallowed and when they were dealt with, the reply meant nothing. Ministers hid behind quangos and often one had to wait six months for the final answer. I acknowledge there are many good people working in the system but they were also caught in the strait-jacket. I regarded it as an extended game of Pass the Parcel. The restructuring and reorganising of the committee system is the first and crucial step in making this House and its workings more relevant. It needs to be implemented now if we are to regain the political system we deserve.

The committee system has so much to offer. Its role is perceived as being similar to a footballer who comes onto the pitch for ten minutes but is then taken off. A proper list system will give the players in this House more time on the pitch, and a real say. The people will identify with this. The committee system has so much to offer and it is time we embraced it totally.

Deputy Catherine Byrne: I congratulate Deputy Michael Kitt on his appointment as Leas Cheann-Comhairle. The Minister in his opening speech spoke about openness and transparency, with which I agree. Deputy Caoimhghín Ó Caoláin told the House of his disappointment that he was not a member of any committee in the previous Dáil. This should be rectified in the future. Any Member who expresses a wish to be a member of a committee should be given the opportunity to be part of the process, regardless of the party to which he or she belongs.

I was first elected to the Dáil in 2007 and I enjoyed being a member of a committee in the previous Dáil. I was a member of the Joint Committee on Social Protection. The work was most interesting and educational. I most enjoyed meeting groups who came to the committee, such as the Society of St. Vincent de Paul, Older and Bolder, ActionAid Ireland and the Carers Association. All these groups made very interesting representations and they have their fingers on the pulse of the community. I learned more from listening to them than I could learn from reading any book.

I see potential in the committee structure to make more of an impact on legislation and to give a voice to groups and individuals who do not otherwise have access to the Oireachtas. It is a vital link between representative groups and elected Members. We must continue the policy of openness and transparency which is the key to political reform. This is how we must do business in the Oireachtas from now on.

It is crucial that we completely reject the old mentality of jobs for the boys when it comes to appointing chairmen of committees. Such appointments should be made on the basis of merit and ability with no additional payment involved. Committees become more effective when they use their powers in a constructive way to make good law.

I refer as a good example to the manner in which committees are organised in the European Parliament. They meet twice a month and the public are permitted to table amendments and make proposals for legislation. These committees consider Commission and Council proposals and, if necessary, draw up reports to be presented to the plenary assembly.

I wish to make a particular point on the subject of senior citizens. We must be careful not to abandon or forget most important areas to which we need to give attention and effort. I

fully accept the importance of focusing our energies on the economy at present and this is reflected at the Cabinet table. Let us not forget about important areas and interested groups who still need and deserve our attention. One such group very dear to my heart is that of our senior citizens. They were previously represented by a Minister of State with responsibility for older people in the Department of Health and Children, but unfortunately this is no longer the case. Since the announcement of Ministers and Ministers of State, I have been inundated with calls from elderly people and interested groups representing senior citizens who are shocked that they are no longer to be represented by a dedicated Minister of State. This is a major oversight on our part. I fully understand the difficult decisions that had to be taken in forming the Government and creating the Cabinet. However, given that the aging population is facing into a pensions crisis in the years to come, older people's issues must be represented at the highest level.

With this in mind I am asking for the establishment of a committee dedicated to older people. Older people's issues come under a wide range of policy areas. I have previously worked on older persons' issues in the areas of health, long-term care, housing, energy and fuel, pension and income, social welfare support, and abuse of the elderly. These important issues need to be given a platform to be adequately addressed, including, for example, taking the national positive aging strategy in hand to ensure it is fully implemented.

The programme for Government makes important commitments to older people and I know that Fine Gael and our coalition partners are determined to deliver on them. When forming our new committees we need to seize the opportunity to show our senior citizens that they are not forgotten, but are valued and appreciated.

Deputy Brian Lenihan: I welcome that we are having this debate which allows us to make a contribution and intervention on the subject of parliamentary reform in the context of committees. I will comment on a general feature of public debate that I have noticed in much recent commentary and media presentation of politics, where it is suggested that the function of politicians in Dáil and Seanad Éireann is to legislate. A programme recently suggested that our only function is legislation, which is wrong. I accept it is a very important function of this House to enact legislation and it is a power we share with Seanad Éireann, but the Government is elected by Dáil Éireann and is responsible to Dáil Éireann under the Constitution.

As well as the obligation on the Dáil to share with Seanad Éireann the function of acting as a Legislature, it has a separate and equally important function of supervising the work of the Government, which is not acknowledged in much of the commentary on Dáil Éireann taking place at present. That function of the supervision of the work of the Government is especially important in a country like ours, where so much of the business of the State is centralised in the Government. Unlike, for example, in the United Kingdom, our educational services, with the exception of the VECs, are not administered at a local level. The upgrading of a primary school is a central government responsibility as are many other educational responsibilities. We have centralised the management of the health service through the Health Service Executive. We have had a national police force since 1924 in the Free State era. We have never had the tradition of strong county government that exists in the United Kingdom and very false comparisons have been made on the issue.

False conclusions have been reached, some of which are reflected in the programme for Government, firstly in the possible functions of the Seanad. If we are sharing the function of legislation with another House and we also need to supervise a Government that is highly centralised, we need some assistance in the legislative role. I agree that Seanad Éireann as

[Deputy Brian Lenihan.]

constituted does not do that in an effective way and we need a reformed senate, but whether we need to abolish it I do not believe has been properly considered in the light of the legislative responsibilities that both Houses have at present.

Regarding the supervision of the Government, we have the constant demand to reduce the number of Deputies, which has also been uncritically accepted in the programme for Government. If we do not have a strong tradition of local government service delivery and do not have health, education and justice being delivered at the local level — we certainly see no appetite among local councillors to raise the money to fund these services — and given that we take the responsibility for funding these services when we do our budget here, we therefore should have an adequate number of representatives here to ensure that those services are properly supervised. While this may go against some of the current orthodoxy in the programme for Government, Members in this House will need to reflect very carefully on these changes when we receive the report from a constitutional convention which is not elected by anybody.

Regarding the issue of Oireachtas committees, it is important that we establish the Houses of the Oireachtas Commission as rapidly as possible. The Minister, Deputy Rabbitte, and the late Jim Mitchell were very involved in the committee that recommended its establishment, a recommendation accepted by the then Fianna Fáil-led Government. The purpose of that recommendation was to bring these Houses under an administration of their own separate from the Department of Finance. Were the commission not established, the Department of Finance would have direct control over all matters relating to the operation of the Houses of the Oireachtas, which is not desirable. The commission is important and should be reconstituted.

I accept that there are too many committees given the size of the Houses, a point that is well made. There are committees for administration, which clearly should be part of the Houses of the Oireachtas Commission. We should have a committee for each Department. If the Taoiseach decides to organise the business of the Government among 14 Ministers, then we should have 14 committees if we are to make the Government accountable to these Houses. My inclination would be that even the scrutiny of European legislation should be done on an individual departmental basis with the relevant committee building up an expertise on the European dimension of that Department. Regarding the Committee of Public Accounts, I would even consider whether the public accounts should be considered in each committee. At present the procedure is that the Estimate is considered by the relevant committee. To complete the circle of financial supervision, as well as the Estimate, the appropriation, the final account and the report of the Comptroller and Auditor General should be considered by the relevant committee.

The one big advantage noticed in the committee system since it expanded in the early 1990s, is that it has given Deputies the capacity and ability to absorb information about individual Departments, which fits in very well for office in the event of them being appointed Ministers in particular Departments. That is a valuable aspect of committees that has not received much comment in this debate. There is a case for a committee to shadow each Minister in a highly specialised way. The committee would deal with that Department's legislation on Committee Stage, and would deal with the financial administration of the Department through the Estimate and the accounts. It would also have general powers of investigation of the State enterprises and the non-commercial semi-State bodies that might operate under the aegis of a particular Department, as well as calling the Minister to account as I was called to account as

Minister for Finance on many occasions before the Joint Committee on Finance and the Public Service. It is appropriate that Ministers should make themselves available to these committees. If the Government is doing its business through 14 separate Ministers and that is the priority the Taoiseach has attached to the business of Government and if this House is to hold the Government to account and make it responsible, the ideal arrangement is to have a committee shadowing each Minister.

We need to have chairmen of committees and various comments have been made as to who should be chairs and who should not be. There should be a proportionate share out of chairs among the Members of the House. If the chair is of the Government interest, the vice chair should come from an Opposition interest and *vice versa*. That should be agreed at this stage. As long as the chairs are seen as patronage belonging to the Government of the day with a few crumbs for the Opposition parties, I do not believe the committees will be treated with respect. We need to agree a basic rule if we are having this democratic revolution — although I object to the use of the word “revolution”. The people voted at the ballot box not for a revolution but for a profound change. In any event if we are to have this profound change, we need to have a rule that these chairs be rotated or divided in strict proportionality to party strength around the Chamber and that the vice chairs come from the other side of the argument. It has always been said that one of the problems of making an effective committee system work in this House is that the Government has many Members pre-empted in executive office as Ministers and Ministers of State.

Clearly that disadvantage does not apply to this House as the Government has a large majority. Perhaps that will give an opportunity to the Houses to establish a committee system that will have a rational basis, hold the Government to account, allow Deputies to deepen their experience and knowledge of the business of government, provide an effective financial administration and conduct inquiries into the responsibilities of the Government.

I would like to touch on one other matter, that is, the proposal that the Abbeylara decision be reversed. I may be on my own on this issue, even in my own party, and I am expressing a view that may not necessarily be a party view. We have to be careful about it. The reason tribunals of inquiry were established in the first place is because parliamentary inquiries were found to be too biased, prejudiced and partial to conduct an impartial investigation into a matter of historic controversy. There seems to be in some quarters of this House a wish that we resume archaeological digs into various historical matters and equip ourselves with all the legal powers to conduct ourselves as a court of law. We are not a court of law.

This week Deputy Lowry made a strong plea in his defence. We set up a tribunal of inquiry that made findings of fact, which we are bound by. It seems that the passions of politics are not conducive to producing a tribunal of inquiry among its own membership because clearly it will divide along party lines in the finding of fact. One has to find somebody outside the system to determine facts. If we start determining facts we will move very fast to the position that the committee of public safety had in the French Revolution. We cannot have Deputies sitting in judgment on themselves or others when they may have very particular party opinions and passions about the matter under investigation.

It may have worked in the context of an investigation into DIRT and the banks a decade ago. I can testify, as a former Minister for Finance, that banks are most unloved entities and there can be all-party agreement on that. If there is a matter of current political controversy and immediate public interest which a committee of this House should investigate, it would be very difficult to conduct a satisfactory investigation. That said, it is something we could tease out in the months ahead.

Deputy Mary Mitchell O'Connor: I wish to share time with Deputy McCarthy.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Mary Mitchell O'Connor: I welcome the chance to contribute to this debate on Oireachtas committees. Political reform was one of the key themes of the general election and I know from canvassing in Dún Laoghaire that there is a real desire for change in the way the Oireachtas does its business. On Tuesday the Taoiseach outlined plans to clean up politics by reforming the funding of the political system and how the lobbying process works. I welcome plans to set up an oversight committee, which will scrutinise appointments to semi-State boards and agencies. By doing so these appointments will be open to public scrutiny as they will be on the Official Report of the Oireachtas.

In this spirit of transparency I also welcome plans to televise committee meetings. However, I am cognisant of the fact that if they were televised it could lead to politicians grandstanding and waffling, and thus wasting more time. This would defeat the whole purpose of televising parliamentary business. I appeal to politicians to be direct, clear and concise in their contributions and to stop playing to the gallery in committees and in this Chamber.

As well as making committees more transparent in these straitened times, the public wants to see a serious attempt to make the Oireachtas more efficient, in terms of time and cost. They want to see an increase in the effectiveness of their public representatives. The public does not have the patience for political intrigue and infantile political debate.

A comprehensive reform of the committee system is a good way to go about achieving these efficiencies. I recognise that many Deputies work very hard on committees. A survey of Oireachtas members conducted by the Joint Committee on the Constitution in February 2010 found that committee work accounted for a significant percentage of a Deputy's workload, at 26%. However, we have had too many committees in operation, something that was perceived to be part of the culture of waste in the Oireachtas. For example the Cabinet sub-committee on social inclusion, children and integration only met twice in 2009.

Under the programme for Government, committees will have to be given the power to introduce legislation, ensuring they play a real role in the legislative process. Another major proposal in the programme for Government is the plan to hold a referendum to reverse the effects of the *Abbeylara* judgment. This will enable Oireachtas committees to carry out intensive investigations with real teeth, which is crucial in terms of giving public representatives a real role in investigating matters of public concern.

We need an Oireachtas committee to investigate the behaviour of our banks. Such a committee will need real powers because we cannot afford another tribunal. Ministers should be compelled to attend and answer questions before committees. Recommendations from a committee should be followed up, adopted or an explanation given as to why they were rejected. This has not happened in the past. Too many reports are gathering dust on shelves in this building.

I am also very aware of the abuse of the committee system which has taken place in the past and I call for an end to it. Too many politicians have been happy to accept payment for membership of a committee but have been less than enthusiastic about their actual attendance at and contribution to it. This is entirely unacceptable and will not wash with a public demanding a change in the culture of politics.

I pledge that should I be fortunate enough to be appointed to an Oireachtas committee I will treat the appointment with the respect it deserves. I will commit myself to attendance at the relevant committee and pledge to make a significant contribution to the best of my ability.

Deputy Michael McCarthy: I congratulate Deputy Michael P. Kitt on being elected as Leas-Cheann Comhairle of Dáil Éireann. He is a fine choice and I wish him well in his role.

I am very pleased to be able to speak today on making committees work better and more effectively in the 31st Dáil. My experience as a member of the Upper House for the past number of years is that committees can be very worthwhile but unless we give them effective powers and teeth and a real *imprimatur* then the exercise will be futile. We need to reform committees to reflect that and examine critical areas such as the power to compel.

We need to avoid past instances whereby people were summoned by committees with great intent on the part of the participants on it but were met with a flat refusal to attend. It highlights not just the lack of respect that some figures have for parliamentary democracy but also the frustration of people in terms of how the *status quo* operates.

As a new Deputy in this House I am committed to the programme for a Government which examines radically reforming how the political system functions. In this context, it is critical that we place high on the list of priorities the committee system. There are a lot of positives about the current system. The Joint Committee on Agriculture, Fisheries and Food, which was chaired by the former Deputy, Johnny Brady, was a fine committee. He brought a lot of people on board in terms of ideas. He avoided situations whereby people attempted to engage in the normal combative Government versus Opposition conflict, debate or exchange that may take place in this or the other Chamber. There was a sense of achieving an overall objective, in terms of the work programme. The committee was exceptional in that regard and I pay tribute to the former Deputy for that.

Committee membership also allows individual Members to focus on individual aspects of their work as parliamentarians that may not necessarily be covered by the workings of this House. The committee system is also a very good tool, in terms of ministerial and bureaucratic oversight. It gives us an opportunity to look more effectively and, possibly, more forensically, at issues in a better environment that one would expect might be the case in this House.

The issue in terms of compellability is a good one. There was a disgraceful situation in 2009, when the former chairman of Anglo Irish Bank refused point blank to come to a meeting of the Joint Committee on Economic Regulatory Affairs. Whatever one's political affiliation or whatever side of the House one is on, everybody made a genuine attempt at bringing people into this committee and trying to establish factual information in terms of what had gone wrong with the system, or even holding them to account for matters within their organisation, and one was again met with that flat rejection.

There was a similar case with the NTMA when there was a question being asked about the remuneration paid to NAMA employees. On that occasion Mr. McDonagh flatly refused to attend. He advised the pay structures for staff in that area were outside of the normal public sector pay terms and conditions. There was also a number of other committees where that was the case. Not only was it bad in terms of how we do our work and the perception of the work of parliamentarians, it was exceptionally frustrating for members of that committee.

The Committee of Public Accounts is a fine example of a committee working effectively. It is an excellent example of the value of compellability, bringing people in, and given its powers, establishing and making public vital information. It was critical when key documents were obtained by the Committee of Public Accounts on correspondence between Government and Merrill Lynch in which the latter advised the former that the blanket guarantee could be a mistake. It is vital that such information, whatever its importance, is brought into a domain like an effective working committee system and debated at length by the Members present.

[Deputy Michael McCarthy.]

As Deputy Lenihan correctly pointed out, the DIRT inquiry in the 1990s, involving the late Deputy Jim Mitchell and other fine parliamentarians such as the Minister, Deputy Rabbitte, was an excellent example of what we can achieve, in terms of vital revenues for the State but also in a cost effective and constructive manner.

On the issue of attendance at parliamentary committees, my experience, as Deputies will know thus far, is that one could be doing 101 different things from early morning, late into the night here. I would not necessarily criticise Deputies for poor attendance rates at committees because there are many other demands on our time when we are here, be they parliamentary party meetings or engaging with groups which want to discuss our various briefs. Our schedules might not always be friendly, allowing, for example, for full attendance at committee meetings. In terms of engaging with the public, the only way we can bring about tangible results in committees is by addressing that sense of disengagement, not only of the public but of us, as Members.

Deputy Aengus Ó Snodaigh: Tá sé tábhachtach sula dtosóimid ag cur coistí nua ar bun sa téarma Dála seo, agus nuair a bheidh an Seanad ann, go bhféachaimid ar choistí i gcoitinne agus conas is féidir athruithe a dhéanamh. Is é sin an príomhrud; mura bhfuil rud ag obair i gceart, caithfear díriú isteach air agus déanamh cinnte de go bhfuil athruithe curtha i bhfeidhm a léireoidh don domhan go bhfuilimid sásta féachaint chun é a athrú agus go bhfuilimid sásta foghlaim ó bhotúin a bhí nó atá á ndéanamh againn.

Sa mhéid sin, aontaím leis an Teachta Lenihan nuair a deir sé gur chóir go mbeadh go leor coistí ann chun gnó na Dála a dhéanamh, ach go háirithe coistí a chuirtear ar bun atá cothromach leis na Ranna Stáit. Níl mé a rá go bhfuil gá le 15 ceann acu ann ach ba chóir go mbeadh timpeall ar an méid sin ann dá mbeadh 15 Aire ann.

Níl aon ghá, áfach, le níos mó ná sin. Sa Dáil dheireanach, cuireadh coistí ar bun nach raibh brí nó feidhm ar bith acu. Bhí mise ar cheann acu, the Joint Administration Committee. Bhí obair an choiste sin a déanamh ag Coimisiúin Thithe an Oireachtais, an CCP agus coiste na nAoirí. Bhí ceithre choiste ag déileáil leis an stuif chéanna. Bhí sin tubaisteach mar ní raibh a fhios ag aon duine cé bhí i gceannas sa chás sin.

I began by welcoming the debate on committees. Originally, when the idea was mooted by the Government Whip, the Minister of State, Deputy Kehoe, I stated it would be a waste of a few hours in the Dáil if we had an open-ended debate about committees. Having thought about it since, I think it is important that we discuss the committees. Even though many of the Members have not enjoyed the experience of committee or have not been involved in committees, it is important that we learn from their perception of committees in the Dáil. We always need to learn from our mistakes or, at least, how to do things better.

As I stated, I was a member of quite a number of committees. One of them was the Joint Administration Committee and I explained that it was one of those committees that should not have been established. I was probably one of the most frequent attenders at committee meetings because as a Member from a small party, I was a Whip, I was on the Dáil reform committee, the CPP, the Joint Administration Committee and the Joint Committee on European Scrutiny.

Deputy Finian McGrath: A busy man.

Deputy Aengus Ó Snodaigh: I was busy, and Deputy Finian McGrath helped me out on the Joint Committee on Justice, Defence and Women's Rights on occasion.

I also attended a number of other committees because as it was a small party at the time, I had a number of portfolios and there were a range of committees, for example, the Committee on European Affairs, Foreign Affairs, Justice, Defence and Women's Rights, and Social Protection, which I would attend on a regular basis and, therefore, I had some idea of how each of them worked.

One of my criticisms, for instance, in European affairs, is that the Joint Committee on European Affairs did much of the work of the Joint Committee on European Scrutiny, but also did much of the work of the Joint Committee on Foreign Affairs. There seemed to be an overlap. That might be one of the areas to address, if the Minister is looking at reducing the number of committees. He might look at the area of amalgamating EU affairs and foreign affairs.

Under the Lisbon treaty and under our responsibilities, we need an EU scrutiny committee. In defence of that committee, it is one of the most wide-ranging committees in the Dáil. If anybody has an interest in any area of politics in Ireland and in Europe, that is one of the committees on which to sit. A significant volume of material goes through it.

Chairmen of committees were criticised, sometimes justifiably for their remuneration, which used be €20,000 and has been reduced to €10,000. However, the Chairman of the Joint Committee on European Scrutiny had to travel on a regular basis to committee meetings in Europe of all of the other chairman so that there was co-ordination and one does not give up easily a weekend every month or two. There is quite a task involved in chairing committees.

I was one who at one stage offered to chair the Joint Committee on Justice, Defence and Women's Rights free of charge. I would have been honoured, as anybody should be, to take on the role of chairing a committee of this House. It allows a Deputy a greater say in some issues. We should look at whether there is remuneration required at all for committee chairmen.

One of the issues for those who have not attended committees in the past and who have not seen them — especially new Members who have come in here and have seen the adversarial nature of this Chamber where on occasion we score points off each other — is that the nature of committees is much different and much more effective. Obviously, the primary role is to hold the Government to account. Ministers attend, and it can be quite informative, not only for Opposition TDs but also backbench TDs. I believe backbench TDs, in particular, enjoy the committees more because they are not as restricted by the whip, party or programme for Government as they are sometimes inside this Chamber. It is an area where one can flourish as a TD, whether in opposition or as a Government backbencher, because one teases out each line of legislation in contrast to the criticism often made that sometimes we rush legislation in the Chamber especially coming up to Christmas and the summer break. Such legislation is often found to be flawed by the Supreme Court at a later stage. I appeal to the Government to try not to slow down the legislative process but not to rush Committee Stage, because that is where issues are teased out line by line and where mistakes are spotted. Although we were on the opposite side on many occasions in the Chamber and on the justice committee, I and Deputy McDowell, when he was Minister, worked well and constructively together. He was a firm believer in ensuring that legislation could stand up to the highest standard of scrutiny in any court in the future if required.

It is vital for all Members to realise we have a responsibility to the public in this regard and must listen to the people. Committees are very useful in allowing community groups, campaign groups, trade unions, representative groups and concerned citizens and experts to make presentations. I have found these presentations to be most informative. Often, expert knowledge presented before legislation is prepared is vital. This is a mechanism committees should use more often and once they see the heads of a Bill from the Government, they should use the

[Deputy Aengus Ó Snodaigh.]

opportunity to invite experts to present to the committee prior to completion of the legislation. A document produced some years ago, entitled *Regulating Better*, suggested the Government should produce a regulatory impact assessment for all legislation and produce the heads of a Bill early enough for everyone in the Houses and the public to have some idea of what is coming down the track.

There are many other issues. I made a proposal to the Committee on EU Scrutiny that we should make more use of video-conferencing and a pilot study was to be done. I suggested when Máire Geoghegan-Quinn was selected as a Commissioner that rather than bringing her before a committee, we should use video-conferencing so that she, or any Commissioner who was presenting, could remain in their office and respond to questions from afar. This facility has not been used properly in the House so far and I would appeal for it to be used as one of the committee rooms has been set up for that purpose. If any Members here are appointed to committees, they should remember this proposal because it is currently buried.

Deputy Alan Farrell: As this is my maiden speech, I take the opportunity to express my appreciation to the electorate in Dublin North and the members of Fine Gael in my constituency who worked tirelessly with me in order to achieve a feat not seen since the days of Nora Owen and John Boland some 25 years ago. It is a profound honour and great privilege to serve as the people's representative in this House. I also take this opportunity to congratulate the Minister, Deputy Brendan Howlin, on his appointment to this hugely important role in the 31st Dáil.

The reform of the committee system is an element of political reform which is essential if we are to reform properly our parliamentary democracy because for too long the committee system has been used as a method of rewarding political loyalty rather than a tool of properly functioning parliamentary democracy. It should be an honour and a privilege to be asked to serve on a committee, not something that comes by virtue of political service. Deputies and Senators who sit on committees must be there to effect real change rather than as a reward for political loyalty. Committees should not and cannot exist purely for the sake of it. This is not to detract from the important and significant work performed by some committees over the past number of years, including the Committee of Public Accounts.

The manner in which committees operate must be changed so that they not only operate effectively, but restore public confidence in the political system. The only way this can be achieved is by empowering committees to reform properly the functions for which they were formed and by appointing committee chairpersons and vice-chairpersons on merit so that proper oversight of our political processes can take place. Committees are essential in order to investigate issues of public concern in a timely and cost-effective manner. The new structure for committees to be announced in the near future should provide investigative powers to committees to conduct inquiries and their findings should be enforceable in a court of law. These powers should include the power to compel witnesses, question witnesses in full public session and provide reports and recommendations. I support the reduction in the number of committees, as outlined by the Minister, in conjunction with strengthening of committee powers.

In a properly functioning modern democracy, it is essential that the business of government is open to scrutiny and that this scrutiny is not just for the sake of generating headlines. The task of reforming government is immense, but is essential to our democracy. We cannot continue to lumber through a system that is not a proper service. We must remember that we are here as representatives of the people and tasked with representing their needs. This requires a radical overhaul of our system so as to ensure government works for the people and not itself.

Deputy Patrick O'Donovan: Is mór an onóir domsa a bheith anseo mar Theachta Dála ó Dáilcheantar Luimní chun an óráid seo a thabhairt. Seo an chéad uair dom seasamh chun labhairt sa Dáil. Ba mhaith liom mo bhuíochas a ghabháil le muintir Luimní as ucht an toradh a thug siad dúinn san olltoghchán. Ba mhaith liom buíochas a ghabháil go háirithe le mo thuismitheoirí, mo chlann, lucht tacaíochta Fhine Gael, na daoine a thug cabhair dom i rith an toghcháin agus leis an slua a thug a vótaí dom. Táim fíor-bhuíoch dóibh go léir. As this is my first contribution to the House, I take this opportunity to thank the people of County Limerick for the honour they have bestowed on me to be their representative in Dáil Éireann. I also thank my supporters, family and the Fine Gael Party for their help during the election.

It is clear to me from speaking to people in my constituency that there is significant goodwill for the new Government. People throughout the country have genuine hope that the new Taoiseach and Tánaiste and their Ministers will be able to lead Ireland out of the economic wilderness into which their predecessors led us. The programme for Government agreed between the coalition partners provides the cornerstone on which Ireland can restructure itself and rebuild its international credibility. The concept of political reform will be central to rebuilding our economy and restoring trust between politics and the electorate. Having contested the election and listened at the doorsteps to the views expressed by voters, I am delighted the Taoiseach and Tánaiste have put political reform and accountability at the centre of their plans for the future and I welcome the opportunity given to the House today to discuss the effectiveness of Oireachtas committees. Like Deputy Ó Snodaigh, I concur that initially I thought this debate would be a window-dressing exercise. However, the contributions made have been quite effective.

It is clear that during the lifetime of the previous Government, Oireachtas committees were set up to reward backbenchers who had missed out on being appointed to either ministerial or junior ministerial posts. I welcome the proposed reduction in the number of committees so that as a result a real opportunity will be provided to Deputies and Senators to devote quality time to their membership of committees. The reduction in the number of committees is only one part of what is required to make the committee system work. Strong committees are the hallmark of a strong, accountable parliamentary democracy. This was evidenced here during the investigations into DIRT by the Committee of Public Accounts. However, we also have evidence of the weakness of our system. I welcome the commitment of the Government to bring forward a constitutional referendum that will help redress the balance. A previous contributor referred to the patronage element attached to committees and hoped the current Government would not go down that route. I agree. However, given the fact this contributor is the former Minister for Finance, his comments smack of some hypocrisy. The debates in this House over the last few days on the report of the tribunal of inquiry generally did not focus on a key issue, namely, the ineffectiveness, cost, duration and cumbersome nature of the tribunal system. By any stretch of the imagination, 14 years is too long a timespan for issues of public importance to be investigated.

A strong committee system with powers to compel witnesses, arrive at conclusions and make recommendations should be the replacement mechanism for investigating issues of public importance, and we should not be in a position in this House where the establishment of unwieldy tribunals of inquiry are our only recourse to accountability. One of the most important committees that will be established during the lifetime of this Dáil will be that which addresses the collapse of our banking sector and the legacy of the last administration's failure to regulate and govern a sector that has caused widespread destruction to our international reputation and our economy, and which has left a scar on families and individuals across our country. Those politicians, officials, bankers and auditors, who continued to give a clean bill of

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health year after year to the Irish economy and its banking system, must be brought before a properly and constituted public committee and account for their actions and inaction.

The remit of our committee system must be expanded. All bodies, be they Departments, semi-State companies, agencies, authorities, councils or any group in receipt of public finance, regardless of scale, must be compelled to answer questions and be held to account for their actions by Oireachtas committees, if called upon to do so by the Oireachtas committee members. The days of agencies hiding behind a screen where line Ministers absolve themselves of their responsibilities, given to them under our Constitution, must end. Oireachtas committees must be empowered to receive what other functioning democracies take for granted, which is the truth.

I am honoured to represent the people of Limerick in the Dáil and I look forward to working with my constituency colleagues, Deputies Neville and Collins, and with my Government colleagues in providing an effective level of representation in the Dáil. The public are tired of looking at a broken political system that is not delivering to the citizen and the initiative by the Government to ask Deputies to help design an effective committee system is a good first step in reversing that trend.

An Ceann Comhairle: I congratulate both Deputies on their maiden speeches. I call on Deputy McGrath, who has two minutes.

Deputy Finian McGrath: The message I got from the voters on the ground during the election campaign was about the three “Rs” — reform, reform, reform. As somebody who sat on committees in previous Dáil sessions, I found them to be very important, but there is urgent need for reform. I sat on the Oireachtas committee on justice that dealt with the Disability Bill 2004 and I had the privilege of putting forward amendments to that Bill and getting some of them accepted. I also dealt with the Barron report into the Dublin and Monaghan bombings on the justice committee. I found this to be an amazingly detailed and insightful committee, where we learned a lot about that horrific tragedy. We had an opportunity to meet the victims, bring them in and hear their side of the story as well. These committees are important to this debate.

I agree with the Minister when he states that Ireland is unique among parliamentary democracies in having a very weak committee system with very limited powers. I hope the Minister encourages change in this area. I also believe that our committees need to be given more power and responsibility to develop the work of the Parliament. The Minister also mentioned that the committees might introduce legislation, rather than just scrutinise Bills. It is important that such changes are implemented.

We must create a real democracy with accountability at every level in this country. We should cut out the fat. I would be in favour of reforming the Seanad within 12 months into a genuine forum from civic society, but if this does not work, then we should abolish it.

It is important that we make this Parliament work. That is the message we all got during the last general election.

An Ceann Comhairle: I call on the Minister to reply.

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): I thank all Deputies who participated in this short but useful debate. I apologise for not being present throughout, but there were other things happening today that involved Ministers.

I do not want to downplay the importance of this debate in any way. I am very passionate about the role of Parliament. We have not focused enough on the rebalancing of Parliament and the Executive. In the past, many Governments felt that this place was nothing more than a rubberstamp for decisions that were made by the Government, and we need fundamentally to break that view. We need to make this place fit for purpose, able to hold governments to account and to initiate policy, respecting all mandates in the House. In that way, this side of the House will have no monopoly in either devising or amending legislation, and I hope that good ideas, from whatever quarter, will be welcomed by this Government.

I join you, a Cheann Comhairle, in complimenting those Deputies who used this debate to make their maiden speeches. I thank them for that because it is an important subject. Tús maith leath na h-oibre, and this is only a beginning and an opening of ideas on the changes that need to be made to make this place fit for purpose. I am enthused by the welcome that I discern for the new Government, but also for the enthusiasm for the new crop of Members in this House. There is a willingness to change and not to see everything that was done in the past as the only way of doing things. We should not throw out the baby with the bath water, because there are many good traditions and practices that we need to maintain, but there is much reform that we need to carry out as well.

Let me summarise one or two of the main points that were made. There is a need for committees to be able to inquire. We need to row back the Abbeylara judgment, which I think has been overly interpreted to be more restrictive than the judges intended it to be. Very good work was done by committees such as the DIRT inquiry. I was on the Abbeylara inquiry and I was one of the respondents in the High Court and Supreme Court cases on the matter, when the position of the inquiring power of the Dáil was diminished. We need to push that back.

I agree that membership of committees should be on merit. Appointments to the chairs of committees in the US are based on seniority, but maybe that is not the best thing. Giving more rights to the committee members themselves to determine their own chairs is something I am happy to discuss with my Government colleagues and with the Opposition. We need to reduce the overall number of committees so that people are not running from committee to committee. In the last Dáil we had Members who were on several committees and we had to drag people in to form a quorum to begin meetings. This was just not good enough, so we need a smaller number of better resourced committees with clear, defined functions, and to give them the publicity they need as well. That is why there is an idea of having a committee week every fourth week so that committees meet in the Chamber and the media look at the workings of committees. So much detailed work that was done for months on end on committees went unnoticed when trivial stuff that went on in this Chamber got headlines. We need to break that.

Many important points were made in the debate. Although I was not here for all of it, my officials have made careful note of it and I will undertake to read the transcript of all that was said. We need to continue this spirit of dialogue so that we can have a working committee as the start of reform mechanism, because there are other legislative and constitutional actions we need to take to restore the trust that is broken in the ability of politics and Parliament to do effectively the people's business. I pledge to play my part to the best of my ability and to be open to every idea that emanates from this House, in order to make this place one of the most effective parliamentary Chambers in Europe.

Adjournment Debate Matters

An Ceann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 21 and the name of the Member in each case: (1) Deputy Richard Boyd Barrett — the need for the Taoiseach to make a statement regarding

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CACI (UK), which is employed by the state and whose subsidiary company is linked to human rights abuse allegations; and (2) Deputy Joe Costello: the need for the Minister for Finance to outline NAMA's policy for dealing with its property portfolio in the Dublin docklands and Smithfield areas.

The matters raised by both Deputies have been selected for discussion.

Ceisteanna — Questions

Priority Questions

Air Services

1. **Deputy Charlie McConalogue** asked the Minister for Tourism; Culture and Sport the position regarding the discussions he has had with companies (details supplied) regarding increasing the number of routes into the Country in exchange for the abolition of the €3 airport tax; and if he will make a statement on the matter. [6333/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): I congratulate Deputy Michael Kitt on being appointed Leas-Cheann Comhairle today. I wish him the best of luck in the role and I am sure he will be very fair like the Ceann Comhairle, Deputy Barrett.

Direct, convenient and competitive international access by air and by sea is vital for the development of tourism to Ireland, an island destination. It is in that context that the agreed programme for Government undertook to abolish the €3 air travel tax subject to a deal being agreed with carriers to reopen closed routes and bring more tourists into Ireland.

Clearly the air travel tax is among the factors which can potentially affect the competitiveness and viability of air routes to and from Ireland. However, the Government must take a balanced approach to its overall response within the wider context of fiscal sustainability and economic renewal. This is why, if the airlines do not commit unequivocally to increase the numbers of tourists visiting Ireland in return, and hence overall Exchequer receipts, there will be no reduction in the tax.

With specific regard to discussions with the airlines, my colleague, the Minister for Transport, Deputy Leo Varadkar, is currently consulting officials of my Department and his own regarding the approach to be taken in such discussions. The Deputy will be aware that the Minister, Deputy Varadkar, will shortly assume formal responsibility for tourism and sport matters, following the relevant transfer of functions.

More generally, working to restore and enhance international access is a key priority for tourism development in 2011. Tourism Ireland is engaging actively in co-operative marketing campaigns with air and sea carriers to stimulate demand for travel to Ireland from key source markets and to demonstrate ease of access. This year, Tourism Ireland has increased the level of resources available for co-operative marketing with air and sea carriers in major markets — including Ryanair and Aer Lingus — and for case-making with airports and relevant authorities for the restoration of lost air access or the introduction of new routes. Furthermore, I am advised that where it believes an opportunity exists in a market, Tourism Ireland is happy to commit co-operative marketing funds in advance to help secure a new, or reinstated, service.

Deputy Charlie McConalogue: I thank the Minister for his reply. I congratulate the Leas-Cheann Comhairle on his appointment today and wish him well in the role. I also congratulate

the Minister, Deputy Deenihan, on his appointment and wish him well in his role. I know from his background that he is very well qualified for it and I have no doubt he will bring that experience to bear in his Department in this period of Government.

The programme for Government commits to reducing the airport tax only in circumstances where the airlines agree to bring in new routes and enhance the number of tourists to the country. I welcome the fact that the Minister will hold them to that. Has he had contact with Ryanair on the matter of the €2 hike in taxes it imposed yesterday, which runs contrary to the argument it put forward in advance of the last budget seeking to reduce the airport tax in place? There is not much point in it being reduced if Ryanair will simply use it as an opportunity to proceed to introduce its own charges on fares. Airlines such as Ryanair and Aer Lingus are key to bringing people into the country. If they invest in putting on routes, it gives people an opportunity to visit this country. They can play a critical role in the development of tourism over the next while. It is critical that the Government holds them to account in ensuring that they do that in return for any reduction in the tax.

Has the Minister met representatives of Aer Lingus and Ryanair on this matter? Has he spoken to representatives of Ryanair to inform them of his displeasure and view of Members of this House that their action is simply not tolerable and that it would have repercussions in terms of future policy?

Deputy Jimmy Deenihan: I welcome Deputy McConalogue to his position of responsibility as Opposition spokesperson on transport, tourism and sport. I remind him that the line Minister will be Deputy Varadkar; it is simply that the responsibilities he will have not yet been transferred.

The Minister, Deputy Varadkar, in a interview on a news programme today expressed his disappointment that this charge was imposed. He was preparing with his officials to approach the airlines on this matter. I do not believe contact had been made as regards the €3 tax but the Minister, Deputy Varadkar, described the imposition of this tax as a major disappointment. Ryanair will use the argument that it is compensation for losses resulting from the impact of the ash cloud and other reasons but, nevertheless, it is disappointing at a time when the Government was being asked to reduce the travel tax that this hike in taxes has now been imposed. I am sure it will act as a disincentive to people travelling to this country.

Prior to the election I drew up a tourism plan, having consulted widely on it, including with Ryanair. It made a commitment at that time that if the travel tax was scrapped that over a period it could bring an additional 5 million to 6 million tourists into the country and perhaps create 5,000 to 6,000 jobs. I accepted what it said in good faith at that time but today's news is disappointing and I understand the Minister, Deputy Varadkar, expressed that disappointment earlier in an interview on national radio.

Tourism Promotion

2. **Deputy Sandra McLellan** asked the Minister for Tourism; Culture and Sport in order to boost tourism in east Cork and to create tourism related jobs, if he will support initiatives including the reopening of the Middleton to Youghal railway line [6335/11]

Deputy Jimmy Deenihan: As the Deputy will appreciate the reopening of the Middleton to Youghal railway line is not a matter for me but a matter for my colleague, the Minister for Transport who will be the Minister with responsibility for tourism shortly.

Furthermore, under the National Tourism Development Authority Act, Fáilte Ireland has the devolved function to encourage, promote and support the development and marketing of tourist facilities and services within the State. Therefore, the matter of regional tourism

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development raised by the Deputy is for Fáilte Ireland to consider as part of its day to day activities to support the tourism sector.

As the Deputy may be aware, Fáilte Ireland works with the tourism industry nationally to develop the sector, including the development of quality tourism product, domestic tourism marketing, funding for festivals and events, the development and implementation of tourism standards, enterprise support, capability building and human resource development for the tourism industry.

For the Deputy's information, I am advised that the following initiatives are under way to assist tourism businesses in east Cork, including Youghal and its environs: the Family Fun initiative to help local businesses improve their offering and marketing to the family market; business development supports to develop a broad range of skills, including marketing and sales, culinary skills, customer service, finance and business management and development; overseas sales and marketing supports to assist tourism businesses in accessing overseas markets; an angling initiative to support angling businesses in the area to maximise their potential in targeting tourists; helping activity providers grow their business, particularly water-based activities; discussion with the local authority on potential capital and infrastructural projects, in particular relating to improved beach and coastal facilities in the Youghal area; and the promotion of festivals and events in east Cork through the tourist information office network and the Discover Ireland website and campaign platforms.

I might add that Fáilte Ireland's enterprise development team in Cork is working closely with businesses in east Cork and is happy to meet any individuals or groups to deal with queries to maximise the potential of the region.

Deputy Sandra McLellan: I congratulate the Leas-Cheann Comhairle on his appointment and wish the Minister well in his new position.

It is essential that the Midleton to Youghal railway line is reopened for the sake of boosting tourism in east Cork. Businesses would benefit from more trade, while the local economy in Youghal would benefit from increased tourism. There are many opportunities for tourism promotion in east Cork which includes the Cobh Heritage Centre, Fota Wildlife Park, the Jameson Heritage Centre in Midleton and various sites of historical significance in Youghal. We should focus on bringing visitors to this area. Will the Minister work with the Minister for Transport to establish steam train excursions from Youghal to Midleton, beginning with a feasibility study of reopening the line? The tourism sector in Youghal could form part of a broader strategy to enhance the local economy and increase local employment.

Deputy Jimmy Deenihan: I congratulate the Deputy on her election. The fact that her husband is a keen Kerry football supporter makes me even happier that she is a Deputy.

As someone who was involved in the completion of a railway project, I am aware of the fascination people have with railways. A strong case can be made for the restoration of any railway line anywhere in the country. One of the major attractions of the English market is the number of railway enthusiasts there. Although the Lartigue monorail project in which I am involved is a small heritage railway scheme, it attracts a significant number of visitors from the United Kingdom because it is the only one of its type in the world. The railway project to which the Deputy refers appears to make a lot of sense. The Government is seeking to identify major projects to provide employment, whether directly and indirectly, and this project should be examined carefully in that context. As I am a railway enthusiast, any proposal for a railway project excites me personally.

I thank the Deputy for raising the issue. It is the first question of a local nature I have noticed since I began asking questions from the other side of the House. Usually such questions are disallowed, but it is welcome that they are now being taken. I am sure the Minister for Transport, Tourism and Sport, Deputy Varadkar, will be delighted to answer such questions.

Sports Capital Programme

3. **Deputy Mick Wallace** asked the Minister for Tourism; Culture and Sport his plans to publish the National Sports Facilities Strategy document [6348/11]

Deputy Jimmy Deenihan: I welcome the Deputy to the House and acknowledge his particular interest in sport. He has done an enormous amount of work to promote soccer in Wexford. It is great to see the election of sports enthusiasts to the House and I am sure the Deputy will participate in some of our activities in the coming years.

A draft national sports facilities strategy has been completed by my Department. The aim of the strategy is to provide high level policy direction for future investment, grant assistance at national, regional and local level and a co-ordinated approach across the various agencies and Departments involved in supporting the provision of sports and recreational facilities. The draft strategy identifies the wider economic, health and social argument for continued investment in sports facilities. It aims to prioritise areas for future investment and ensure continue impact in the relevant areas. It will provide an improved policy platform for any future rounds of the sports capital programme.

Since 1998 grants to the value of €730 million have been allocated under the sports capital programme to some 7,400 projects. In the current economic conditions it is crucial that we continue to recognise the importance of investment in sport for the social and economic development of the country. Given the wide benefits associated with participation in sports activities, continued targeted investment to maximise the benefits in the areas of health and well-being, social and cultural development, education, personal development, tourism and the economy is vital.

Following the completion of the transfer of functions order, the draft strategy will now fall to be considered by my colleague, Deputy Varadkar, in his role as Minister for Transport, Tourism and Sport.

Deputy Mick Wallace: I congratulate the Leas-Cheann Comhairle and the Minister on their appointments.

Since 2009 there has been a freeze on sports capital grants. I am sure the Minister is as aware as I am of the importance of sport to young people. Research indicates that every euro we spend on our children saves the State €7 by the time they become adults. However, the difficulty of measuring the social benefits of sports means people are reluctant to invest money in this area in the current economic climate. Is there any interest on the part of the coalition Government in commencing a new programme of investment in sports infrastructure? Aside from the social benefits for children, expenditure on infrastructure is a worthy investment during difficult economic times. When recession hit China, the first thing its government did was to invest €450 billion in infrastructure. Is the Government equally keen to invest in developing sports infrastructure in the light of the economic and social benefits that would ensue?

Deputy Jimmy Deenihan: I understand the strategy was prepared last summer, but, for whatever reason, it was not published. It will now be managed by the Minister for Transport, Tourism and Sport and the Minister of State with responsibility for sport, Deputy Ring, and I

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am sure they will publish it shortly once they have had an opportunity to study it and perhaps insert some of their own ideas.

An audit of sports facilities is being conducted through the local sports partnerships. I have been calling for such an audit for several years and was under the impression one had been completed several years ago. That did not happen, however. While it is important we carry out a thorough audit which can form the basis of a strategy, funding is even more important. The Minister and the Minister of State are anxious to implement a sports capital programme at the earliest opportunity. From the point of view of the nation's health, it makes perfect sense to put in place a budget for sports facilities.

I am sure Deputies will agree on the importance of providing sports facilities on or near school grounds where possible. I know of facilities located half a mile or one mile away from schools that could have been constructed on school grounds. In many cases, our weather conditions and the cost of transport makes it too difficult to bring young people to sports facilities for physical education classes with the result that most schools do not even possess indoor facilities adequate to meet the needs of the most simple of physical education programmes. I also support the development of facilities which would allow multiple sports to be pursued. Rugby, GAA and soccer clubs could share common facilities, even playing matches on different pitches. Where this has happened, it has saved a lot of money. It makes sense.

This is something that Deputy Wallace will be pursuing because of his commitment to sport. It is great that he will show his interest in the House in the future.

It is important that a new fund becomes available as soon as possible. For the information of the Deputy, this is a question I asked when I was in the Department in Killarney last week. A large amount of money — something like €77 million — is unspent at the moment and has been so for some time. If there are clubs that can go ahead with their developments, the money should be moved on to them. It should be used and not left for a long period.

There will be a new sports capital programme, although I cannot say when. That will be up to the new Minister. I will be encouraging it for the reasons expressed by the Deputy.

Deputy Mick Wallace: Would the Minister be in favour of the money being distributed based on fairness rather than ministerial influence, as we have seen too much in the past? It should go to areas of need rather than where the influence is.

Deputy Jimmy Deenihan: That is an important question and it is why there is a need for a sports strategy. Previously, the money was either spent under the influence of the Minister or distributed to wealthy clubs that could provide matching funding. Deputy Ring is anxious that the level of matching funding required be lowered in order that clubs throughout the country can avail of this. The wealthier clubs got the money, as well as organisations in the area the Minister with responsibility for sport happened to represent. That was wrong, and that is why we need a national strategy and a proper audit. We must distribute the money fairly throughout the country in order that the whole country can benefit.

4. **Deputy Charlie McConalogue** asked the Minister for Tourism; Culture and Sport his plans to restore the Sports Capital Grants [6334/11]

Deputy Jimmy Deenihan: Under the sports capital programme, SCP, funding is allocated to sporting, voluntary and community organisations at local, regional and national level. A total of €33 million has been provided in the Department's vote in the 2011 Estimates to meet payments in respect of projects that have been allocated funding under the SCP.

More than 1,000 payments were made last year to projects being developed throughout the country. These projects will allow clubs to drain pitches, erect floodlighting, buy non-personal sports equipment, build changing rooms and sports halls and generally increase opportunities for people to engage in sports at all levels. Since 1998, the Department has allocated almost €740 million in more than 7,400 separate allocations. This funding has transformed the standard of sports facilities throughout the country.

In allocating this funding, special targeting and prioritisation is given to projects in RAPID, CLÁR and local drugs task force areas. These projects are permitted to have a lower minimum level of self-funding — 20% for projects in CLÁR areas and 10% for projects in RAPID and local drugs task force areas compared with the normal 30% — and they may also receive extra marks during the assessment process.

In the most recent rounds of the SCP in 2008, successful projects in RAPID areas also qualified for additional top-up funding of up to 30% of their SCP allocations, payable by the Department of Community, Rural and Gaeltacht Affairs, in addition to their sports capital allocations. Through these measures, the SCP has invested more than €150 million in projects which are either in or serving designated disadvantaged areas. In turn, top-up arrangements from the Department of Community, Rural and Gaeltacht Affairs in RAPID and CLÁR areas have allowed further allocations of more than €22 million to be made.

Deputies will be aware that on Tuesday, 29 March, the Government made an order for the transfer of functions from the Department of Tourism, Culture and Sport to the Department of Transport, Tourism and Sport with effect from 1 April 2011. The matter of a new round of the SCP will fall for consideration to my colleagues, the Minister for Transport, Tourism and Sport and his Minister of State.

Deputy Charlie McConologue: As the Minister will know, the SCP, which has been in place since 1998, has been critical in the development of sports clubs, grounds and facilities throughout the country. I started my life in sport a good deal later than the Minister, but at that time, which was not that long ago, our facilities amounted to leaky huts. There has been considerable development since 1998. I know the Minister will not be directly responsible for sport, but can he give a commitment on behalf of the Government that the SCP will be reopened and that moneys will be made available to sports and athletics clubs throughout the country? In these times, the programme could be reoriented to ensure allowances are made for capital materials. As the Minister knows, there is a strong voluntary ethic in clubs and if some type of funding was made available, many clubs could do considerable work from relatively small resources. I am asking for a commitment from the Minister that the Government will reopen the SCP.

Deputy Jimmy Deenihan: I thank the Deputy for his positive approach. I agree that a lot can be achieved with a small amount of money. There are many people who are willing to volunteer their services if given the opportunity. I will suggest that the next scheme be more flexible with regard to the input of local labour, which could be considered as the equivalent of matching funding. In this way, much more could be achieved. From speaking to the Minister of State, Deputy Ring, I am convinced there will be a scheme, but I cannot say when. I will suggest that it be established as soon as possible.

The clause specifying that projects should be completed within 18 months must be adhered to. Clubs cannot expect to hold on to their right to obtain money for a long period while other clubs are ready to receive funding. I am convinced there will be a programme. I cannot say when, but I know it will be sooner rather than later.

What the Deputy has suggested should be noted by the incoming Minister. I suggest that he makes his proposal in the committee when it is convened. As the future Minister for Public

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Expenditure and Reform, Deputy Howlin, said earlier, the Government wishes to avail of the co-operation of the House. Sport transcends all political parties, as I have discovered. Suggestions from the Opposition side about the SCP would be very welcome.

Arts Strategy

5. **Deputy Sandra McLellan** asked the Minister for Tourism; Culture and Sport his plans to support the arts at community level [6337/11]

Deputy Jimmy Deenihan: Our arts, culture and heritage are rooted in the community. That is what makes them so unique and special. A strategy for the arts that does not start from the community is destined to fail. Our arts and cultural activities animate and enliven villages, towns and cities throughout the State, day and night. They draw people out to participate, attend and enjoy. They are the nucleus of a community and often the main economic driver while providing social well-being. Our arts, culture and heritage define us as a society, delineate us as a people and give us our self-worth and value system. It is through their medium that our international reputation will be restored.

The programme for Government commits us to a number of actions in the arts and culture area. We are committed to making strategic policy formulation the primary function of the Department. We will encourage the Arts Council to continue to dedicate resources to touring.

4 o'clock Our programme for Government will encourage greater co-operation among local authorities to promote the arts and develop cultural tourism. In this context, since taking office I have begun an engagement with local authority and community arts leaders in Kerry to develop a pilot template integrated strategy for arts, culture and the creative industries at local level. This will lead to co-ordinated delivery of an enhanced and inclusive arts and culture experience for the public at large, and will be used as a template for local authorities throughout the State.

I will meet all the arts officers over the coming weeks.

The arts are important on many levels. Involvement in the arts, particularly at community level, encourages self-esteem; is life and health enhancing, both physically and mentally; provides connections for young and old alike; and allows us to explore and develop. From my own experience, and in observing the activities in this sector, the contributions made by the arts are self-evident in the context of tourism, their economic benefits and the employment they generate. Numerous reports from arts centres, local theatre groups, musical societies, book clubs, cultural festivals, chamber choirs and school orchestras support these observations; the list is endless.

The agencies supported by my Department are aware of the influences of the arts at community level and of their value, socially and economically. The Arts Council is the State agency primarily charged with the promotion and funding of the arts at all levels throughout the country. Under the Arts Act 2003, the general functions of the council include the following: to stimulate public interest in the arts; to promote knowledge, appreciation and practice of the arts; and to assist in improving standards in the arts. The council is a statutorily independent body, funded by my Department and independent in its day-to-day operations, including in regard to its funding decisions. The council has been allocated €65.167 million in current and capital funds for 2011 to support its clients, many of whom operate at community level supporting local initiatives.

It is my intention to support the council in so far as financial and other resources permit to enable it to continue its vital work and to provide ongoing support and encouragement to the

arts in its various forms at local and national level. My Department takes a direct role the provision of grant aid for arts and culture infrastructure and it has allocated almost €200 million in funding for the capital development of facilities around the country in recent years. In 2011, almost €8 million will be spent on our cultural capital infrastructure.

Deputy Sandra McLellan: Just to put the record straight, my husband might be a Kerry supporter but I am a Cork supporter.

Deputy Jimmy Deenihan: He has a great deal of goodwill towards Kerry.

Deputy Sandra McLellan: Spending on arts and culture is about more than funding certain areas of the sector that are perceived as only being for the elite. It is about enhancing the quality of life for all. Community arts, in particular, promote development, social inclusion and community cohesion. There is an intrinsic value to arts and culture as well as significant scope to enhance the economy and to drive local economic regeneration and the tourism sector. The Minister has a particular interest in the arts. Does he agree it is important to encourage and nurture the wealth of imaginative and artistic talent in our community? Does he also agree that not only will the local community benefit, but also the country, making it more attractive as a location for arts tourism and that, therefore, more funding is needed?

Deputy Jimmy Deenihan: I thank the Deputy. I agree with all the sentiments she expressed. As a rural Deputy, I am conscious that Arts Council and Government funding must be distributed throughout the country because social and cultural inclusion will not be achieved unless the spend is disbursed nationwide and the necessary facilities are in place in order that people can see drama, visit painting exhibitions and experience live and visual arts on a regular basis, for example, to have the opportunity to go to the cinema. There are people in parts of the country who are starved and deprived of those experiences. My new portfolio of arts, heritage and the Gaeltacht will be focused and I will be able to give all my time to the arts. While I would like to be involved in sport and tourism, I will devote all my time to the arts and heritage. Deputy McGinley will look after the Gaeltacht, in which I also have an interest.

I agree with the Deputy's comments and I would like my ministry to be as inclusive as possible. I will listen to people such as the Deputy who have a commitment to the arts to examine ways we can ensure people at all levels have an opportunity to enjoy the arts and to ensure their creativity is challenged. Depressed economic times bring out the creativity in people and they are encouraged to think outside the box. The country is challenged and there is a great opportunity now for the creative instincts in people to be encouraged. I am optimistic regarding the possibilities available in writing, painting and so on.

I began the process in Kerry on the Monday following my appointment. The Department has a wonderful building in Killarney, which has been open for three years, and I am the first Minister to spend time there. That is because of geographical reasons, as it is only half an hour from my home. However, I brought in all those involved in the arts in County Kerry and we are developing a strategy, which can be applied to every county.

I will meet all the arts officers over the next few weeks in order that I can work closely with them and I will encourage county managers to provide funding from their budgets. I will match that funding as best I can and the county that gives most to the arts will be rewarded with Exchequer funding.

Other Questions

National Commemorative Programmes

6. **Deputy Aengus Ó Snodaigh** asked the Minister for Tourism; Culture and Sport if he will elaborate on the Programme for Government commitment to develop a cultural plan for future commemorative events; and if he will make a statement on the matter. [6187/11]

Deputy Jimmy Deenihan: National commemorative programmes are addressed in the first instance by the Department of the Taoiseach in consultation with other Departments and agencies. Having regard to each particular commemorative initiative, implementation arrangements for programmes and events are agreed following consideration of the roles of the interested Departments and agencies.

My Department provides organisational and other support to the lead Department for national commemorative programmes and events in the context of cultural content. To date, this has included advice on cultural issues and certain special exhibitions arranged in the cultural institutions. My Department has also been able previously to contribute towards cultural initiatives that compliment official programmes.

Without prejudice to other possible initiatives in the period, the principal commemorative programme in the coming years will relate to the centenary anniversaries of the struggle for national independence, culminating in the Easter Rising of 1916. My Department will be closely engaged to ensure the programme under development will include scope for cultural presentations not only reflecting the traditions and perspectives of the period, but also inviting new perspectives and considerations of this important history.

The initial steps in the development of the national commemorative programme were brought to the attention of an Oireachtas all-party consultation group. This inclusive and consultative approach is appropriate for the commemoration of our shared national history. Both Deputy Ó Snodaigh and I were members of that group.

In approving either non-national cultural commemorations or in suggesting components of national commemorations, I will focus on the need to mark appropriately and accurately significant events or personalities in our cultural pantheon. With regard to cultural commemorations that may fall solely within my remit, the relative significance and cross-community resonances of the event or the personality in question will have a major bearing on whether a commemorative event or project can be considered. Even then, it may not be possible in these times of financial austerity to fund every proposal that is brought forward.

Deputy Aengus Ó Snodaigh: I wish the Minister well with the work in front of him. I encourage him to put this name forward to be the lead Minister on commemorations because he has an interest in this area. In the past, the Minister for Defence worked with the Taoiseach on the 1916 commemorative committees. However, these events would be more appropriate to the Minister's remit. Given the major challenges we face, it is a key programme. I suggest that, as the Minister with responsibility for heritage, Deputy Deenihan should consider the area of Moore Street and the proposals made by the families. Will the Minister meet the families of the signatories and consider the proposals made in terms of saving what is left of Moore Street and its tie-in with 1916? Will the Minister consider properties owned by the OPW and relevant to our revolutionary past? We are approaching 100 years of commemoration, from 1913 to the founding of the State, where we can look at the past and learn lessons from it. Major commem-

orative events can be identified and I hope the Minister and the Taoiseach can produce a list of key commemorative events. Forthcoming events require a great deal of planning and will not be planned in the months before. Planning must be done many years ahead. The 1916 commemoration is not too far away, given the size of the commemorative event. The 1913 lock-out, the founding of the Irish Volunteers and the National Volunteers and the Fenian rising are other such events. Events took place in Kerry during the Fenian rising that are often forgotten about. Across the country, local areas will look to the Minister on this point. I hope money will be found because tourism can benefit from this.

Deputy Jimmy Deenihan: I thank Deputy Ó Snodaigh for his remarks. Perhaps he will advise the Taoiseach along those lines. We served on that Oireachtas committee and I thought it was quite effective whenever it met, which was not too often. The important point for the 1916 commemoration is that it should be inclusive. All Members in this House share roots in 1916. All parties go back to 1916 for their origins. The events of 1916 led to our current Republic and the State. That is the reason we are here. It has major implications for this country and it is important to celebrate in an inclusive, proper and dignified way. We should recognise the major sacrifices made by the people at that time. In hindsight, it looks easy, but we must consider that these people had the courage to take on the most powerful empire at the time when no other nation had done so. This highlights the significance of their achievement. Having established the principle of inclusivity and the importance of celebrating this properly, other issues must be examined. We must do this soon.

I have no problem meeting the people from Moore Street any time. I have some interest in the O’Rahilly, who was a Ballylongford man. I have no problem meeting the group. Some work has been done on the preservation of Moore Street. If at all possible, whatever else needs to be done should be done. I will meet these people whenever Deputy Ó Snodaigh can arrange it.

Other issues must be considered, such as the memorabilia at Collins Barracks that concern 1916. These are not on display. Memorabilia, whether written records or physical objects, must be put on display. The issue of whether the Abbey Theatre should be in the GPO must be resolved. I hope to make an announcement in that regard shortly. We should maximise the opportunities presented by this major event in our history.

Tourism Promotion

7. **Deputy Dara Calleary** asked the Minister for Tourism; Culture and Sport the action he is taking to alleviate the downward trend in tourism figures; and if he will make a statement on the matter. [6151/11]

11. **Deputy Billy Kelleher** asked the Minister for Tourism; Culture and Sport if there is a tourism strategy in place to capitalise on the forthcoming trip of US President Barack Obama and Queen Elizabeth II of Britain to Ireland; and if he will make a statement on the matter. [6149/11]

33. **Deputy Charlie McConalogue** asked the Minister for Tourism; Culture and Sport his strategy to boost tourist numbers to Ireland; his plans to attract more visitors from the UK and if he will be working with his colleagues in the Northern Ireland Executive to agree a joint strategy [6145/11]

Deputy Jimmy Deenihan: I propose to answer Question Nos. 7, 11 and 33 together.

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The new Government fully recognises the significant role the tourism sector can play in Ireland's economic recovery. After a decline in overseas visitor numbers in each of the past three years, we are determined that, in working with the tourism agencies and the industry, 2011 will mark a turning point for the sector and that we see a return to growth in overseas visitor numbers and associated revenue. My colleague, Deputy Leo Varadkar in his capacity as Minister with designated responsibility for tourism, will take matters forward in the period ahead.

Tourism's importance was also reflected in the Good Friday Agreement, which identified tourism as an area for North-South co-operation on which the North-South Ministerial Council meets in sectoral format, with representation from the Northern Ireland Executive and the Irish Government. The council makes decisions on common policies and approaches in the area of tourism. It also takes decisions on policies and actions to be implemented by Tourism Ireland Ltd.

Tourism Ireland Limited is responsible for marketing the island of Ireland as a holiday destination overseas. It was established under the framework of the Good Friday Agreement and is jointly funded by the Irish Government and the Northern Ireland Executive. The last tourism sectoral meeting took place in February and noted Tourism Ireland's business plan for 2011, as well as its corporate plan for 2011-13, and discussed its marketing plans for the year. In addition, officials of the Department regularly meet their counterparts in the Department of Enterprise, Trade and Investment in Northern Ireland and officials from Tourism Ireland.

Tourism Ireland has set itself an ambitious target of growing overseas visitor numbers by up to 4% with associated revenue of up to 7.3% this year. To achieve these targets, Tourism Ireland has reviewed its marketing strategy and operations and is focussing on the four key markets that deliver three quarters of overseas visits — Great Britain, the United States, Germany and France.

A €28 million first-half tourism marketing drive is already under way. The campaign, which is the most intensive and targeted ever mounted by the organisation, focuses on value for money and a strong, positive brand image to help Ireland gain stand-out in overseas markets. The campaign kicked-off on St. Patrick's Day with the greening of icons such as the London Eye, the Moulin Rouge in Paris and Table Mountain in South Africa. The St. Patrick's Day programme reached more than 250 million potential visitors around the world, providing a truly invaluable boost for our overseas tourism drive.

Despite very challenging consumer sentiment in recent years, Great Britain remains our most important overseas market, with close to half of our overseas visitors coming from there. Given that it is such a large market and our nearest neighbour, it is critical to achieving overall growth that we see a return to growth in visits from Great Britain. With this in mind, Tourism Ireland has increased its marketing spend in Britain by 30% this year, to ensure a strong promotional presence on TV, radio, online and on social media throughout the year. I got a good overview of this work earlier this month when I attended St. Patrick's Day events in London with Tourism Ireland.

The forthcoming State visits to Ireland by President Obama and by Queen Elizabeth II will be a wonderful opportunity to showcase Ireland to a huge audience of potential holidaymakers in the US and Britain and across the globe. These visits have the potential to deliver a major boost to Irish tourism in 2011 and beyond. A large media contingent will travel to Ireland to cover the visits and the tourism agencies will put in place a comprehensive marketing campaign in Great Britain, the US and other markets to capitalise on this great opportunity.

In other initiatives to boost tourism this year, on the business tourism front, the new Convention Centre Dublin will be highlighted and will further enhance our capacity to attract international conferences and meetings. Significant events such as the Solheim Cup at Killeen Castle, the start of the Tall Ships Race Series in Waterford, Dublin Contemporary, Imagine Ireland, and the Europa Cup final at the Aviva Stadium will also provide significant opportunities to boost our international profile and the tourism agencies will work together to maximise the tourism benefits of these events. Clearly, no single body or organisation can ensure a return to growth in overseas tourism. However, I am confident that, working together, we can ensure that the message this year is that it is the time to visit Ireland can be clearly communicated to the markets, that visitors receive a warm welcome and go home to tell their friends and neighbours to come to Ireland and experience our unique offering.

Deputy Robert Troy: I thank the Minister for his reply. I congratulate him on his recent appointment. I also congratulate my colleague, Deputy Michael Kitt, on his appointment today as Leas-Cheann Comhairle. I wish both men the best of luck in their respective roles.

The Minister rightly said that the recent CSO figures show a reduction of more than 15% in the number of overseas visitors to this country in 2010 in comparison to 2009. Tourism worldwide has been deeply affected by the global economic difficulties and loss of consumer confidence. Tourism has hugely positive benefits for the economy in general and the local economy in Longford and Westmeath. Many other parts of the country can benefit from an increase in visitor numbers to the island. Last year, the Royal Canal in my constituency was opened up. One can now navigate from the Shannon to the Royal Canal and travel up through my constituency, which is a welcome development. This is the first summer people will have an opportunity to do that.

What strategy has the Government in place to attract more visitors from the UK from where, as the Minister indicated, our highest number of visitors come, although the number of visitors from there has fallen dramatically recently? In addition, what plans are in place to market this country in the United States, Germany and France? This country is still viewed as a high-cost destination despite the fact that our hotels offer some of the best value in Europe. How will the Minister try to change that perception?

Deputy Jimmy Deenihan: There will be a significant concentration on spend in the UK market. It is happening already through Tourism Ireland. The Government tried to use the St. Patrick's Day event to promote this country strongly. I was in London and at every media opportunity I made a strong pitch for this country. I pointed out that, as the Deputy said, we were never more competitive as regards hotel bedrooms in this country. We will have to tell the world. Some people see the reduction in the price of hotels as negative — hoteliers, for example — but I see it as positive. The message should be promoted more.

We are also promoting this country more as an activity centre. Unfortunately, even though we have one of the finest outdoors in the world that we can use year-round as it never gets too warm or too cold, people do not know about it. Some people who attended a major fair on outdoor activity holidays in England where there is considerable growth in that particular market said they were not aware of what was happening in this country. We must ensure that we send a clear marketing message to UK visitors. The number of visitors from the UK is in decline but the number coming to this country has declined more than to other destinations. We must also restore the American market, which I understand is showing positive signs of recovery this year. That is the message I have received from CIE Tours and golf clubs such as Ballybunion where much interest has been expressed this year from America, more so than in

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previous years. The American market will come back and the UK market will recover to some extent.

The visits of both President Obama and Queen Elizabeth will be very important for this country. It is important that we hang out our brightest colours and that both heads of state get a very good welcome in this country. We should use their visits to demonstrate what we have to offer, show our strengths and how our culture has developed. We must put some of our best-known performers on a worldwide basis in front of global television networks that will cover the events. It is important that we maximise those events to the full, both to honour the people who are coming but also to sell this country all over the world. There will be major interest in both of the visits.

Deputy Charlie McConalogue: The Minister has said much work will be done around the trips of President Obama and Queen Elizabeth. What exactly is the content and nature of the campaigns that will be run in Britain and America to capitalise on the visits in those markets themselves as opposed to making the most of it in the course of the visits in terms of beaming images back?

As someone who comes from the north-west region, I am interested in the reference in the reply to Question No. 33 to working with the Northern Ireland Executive. I am from north Donegal which is an area that must be developed in the future in terms of working with the Northern Ireland Executive to promote tourism there and in the region as a whole. Donegal will benefit in the same way as the North, for example, if we work together. What exactly is planned in terms of enhancing co-operation with the Northern Executive over the term of government?

Deputy Jimmy Deenihan: St. Patrick's Day was an ideal opportunity to showcase this country in both America and the UK. To its credit, Tourism Ireland did an excellent job. As the Deputy is aware, Tourism Ireland is an all-island body. It is a company more than a statutory agency but it promotes the entire 32 counties. It is doing a very good job. It must keep people happy on both sides which is not always easy. Overall, it is getting its strategy in place and it is working well. It also works well with Fáilte Ireland on the tourism strategy I published after Christmas. I got much feedback from the industry that there were concerns about both agencies working together. I suggested that perhaps they should operate from the same building so that they could work together more closely. I do not know whether that is possible. There is an overlap between some of the personnel on the boards, which is important. The chief executives, chairpersons and others should work closely together.

I agree with the Deputy's point about Donegal. Tourism is important all along the western seaboard. It is important also that the Northern Ireland Executive should have a particular interest in tourism. It should support Tourism Ireland with the Republic of Ireland as much as possible, in order to encourage it to promote this country — all parts of it — more aggressively abroad.

Donegal is like Kerry. They both have some of the most beautiful landscape in the world and both counties could be havens for outdoor activity. Both have an untapped potential.

Promotion is ongoing in the UK and in America. I understand that Tourism Ireland is trying to get as much publicity as it can through the media before the visits of both the President and the Queen. The visits provide Tourism Ireland with a unique opportunity and it is front-loading its budget to spend as much as possible on promotion before both events take place. I will work closely with the Minister for Culture, Arts and Leisure in the Northern Assembly. There

is a major connection with tourism there through the arts because arts in this country provide the product which in most cases attracts tourists. Arts and tourism are intrinsically linked. I am sure the Minister for Transport, Tourism and Sport, Deputy Varadkar, will be doing the same as I am doing with his counterpart in Northern Ireland.

Considerable emphasis will be placed on the visits of both the Queen and President Obama. I am not aware of their itineraries and do not know whether they have been decided upon. However, the visits will attract great interest from people all over the world.

Deputy Luke ‘Ming’ Flanagan: Those who come from areas such as south Leitrim and Roscommon realise tourism offers massive potential in terms of job creation. No other sector has as much potential in my area.

The Minister has mentioned many steps that need to be taken. A solution needs to be found to the problem of illegal dumping and wholesale littering. There is a saying, “Where litter lies, beauty dies”. People come to Ireland for a variety of reasons, but one of the main ones is the country’s clean, green image. Unfortunately, when visitors come here, I do not believe they see it. Perhaps in the summer, when the grass is high and the leaves are on the trees, one cannot see much litter, but during times when there is no growth the extent of illegal dumping can be seen. It is an abomination. What joined-up thinking will there be between the Minister’s Department and the Department of the Environment, Community and Local Government with a view to doing something about this problem? One can package the tourism product whatever way one wants, but if the tourists who come here see litter left, right and centre, they will not return. I lived in Munich for nearly three years. One could literally tip one’s dinner on any street and eat it, it was so clean. The same cannot be said for Ireland. Many Germans come here looking for a clean, green place only to discover that their own country is cleaner. If we are to succeed in this matter, our first step which could be one of the least expensive should be to link up with Tidy Towns organisations nationally and use the resource comprising the hundreds of thousands of unemployed, through some scheme, to help to clean up litter, perhaps with the promise of a job in the tourism sector in the future. Will there be a link between the two Departments?

Deputy Jimmy Deenihan: I thank the Deputy for raising that matter. If one travels the roads, one will see the green margins are strewn with bottles and other forms of litter. It is an absolute disgrace. We are lucky that grass grows easily and quickly in this country because it camouflages, during the summer period when tourists come here, how filthy we are.

I am glad the Deputy mentioned streets. The buzzword in Europe is “street climate”, which refers to security and cleanliness. We do not really match up when it comes to street climate in Ireland. Many of our towns are strewn with litter and other forms of waste. Ireland will have to take this issue very seriously. It is fine to clean up a place for the Tidy Towns competition — one sees great energy in this regard — but this will have to be done all year round.

The Deputy referred to illegal dumping. The penalties do not seem to be enforced enough, or it is very hard to achieve convictions.

Deputy Luke ‘Ming’ Flanagan: I have been jailed for it.

Deputy Jimmy Deenihan: The Deputy obviously learned his lesson. There seem to be no great deterrents to dumping large amounts of litter.

Joined-up thinking is a very important concept. When I was proposing the tourism policy, I suggested there should be more interdepartmental and intradepartmental co-operation to

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address issues such as this. It is a matter of taking a very practical approach. Various Departments cannot pass the buck to others; there must be shared responsibility in the protection of the environment.

In addition to having responsibility for the arts, I have responsibility for culture and heritage issues. I will take these matters very seriously because we need some form of national landscape policy to allow us to treat our landscape with respect. I will follow up this issue very aggressively while I am Minister.

Deputy Aengus Ó Snodaigh: With regard to Question No. 11, given the British Government's refusal to co-operate with the Barron inquiry into the Dublin-Monaghan bombings, is the visit of the Queen on the anniversary of the bombings not inappropriate? Does the Minister believe it will have negative tourism consequences, especially among many in the Diaspora who look to our past and would not be happy with any such visit?

Deputy Jimmy Deenihan: When I was in London, I addressed a huge assembly of young Irish people. I mentioned the Queen's visit and the feedback I received from them was very positive. They are very grateful that they can go to London and other parts of the United Kingdom to work and they are also very anxious that the Queen should receive a very warm welcome when she comes to Ireland. I did not encounter any negativity among the Diaspora. It is very important that we treat the Queen with the respect that we would accord to any other visiting Head of State. We should welcome her in a very positive way and demonstrate at the same time how far we have come culturally. We should put on our greatest performance while she and President Obama are here. I hope the Queen's visit will not be associated with any negativity and that it will represent a very positive experience both for the Queen and the people. I hope this will result in more visitors from the United Kingdom, our biggest market. Just a few years ago the number of visitors from there was over 5.5 million, but this has decreased to under 3 million. We must help that market to recover. I hope, therefore, we can capitalise on the Queen's visit in that regard.

8. **Deputy Sandra McLellan** asked the Minister for Tourism; Culture and Sport his plans to reverse the decline in tourism in Youghal and east Cork; and if he will make a statement on the matter. [6184/11]

Deputy Jimmy Deenihan: I refer the Deputy to my reply to Priority Question No. 2. If she wants to add anything further, she may do so.

Deputy Sandra McLellan: Other countries that have identified a decline in tourism in key destinations have taken steps to reverse the trend. Will the Minister be considering such tourism destinations in Ireland, including Youghal and Cork city, to determine what steps can be taken to reverse the decline and make them more vibrant again? Will he consider helping those who manage heritage sites in Cork to offer day trips from Cork city to other areas in order to boost the sector? Is a mechanism or grants facility available to his Department to facilitate a strategic marina development in Youghal, given its important strategic position?

Deputy Jimmy Deenihan: Overall, County Cork is a very vibrant tourist destination. West Cork is regarded as one of the primary tourist destinations in the country. People in Youghal and elsewhere can only regard what is being done in west Cork as a very good model on which to base a tourism product. Having a reasonable knowledge of east Cork and the Youghal area — I have relatives there — I realise it has considerable potential. This must be driven by

local leaders, in addition to the Government. Any Government would consider tourism and agriculture, the strong points in east Cork, as fine drivers for the future. The Government will be putting particular emphasis on growing the number of tourists and supporting the farming community and food industry with a view to job creation. There is a connection between culinary tourism and areas such as Youghal in east Cork, which is also a traditional seaside resort like Ballybunion in County Kerry. Apparently, there is now more interest in our traditional seaside resorts than previously so there is more potential there also.

Tourism Industry

9. **Deputy Billy Kelleher** asked the Minister for Tourism; Culture and Sport his views on the overlap of activity between Tourism Ireland and Fáilte Ireland, with a view to ensuring the maximum return from our investment in these agencies [6150/11]

13. **Deputy Gerry Adams** asked the Minister for Tourism; Culture and Sport his plans to ensure that Fáilte Ireland and the Northern Ireland Tourist Board cooperate closely and ensure that all of their strategies are proofed with a view to taking an All-Ireland approach. [6203/11]

Deputy Jimmy Deenihan: I propose to take Questions Nos. 9 and 13 together.

Fáilte Ireland was established under the National Tourism Development Authority Act 2003, following the amalgamation of Bord Fáilte Éireann and CERT, to encourage, promote and support tourism. Its primary functions are the development of quality tourism product, domestic tourism marketing, tourism standards, enterprise support, capability building and human resource development for the tourism industry.

Tourism was specifically designated as an area for co-operation under the Good Friday Agreement. In December 1998, the parties to the Agreement decided that a publicly owned limited company would be established by the Northern Ireland Tourist Board and the then Bord Fáilte Éireann to carry out functions related to the promotion of tourism to the island of Ireland. The company, Tourism Ireland Limited, was formally incorporated on 11 December 2000. Tourism Ireland is accountable to the North South Ministerial Council with funding for its operations being provided by the Department of Enterprise, Trade and Investment in Northern Ireland and by the Department with responsibility for tourism in the South. The primary remit of the company is to promote the island of Ireland as a tourist destination in overseas markets.

The company works closely with Fáilte Ireland, the Northern Ireland Tourism Board and the tourism industry in delivering its remit. I am aware that the report of the tourism renewal group, which was published in October 2009, noted that in the course of a very wide-ranging consultation across the sector, general satisfaction at the performance and delivery of the primary State sector tourism agencies, namely, Fáilte Ireland and Tourism Ireland, was a consistent theme.

The close working relationship between the organisations is strengthened by the fact that the chief executive of Fáilte Ireland and the chair of the Northern Ireland Tourist Board both sit on the board of Tourism Ireland. The Fáilte Ireland authority also meets the board of Tourism Ireland and the Northern Ireland Tourist Board on an ongoing basis to discuss issues of mutual interest on tourism. I also understand that the chief executive of Tourism Ireland regularly attends the meetings of the Fáilte Ireland board on an observer basis. The chief executives and senior management teams in Fáilte Ireland, Tourism Ireland and the Northern Ireland Tourist Board work hard to foster even closer working relationships between the agencies. This includes joint preparation of marketing programmes. I am satisfied these contacts

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ensure each agency's strategies, plans and activities take appropriate account of the all-Ireland dimension of the tourism strand of the Good Friday Agreement, although the Deputy should be aware that I have no remit in relation to the formal approval of the strategies of the Northern Ireland Tourist Board.

With regard to any overlap in activities, the Government believes it is important that all State agencies constantly review and monitor their operations to ensure optimal returns are received for public investment. In this regard and subject to discussions with the relevant authorities in Northern Ireland as appropriate, if there is scope for potential savings from eliminating any duplication between the relevant bodies, this will be pursued in the months ahead. I am aware that on the corporate side, the agencies in the South are working to share services where possible with a view to driving economies for the agencies and so divert all available resources to programme areas.

Written Answers follow Adjournment Debate.

Banks Recapitalisation and Restructuring: Statements

An Ceann Comhairle: Before calling on the Minister for Finance, on behalf of the Members of the House I welcome the practice that the Minister has come to the House to make an announcement.

Deputies: Hear, hear.

A Deputy: It was a long time.

Minister for Finance (Deputy Michael Noonan): I regret delaying the House momentarily. Copies of my statement are on the way and will be distributed to everyone shortly.

The date of Tuesday, 30 September 2008, will go down in history as the blackest day in Ireland since the Civil War broke out. This was the date on which the then Government extended the infamous guarantee to the Irish banks and decided that Anglo Irish Bank should be supported and maintained. It quickly became apparent that Anglo Irish Bank was insolvent in the absence of State support, that the other banks were illiquid and that the banking system was not fit for purpose. The banks were too big for the economy. The JCB and the swinging crane had become the logos of the banks and Irish bankers were as likely to be funding apartment blocks on the Black Sea or dabbling in property schemes in Singapore as they were to be investing in the Irish economy.

We are now in the third year of the banking crisis. The previous Government failed to act. They ducked and dived and procrastinated as they lurched from one crisis to the next. They went through periods of denial and periods of self-justification and they paved the road to disaster with good intentions. They never fixed the broken banks, however. The country has been left with an appalling legacy of debt, unemployment, emigration, falling living standards and of low morale.

The new Government has received a very strong mandate for change, renewal and doing things differently. It is a mandate to act, and we will act. Today, we set about that task in earnest. The Government is announcing decisions that will lead to a radical restructuring of the domestic banking system, return the banking system to long-term viability and profitability; and finally break the vicious cycle of the massive dependence of the banks on the State. The

banking system must be the enabler of economic recovery by restoring public and market confidence in its financial health, management competence and ethical integrity.

To accomplish this, we will reduce the number of domestic banks by creating two new strong universal pillar banks. We will also ensure they are fully recapitalised in order that the world looks at these core banks with confidence and they, in turn, help instil confidence in our economy. In just two years, the State has contributed €46.3 billion of capital to the domestic banks. Despite this huge commitment of resources, the banking system remains distressed, with each institution continuing to rely on the lifeline of State and Central Bank support. Confidence in the banking system can be restored, albeit gradually, by now taking the right steps to restructure our banking system. Strong capitalisation of the banks is only part of that process and I will discuss that process later. The banking system itself first needs to be restructured to build a new core banking system that is fit for purpose for the economy, businesses and households by providing substantial new lending into the economy.

Both Government parties have consistently stated that the Irish banking system needs to be reduced to a size appropriate to our economy. The capital injections will be provided to create a banking system that has two universal full-service banks as its core pillars and a restructured Irish Life & Permanent. The first pillar bank will be created from the already strong franchise of Bank of Ireland and it is our intention to combine the businesses and strengthen the franchises of Allied Irish Banks and the Educational Building Society to form the second pillar bank. Overseas banks operating in Ireland will help maintain the competitive fabric of the market. Although backstopping the Central Bank requirements, we will provide the management with time to raise additional private capital and limit the State's need to invest in the banks.

Allied Irish Banks and the EBS will be the second pillar. We have announced that the recent bid for the EBS did not represent good value for the State as shareholder. We intend to combine the operations of AIB and the EBS to build a second pillar bank from the strengths of both institutions. Again, this will be a largely domestically focused bank, retaining its Northern Ireland operations and certain deposit funded operations in the UK. During the transition, customers should continue to do business with either bank as before and over time, the fuller services of AIB will become available to the customers of the EBS who will obviously retain the protection of the State guarantee for their deposits. The non-core division of the combined entity will see deleveraging of €23 billion of assets by 2013.

To satisfy the Central Bank's capital requirements, Irish Life & Permanent must raise very substantial additional equity capital. This will require a significant restructuring of its business and its shareholding, involving in all likelihood a majority stake held by the Government. The management of Irish Life & Permanent has agreed to produce a detailed capital plan to me very shortly. The basic elements of this plan are already clear and are reflected in the deleveraging plans agreed with the Central Bank. Irish Life & Permanent will immediately commence a process to sell its life insurance subsidiary, Irish Life Assurance, as well as other non-banking assets, such as its life and pensions business, which is strong, well capitalised and will continue to operate normally. In line with the other institutions, banking assets will be divided between core and non-core assets.

To attract foreign investment and funding, these new banks must realign themselves with the best international norms. The Central Bank announcement today is based on strong minimum core tier one capital ratios of 10.5%, more acceptable loan to deposit ratios compared with international norms, stress testing to 6% over three years and beyond, and a realignment of their balance sheet capital and funding to meet the upcoming new regulatory requirements

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under Basel III. In essence, our banks will need to be smaller, more focused on core operations, better funded and better capitalised.

Each of these banks will reorganise its operations into core and non-core functions. With a carefully managed programme of deleveraging by 2013 as the non-core assets which do not serve growth on the island of Ireland disappear, the pillar banks should then start to better serve the economy as functioning banks rather than the oversized, over-leveraged banks they are now. The core parts will be designed, from the outset, to provide the economy with the services and credit it needs. Non-core businesses and assets of the banks will be sold or run off over time, avoiding fire sales. This will allow for a significant reduction of the level of assets relative to deposits over time. With these sales, recapitalisations and other measures, the banks will repay their ECB and Central Bank funding and in time will be better able to raise their own finances.

The future banking landscape will look thus. The first pillar bank will be designed from Bank of Ireland. Splitting into separately managed non-core and core divisions, the bank will begin to shed €30 billion of assets by 2013. It will become a significantly more domestically focused bank and retain its businesses in Northern Ireland, its post office deposit venture in the United Kingdom and limited capital markets business.

The sale of valuable insurance and other assets from Irish Life & Permanent should raise significant capital for the ILP group. It is the intention of the State to provide the remaining PCAR capital to the group.

Throughout the period of restructuring, the group will operate as normal. Customers and policyholders will carry on their business as usual and the guarantee will apply. The new restructuring plans for the banks will be submitted to the European Commission for approval under state aid rules in respect of all of the above issues.

The PCAR bank stress tests carried out by the Central Bank are certainly among the most thorough and demanding such tests ever performed in Ireland, or indeed anywhere. The detailed results methodology and assumptions underlying these stress tests are being published, emphasising Ireland's firm commitment to this critical exercise being fully open and transparent. The tests assume higher base levels of capital, a more stressed underlying banking environment, conservative loan loss and recovery assumptions and substantial buffers over and above the results modelled by the Central Bank and advisers. The capital levels are well above the 10.5% internationally accepted target rate and would withstand very significant economic and financial shocks. The stress scenarios while not implausible are highly unlikely and are not meant to be, nor should they be, interpreted as being forecasts. This is not "business as usual" here — these are demanding stresses against demanding capital targets. As the Governor of the Central Bank, Professor Patrick Honohan, has made abundantly clear, this is a very conservative assessment of our banks' capital assessment.

The State's investment in the banks will lead to very high level of capital in the banks. For example, if their PCAR requirements were met today, AIB and Bank of Ireland would have core tier 1 ratios of 22% and 16%, respectively, while Irish Life & Permanent would be in excess of 32%. Should the actual results prove to be better than the highly conservative assumptions used in the Central Bank's stress scenarios, we will redeem any surplus capital from the banks. It is very reassuring that our external partners have signalled their support for, in their own words, this "rigorous capital needs assessment".

I understand that ordinary people, investors and the financial markets as well as our international partners wish to have clarity on the Government's plans for ensuring that the banks meet these demanding capital requirements. A key objective for the Government is to strengthen overall fiscal sustainability by separating bank risk from sovereign risk. Clearly, this can be achieved only by returning the banking system to health. It is acknowledged by all that a large part of the €46.3 billion already invested by the State in the banks will not be recovered, but the State has not borne the full burden of the collapse. Approximately €60 billion of private equity value in Irish banks has also been destroyed since early 2007, much of it held by ordinary Irish citizens. Subordinated bondholders have also already contributed approximately €10 billion to the cost of the bailout.

Based on the Central Bank's work, a further €24 billion, including €3 billion of contingency funds, is now required by the banks for capital purposes. This is a significant sum, although it is within the funding envelope available for this purpose from the EU-IMF programme of support. The Government's view is that there should be no half measures and if it must be done, it will be done without delay. This is not to say that this burden should fall first on the taxpayer without any mitigation. Actions to reduce the cost to the taxpayer significantly will include providing some element of capital up to €3 billion on a contingent basis — if not required, the capital must be returned to the State. We will also seek direct contributions to solving the capital issues of the banking system by requiring further significant contributions from other sources, including from subordinated debt holders, by the sale of assets to generate capital and where possible by seeking private investor funds. It is important that, after going through the reorganisation, these three new banks are able to operate in the marketplace as strong banks with a positive future and ongoing positive relationships with counterparties of all kinds.

Neither Anglo Irish Bank nor Irish Nationwide Building Society was subject to the stress tests announced today. Consequently, there is no immediate need for additional capital for either institution. It is Government policy to work out these institutions in an orderly manner over time and to minimise further injections of taxpayer capital into either institution. A further assessment of the capital requirements of both institutions will be available in May. Should additional capital be required at that point, the Government will then consult with the external partners on the timeframe and means of recapitalising those institutions at minimum cost to the taxpayer, having regard to the financial stability impacts in Ireland and abroad. We will act with due care and in close consultation with all the appropriate partners, having regard to the market situation, and the need to have regard to financial stability impacts in Ireland and abroad.

Throughout the process of addressing the problems in the banking system, including Anglo Irish Bank and Irish Nationwide Building Society, we recognise that confidence in our banks and clarity about our proposed planned actions are necessary. I wish, therefore, to reiterate the commitment of the Government to the protection of those parties who have advanced funds which are guaranteed by the State and those others who continue to support our banks with deposits, interbank lending, derivative contracts and the like. Bank depositors can be assured that their funds remain safe. Actions taken by the Government will, of course, be careful and proportionate, having regard to the principles I have outlined.

The agreement with the external authorities provided that the State would provide €17.5 billion of funding towards the programme of support for Ireland. Given the actions that the Government has decided to adopt to reduce the cost of capitalisation, it will be possible for much of the remainder of the cost to be met from existing resources. This will reduce the additional debt service cost to the State associated with new capital injections as there is no interest charged on funds from the National Pensions Reserve Fund which will provide €10

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billion towards the cost of capitalisation. My predecessor put almost €7 billion of the State's resources on deposit in the banks and this can also be used towards capitalisation.

The covered banks continue to attract significant and largely stable deposit funding with the security provided by the State guarantee. The ECB and our Central Bank also continue to demonstrate an extremely high level of commitment to the funding of the Irish banking system. Ensuring the recapitalisation of the banks underpins this solvency and thus their continued access over time to Central Bank liquidity facilities, and also facilitates the task of asset reduction and a return to more normal funding conditions.

We would not be in the position we are today, had banks adhered to best governance practice. It is now vital that the efforts to financially restructure the banking system are supported by real improvements in corporate governance and the management of financial institutions in Ireland. It is crucial that the reputation of Ireland's banking system is restored. In that context, I welcome recent initiatives made by the Central Bank in this area, including the introduction of a new code on corporate governance and the recent issuance of a consultation paper on fitness and probity standards by the head of regulation at the Central Bank, Mr. Matthew Elderfield. Mr Elderfield has made it clear that the track record of those holding senior positions in financial services will be taken into account in assessing their suitability for taking up or indeed retaining a senior role in financial services. It is the intention of the Government to make very significant changes in the boards of directors of banks and in their management structure. I fully anticipate that as a result of this exercise there will be the changes I am talking about.

We intend to implement the commitment in the programme for Government to create a more integrated decision-making structure among all relevant Departments and agencies with banking responsibilities. Therefore, another key plank of our proposed measures is to strengthen and enhance the capacity of the Department of Finance in the area of banking policy. We have seen how a problem in the banking system can significantly damage the economy and put the fiscal sustainability of the State at risk. This cannot be allowed to happen again. It is essential that the Department of Finance has the appropriate policy responsibilities and financial market and banking expertise to be able to advise Government on potential systemic threats and on measures to address and mitigate these. The end-result will be that banks that have received taxpayer support will be far more accountable to Government and Parliament for their performance in responding to the needs of the economy.

For the benefit of our people and of market participants, I want to be clear that we are committed to the EU-IMF programme. We have issues that we wish to raise and changes that we need to make in the context of ensuring growth and recovery in the Irish economy. However, we will respect the overall fiscal parameters of the programme and where adjustments to the programme affect these, we will make appropriate offsetting adjustments. It is clear from contacts to date that there is already a good level of understanding between the Government, the external agencies and the funding parties in this regard. This radical restructuring of the banking system is designed to put it on a firm footing for the future and break the bonds with our toxic banking past. This is essential for our economy and country. From here, let us move forward with purpose.

Deputy Brian Lenihan: I wish to share time with Deputy McGrath.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Brian Lenihan: I welcome the Minister. It is not a precedent or innovation for the Minister to address the House in the wake of stress tests. Last year, on the publication of the

stress tests by the Governor and the Regulator I brought the response of the Government directly to the House. The Minister, I am glad to say, as I requested last Thursday, has kept with that precedent and outlined the Government's response to the stress tests.

I do not want to be contentious today. The Minister opened his speech with a rhetorical flourish touching on matters that do not have a direct bearing but he concluded as an orthodox Minister for Finance by saying that he wanted to be clear too for the benefit of our people and of market participants that we are committed to the EU and IMF programme. That is the position of the Government and the Minister for Finance.

Part of the programme was to carry out these stress tests. It is worth recalling that they have been carried out on behalf of the Central Bank, as they were last year by a firm. It is also worth noting what was stated last year by the Governor of the Central Bank and the Regulator at the time in regard to the stress tests then conducted. They were conducted at the exact same time last year and a press release was issued on 30 March 2010 by the Governor of the Central Bank. He said:

After a period of great uncertainty, these actions and announcements create a secure platform on which confidence will be built. While the costs that are today revealed are certainly significant, they are manageable and affordable for the Irish State. They are certainly a necessary measure to put the banking crisis behind us and provide for a stronger economy

On the same date the head of regulation said:

It is important that our banks move to a strong capital position as soon as possible and that we draw a line under the Irish banking crisis. Sufficient capital is an essential ingredient to ensure that banks can withstand future losses. We have applied a robust, realistic and prudent capital standard informed by our own detailed analysis and by emerging best practice internationally.

Subsequent stress tests were carried out on Bank of Ireland and AIB during the summer which did not excite much attention. They were more relaxed in character than the original stress tests and apparently were those applied on a Europe wide basis to various banks.

It is worth recalling what the Governor and Regulator said on that occasion because I am not sure the Minister will reply to this debate. I hope for his sake that the stress tests that have been announced today stand up by 30 March 2012. That is very important for the State and its financial stability. The stress test announced today by the Minister, entailing a requirement on the State to put a further €23 billion into the banking system——

Deputy Joan Burton: The Deputy has some nerve.

Deputy Brian Lenihan: ——clearly represents a dramatic escalation of what was found by the Central Bank and the Financial Regulator this time last year.

Deputy Michael Noonan: The Deputy appointed the consultants.

Deputy Brian Lenihan: It is something that for all our sakes I am anxious to ensure. I wish the Minister——

(Interruptions).

An Ceann Comhairle: Allow the Deputy to continue, without interruption please.

Deputy Brian Lenihan: —well in his job and I draw his attention to a difficulty created by the stress tests. It is worth looking at them and the type involved.

A Deputy: Year zero.

Deputy Brian Lenihan: The stress test assumes that house prices will return to 2002 levels by 2040. It also assumes that marking to market should take place on all investment properties, irrespective of the reliability of the tenancies and their payments. I was delighted the Minister outlined that the stressed cases represent definitively a worst case scenario. I hope so because were those stresses to materialise it is not a scenario under which this economy can survive.

I am glad to see in his announcement that some of the capital being provided is contingency capital and not definitively committed to the banking system. It seems to me that with these stress tests it is inevitable that a figure of this size would be found to be necessary for the banks. What is being proposed is that the banks be stuffed with capital as part of an effort to ensure international credibility for them. I hope the strategy succeeds.

Clearly, it has been discussed with the European authorities. However, if I have one area of reservation about the Minister's speech it is the nature of the consultation which has happened with the European authorities. I intend to return to this issue. The clear assumptions of the stress tests are very dangerous for this economy because unless our house purchase market revives and investment takes place in the property sector generally we will not have any economic recovery.

We will continue in a vicious rather than virtuous cycle of decline, in terms of the economy generally and the banking sector. It is very important that we all make it clear that these stress tests are just that, namely, testing an extreme scenario. The response of the Government following international consultation, which it now welcomes and accepts, should ensure that the stresses are provided for even if they do not materialise.

As the Minister said, it is proposed to redeem some of the capital if it is not required for capitalisation purposes in the future or was established to be surplus to requirements. It is important that is clear. The Minister went on to outline the future of the banking landscape. He envisages it being provided by two pillar domestically owned banks, as I understand it, with vigorous competition being provided by banks from overseas.

He signalled today that it is his intention that EBS and AIB be merged to form one of the pillars and the Bank of Ireland will form the other, with the future of Irish Life & Permanent somewhat uncertain, not in financial, funding or reliability terms but in terms of where it fits into the landscape over time. I take it the Minister envisages that it too will be assimilated into a larger bank.

In its manifesto Fine Gael indicated that it proposed to sell EBS to a private party but I gather yesterday the NTMA confirmed that it did not believe that the terms and conditions of the offer were feasible from a State point of view. It is worth noting why and why private investment cannot be attracted into the Irish banking sector. It is because the assumptions in these stress tests are so radical they would have involved an exposure to the State in the underwriting of the private capital that would otherwise have gone into EBS.

In other words, the stress test is so pessimistic compared to any stress test carried out in any other European country that, in effect, was the State to have promoted the private investment in EBS, subject to various backstops or guarantees being sought from the State, the State would immediately expose itself via the stress to a liability. For that reason, the banking system, based on these stress test, cannot attract private investment from overseas.

That has been a persistent problem with the attraction of investment from overseas, apart from the funding of the banking system in recent years. Funding is absolutely fundamental. The fundamental difficulty with the Irish banking system since September 2008 is that funding has dried up. Banks which became unsustainably large in the period leading up to 2008 have seen a persistent withdrawal, not of bond or debt finance but more crucially of deposit finance. That funding has been replaced by support from the European Central Bank, as we all know.

The Minister has to grapple with this and has done his best to date, save with one respect to which I want to return. I am not sure I should fault the Minister, the Taoiseach or whoever decided last weekend to brief our newspapers about an imminent arrangement which was alleged to have been concluded with the European Central Bank. It was reported on Saturday last in *The Irish Times* that: "The European Central Bank is working on an emergency plan to deepen its support for Ireland's ailing financial system with a new scheme to provide banks with more than €60 billion in medium-term 'liquidity' loans", and that that initiative was being prepared in anticipation of bank stress results today, and that it would significantly expand the reach of the ECB's operations in Ireland.

This Government has made a great deal of its commitment to European matters. I can assure the Government I maintained close relationships with both the European Central Bank and the eurogroup at all stages.

Deputy Brendan Howlin: They speak highly of the Deputy.

Deputy Brian Lenihan: This Government has made a virtue of suggesting that it has some moral superiority in this area but on Saturday last we were informed in *The Irish Times*, clearly by Government sources, that this emergency €60 billion scheme for Irish banks would be introduced in parallel with today's announcement. There is no reference to it in today's announcement.

I wish the Minister well and hope he, the Taoiseach and the other Ministers involved can progress their discussions with the Commission and I am sure the Governor is doing his best with his colleagues on the governing council of the European Central Bank, but it is important to note that, despite the clear flagging of this, and it was flagged subsequently in various Sunday newspapers, it has not happened. According to that article:

The plan would see the ECB replace a short-term funding scheme known as the Exceptional Liquidity Assistance (ELA) programme with a new medium-term liquidity facility tailor-made for the Irish banks. Banks use liquidity to fund their day-to-day operations.

We know that well. However, that has not happened. The Government flagged it would happen; it has not. It has not been announced this afternoon.

In other articles it was suggested that Ireland needs to persuade the EU-IMF to agree a lower pace of bank deleveraging, and I agree with that. That was one of the main objectives of our diplomacy in our final few months as well. From what the Minister stated this afternoon, he has made a little more progress on that front, which is an important front on which to make progress, but I would prefer to see more definitive progress on it. Clearly, we cannot have a fire sale of assets in the Irish banking sector. That would accelerate losses to a degree which we cannot contemplate.

Of course, the burden of the programme for Government was that NAMA had crystallised losses. That was losses in transparently devalued assets in the property sector. What we are looking at here is a crystallisation of losses, not in the land and development category but in the home ownership category and in the category of business lending. That crystallisation will impose a significant additional burden on the taxpayer. Given that we are talking today about

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stress testing in the banking sector and home purchase, it is extraordinary that the Government has announced no initiative in parallel on the protection of home owners. In fact, the promise to deliver mortgage interest relief within 100 days, which had a decisive impact at the doorsteps when unveiled by Fine Gael, is not being implemented in the first 100 days and has been deferred for consideration to the budget which will be introduced later this year. That, of course, had to be done because the existing incentives for persons to purchase houses and avail of mortgage interest relief must be kept in place to breathe some life into the first-time buyers' market. I made that clear during the election campaign and I am glad the Minister has now accommodated himself to the policy of the previous Government in that regard as well.

I really do not wish to be churlish in any way to the Minister, who has had a baptism of fire in this particular area and whom I wish well in his exertions, but it is important in our dealings with the European Central Bank to realise this is an autonomous institution. It is not an institution which is subject to direction or megaphone diplomacy from national governments. It must be dealt with in a certain way if we want to make progress with it, and I do not see much evidence in last weekend's newspapers that it was dealt with in that way. There is an absence of any announcement on ECB support in this statement. That troubles me. It is important that we get that statement as soon as possible because we need that confirmation of the lender-of-last-resort capacity of the central bank and assurance that in this part of the eurozone, where we are expected to make very substantial sacrifices to protect the integrity of the zone, the central bank stands firmly behind us.

We also must note in today's announcement that the only burden sharing envisaged in the Minister's statement is that provided by this House and by the previous Government in the legislation enacted before Christmas, namely, the burden sharing on subordinated bondholders.

Deputy Brian Hayes: Which Deputy Lenihan opposed in 2008 and 2009.

Deputy Brian Lenihan: We all agree on that. The question of senior debt, even in Anglo Irish Bank and Irish Nationwide Building Society, is not raised. Perhaps the Minister has decided to be discreet about this and work in private about it. If that is the case, I would respect that because much of the talk about default on senior debt in Ireland has had an adverse effect on deposit taking in the Irish banking system. I had to listen to several years of it on the other side of the House and I sympathise with the Minister in that regard.

Deputy Michael McGrath: I welcome the Minister and his statement. It is significant that he reassured depositors in the first instance that their money is secure because the last thing we want when people see the news tonight is for there to be any further uncertainty on the security of their deposits. I accept that reassurance. That message should be emphasised by all Members of this House.

The main question people watching the news tonight will want answered is whether this is the end of it. Have we finally reached the bottom of the black hole that is the Irish banking system? There have been many attempts to identify the bottom of that black hole and all of us in this House will hope the efforts that have been made by the Central Bank and the Financial Regulator have finally identified the final figure, with the sum total now approaching €70 billion. Given the €46 billion that has already been invested and now a further €24 billion, it brings the overall total for the Irish system to €70 billion, which of course excludes more than €30 billion that NAMA has invested as well in the purchase of the property related loans.

There are a number of significant elements to the Minister's statement this afternoon. There was much grandstanding by the Government parties during the election campaign. We were told, for example, by the Minister, Deputy Varadkar, that not a further cent would go into the

Irish banks without burden sharing by all classes of bondholders, and the absence in the Minister's statement of any reference whatsoever to unsecured senior debt is significant. I understand there is in excess of €15 billion of unsecured senior debt across the Irish banks, with a further €6 billion of subordinated debt. There was no mention whatsoever of any effort, which I assume the Minister is making, to reduce the burden through burden sharing in that unsecured senior debt. There was a clear commitment that there would be no further money put in beyond the €10 billion that had been committed without burden sharing among all classes of bondholders. That seems to have evaporated as soon as the parties opposite got into Government.

As Deputy Lenihan stated, there was no reference whatsoever to the promised medium-term funding support from the ECB which is essential if we are to work to a point where we can wean the Irish banks off the lifeline of emergency funding from the Central Bank and the ECB. We need to hear that reassurance. I presume there will be a statement from the ECB shortly in that regard.

The Tánaiste and Minister for Foreign Affairs, Deputy Gilmore, also in a great oratorical flourish during the election campaign, referred to it being Labour's way or Frankfurt's way. Today, we finally have the answer to that. It is certainly the way of the civil servant, Mr. Jean Claude Trichet, and the European Central Bank who appear to have had the final say on this matter. It seems clear that it is Frankfurt's way, not Labour's way, based on the statement today.

Many working in the Irish financial sector will be concerned tonight about jobs. There has been much reference in the Minister's statement to deleveraging, to shedding assets and to having a smaller Irish banking system with fewer banks, and that can have only one meaning. It can only mean fewer branches in towns and cities throughout this country and fewer jobs in the Irish banking system. The sooner the Government can bring clarity to that situation for those working in the Irish banks, the better. They will be concerned about the future of their own jobs and about the wider issue of the commitment of the State to the Irish banking system. In the early days of the new Government the Minister for Finance, Deputy Noonan, said the debt situation — the sovereign debt and bank debt combined — could become unsustainable. He emphasised the word "could" in response to subsequent questions on finance. In the light of today's announcement that a further €24 billion will be required in capital support for the banks, he should make clear whether the situation has become unsustainable. We need a clear statement on the issue, particularly in the light of some of the emerging economic data, the recent quarterly accounts and the unemployment figures which do not appear to be improving. I look forward to a full exchange with the Minister on the issue next week when I am sure we will have much more time to go into the details.

Deputy Pearse Doherty: Today's announcement draws a clear line in the sand and brings to an end the fallacy and pretence that some type of radical or fresh innovative approach would be taken by the Government. It draws a line in the sand with regard to all of the commitments given by Government spokespersons while in opposition and government. Previously Deputy Gilmore, now Minister for Foreign Affairs and Trade, waved the IMF programme and said the Labour Party would not be bound by it, yet today it has been announced that the Government is committed to the EU-IMF programme. On his first day the Taoiseach, buzzing from his election victory, came here and said not one cent extra than what had already been committed would be put into the banks until burden sharing had been achieved. He has repeated that statement on three occasions. Today the Minister for Finance has said there will be no half measures and that if it must be done, it will be done without delay. We heard other Ministers talk about the need for burden sharing by senior bondholders, but there is no mention of this in the announcement. The programme for Government talks about another bank, not one of the two mentioned by the Minister today but the strategic investment bank. The veil has been

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lifted and the fallacy has been brought to an end. There is little surprise that previous speakers have broadly supported the Minister's strategy because it is a continuation of the reckless strategy of the previous Fianna Fáil-Green Party Government.

The Minister said 30 September 2008 was the worst day in Irish history since the Civil War. It is within his gift to call a ceasefire. It is within his gift to stop this and apply aggressive burden sharing to senior and subordinate bondholders in the banks. However, that is not the gift he has announced today, rather the gift he has announced is that senior bondholders will continue to be paid. The gamblers who gambled recklessly in the banks will be paid by the Government. Is it the Government which will pay? The Minister is making the decision, but it is the taxpayer who is struggling to make ends meet who will have to foot the bill. This is a decision the Minister should not be allowed to take because he has been given the opportunity to make these decisions on false pretences. A commitment was made during the general election which resulted in both parties in government being given a substantial mandate, but that commitment is being reneged on today in the House.

This is the fifth attempt to recapitalise the banks. The four previous ones failed, at a cost of €46 billion. At the end of the process this year approximately €70 billion will have been invested in Irish banks. In 2008 we had the €400 billion guarantee scheme, covering the six main institutions. In 2009 some €11 billion was injected into Anglo Irish Bank. Before October 2010, a further €21.8 billion was put into the main banks and after that date some €13.3 billion was put into them. Today, the Minister has announced a capital requirements of €24 billion. That is a far cry from the statement made on the floor of the House a number of years ago by the previous Minister for Finance, Deputy Brian Lenihan, when he said it would be the cheapest bailout in the world.

Deputy Brian Lenihan: I did not say that in the House.

Deputy Pearse Doherty: Wherever the Deputy said it, he misled the people.

Deputy Brian Lenihan: I did not. Let the Deputy check the record.

Deputy Pearse Doherty: The Deputy misled the people when he told us this would be the cheapest bailout in the world and that it would only cost €4 billion. The figures presented today show that the real figure, leaving aside NAMA bonds, is closer to €70 billion.

The Government's open-ended commitment to cover bank losses plainly exceeds the fiscal capacity of the State. The losses of the banking sector have become the losses of the taxpayer. Bank debt has become sovereign debt; that is the problem. It is ordinary punters and citizens who are paying the price and suffering because of the failures of the previous Government and the direction the Government is about to take. The simple economic truth the Government does not seem to comprehend is that the more blank cheques we write to shore up the European banking system, the more we are burdening the people with future taxes and the more we increase the State's liabilities. This burden will cause the economy to contract, as we are seeing year on year. It also punishes taxpayers. Writing cheques to bail out European banks will not help anyone, apart from the creditors of the banks who should be the ones to suffer and take the hit.

The Minister is borrowing tomorrow to pay for yesterday and forgetting about today. However, what he and his Government colleagues need to do is to stand up. At the core of their banking strategy should be three simple objectives. The Government needs to reduce the liability to the State and the taxpayer, ensure there is a functioning banking system and restore confidence in the economy. None of these measures will be met by the policy outlined today. The time for sticking-plaster solutions has passed. What we need is real solutions. When we woke up this morning and read the newspapers, we were told and read about radical solutions

that would be proposed by the Government, but no such solutions have been presented to us. What the Government is going to do is place a further burden on the taxpayer. Putting a figure in the region of €24 billion into a defunct banking system is beyond belief for ordinary people.

It is the shocking legacy of Fianna Fáil that the very economic survival of the State is now in question. The Minister recognised this earlier this year when he was in Brussels. He said on RTE at the time that we could be approaching a point of economic unsustainability and that the sustainability of the sovereign debt could be in doubt. I share that view in part. It is the belief of Sinn Féin and many Irish people that we have already reached that point. Deputy Noonan is the first Minister for Finance to make that suggestion, for which I commend him. Hundreds of thousands of people are fighting for their survival, as is the State. Almost 500,000 people are unemployed and some 50,000 of our young people are leaving our shores each year. A growing number of people face eviction, while families struggle to feed their children, provide warmth and clothing and send their children to school.

Fine Gael and the Labour Party have told us they have a different view. They believe the point of unsustainability has not yet been reached. As economic sustainability is the most critical issue facing the State, it is important that we tease it out. I tried to do so in questions of the Minister last week. The point of unsustainability is the iceberg that will sink the State. It is the point where the State will have no prospect of ever being able to meet the accumulating debts and where sovereign default will no longer be avoidable. Therefore, it is hugely important that the people know when that point will be reached. It is true that it is governed by myriad moving economic factors and that when it will be reached is difficult to identify. However, the Government has a wealth of economic computational models at its disposal, into which it can input a large number of variables and compute with some certainty the economic outcomes. I am sure the Minister has carried out such an exercise. If he has not done so, it would be like floating blindly into the sovereign debt iceberg. If he has not been able to identify this danger point, it is an act of the most extreme economic negligence.

If the Minister buries billions more of the Irish people's money into these banks, he pushes the country closer to the point of unsustainability. Since it is the people's money and the people's future that the Minister is gambling with, surely the people of Ireland have a right to know what exactly is the point at which Ireland can no longer pay. Will the Minister tell this Chamber and the people of Ireland what exactly is the point of unsustainability for this State? I believe that we have already met it.

After this detail of the latest, and hopefully the final, debt bill has been revealed and it is combined with sums already guaranteed or owed, Irish banking debt will be somewhere in the region of one-and-a-half times the total value of the Irish economy. This €24 billion of debt is unsustainable. We cannot carry this debt and service the interest. It is hard to see how we can begin to pay it off. I know the Minister is playing with figures and allows some of this to come from the National Pensions Reserve Fund, but if we were not doing that, we could use that money for other needs in this State.

The reality is that money for the needs of the State have to be borrowed, and the rate is currently at 5.8%. If we assume that there is now an additional burden on the State of €24 billion, an interest rate of 5.8% would require €1.392 billion just to pay the interest on this part of the bailout alone. Is the €24 billion the final figure or just the starting point? There is no way the State will be able to pay back the EU-IMF loan within five years or even ten years. We will end up refinancing and refinancing, so that the €24 billion turns into €31 billion by the time the Government leaves office, if it has the privilege of staying there for the full five years. That is the real cost of this part of the banking bailout to the people.

However, we must consider what we get for this €53 billion of debt. We get six banks, which the Government will restructure into two banks. All that can be done with Anglo Irish Bank and Irish Nationwide Building Society is to wind them down, because there are no deposits in

[Deputy Pearse Doherty.]

them at this stage. EBS may have some value, but nothing significant. There is €70 billion going into the banks and we are getting a couple of defunct banks, one with a bit of value and others that are not functioning the way they should be in the economy.

The Government must decide if we want to continue along this road. The opportunity to change direction gets slimmer every day. Every decision we take makes it harder to change track, and every month that goes by before we change direction makes it harder for the State to recover, as more and more bonds are paid off. I ask the Minister to repeat the fine words that his leader echoed in this Chamber to the effect that no more capital will go into Irish banks, other than what has been committed, until burden sharing has been achieved. We know burden sharing has not been achieved on senior bonds because the Government and its Ministers failed to do it. They agreed to take it off the table at the discussions last week.

We should not put the committed money into this, because there are other ways we can do it. We should be looking at aggressive burden sharing, especially for the €21 billion of unguaranteed debt that this State never pledged to pay back to those gamblers. However, the intention seems to be that they will get some money back, or possibly all of it, as we saw with Anglo Irish Bank bonds in January. Today, the Minister must honour his party's commitment that not one red cent is to be put into the banks until burden sharing is enforced.

We can only hope that this is the final figure. We have had many occasions in the past when we thought we drew a line in the sand, only to come back again. We were told last year that AIB passed stress tests only to need further recapitalisation a few months later. Today, the bank needs about €16 billion. We were told Irish Life & Permanent did not have any problem, yet today we know that it needs €4 billion. There is a serious question about the stress tests in respect of the scenarios used in the most adverse criteria, and some commentators have alluded to this. We are already close to meeting some of those scenarios, especially the unemployment rate, which is currently at 14.7%. This means that we are 0.2% off the worst situation the Central Bank has used to deal with the capital ratio that is required within this bank. That is the first crack that scares the living bejesus out of us. We will be back here in a couple of months following the European stress tests in June when they figure out that the criteria used was not stringent enough and underestimated the serious contraction that occurring in the Irish economy, and that therefore the capital requirements are underestimated.

Unemployment cannot be looked at in isolation. Unemployment means significant drops in income, fewer bills paid, drops in consumption and spending and mortgages going further into arrears. One figure can spell disaster for this whole model and could potentially mean that the extent of banks liabilities is still unknown. We cannot draw a line in the sand if the wind keeps blowing it away.

As the ordinary people of this State woke up to get on with on their lives, the Government put €3 billion of their money into Anglo Irish Bank and Irish Nationwide Building Society. I accept that it was a promissory note to which the previous Government signed up, but €2.53 billion has been put into the defunct bank that is Anglo Irish Bank and €500 million into Irish Nationwide Building Society. It is apt that the ghosts of bailout past surface on the same day that we create ghosts of the future. It is apt that the €3 billion for Anglo Irish Bank has been put in on the same day, but it should never have happened. This Government should have looked at all options to see how we reduce the liability of that promissory note that was signed by the previous Government. When it did so, members of the current Cabinet jumped up and down in this Chamber about the idea of injecting €30 billion over a ten year period into Anglo Irish Bank and Irish Nationwide Building Society.

The Minister told us today that the stress tests do not cover these two banks, as we already know, but he went further and told us that if capital requirements are needed, the Government will look at options and it will minimise the exposure to the Irish taxpayer. That means that

there will be a minimum exposure, but there will still be exposure to the Irish taxpayer for a further capital requirement into these two banks. How the hell do Labour Party Members sit on those benches listening to the Minister tell the Irish people that he is committed to looking at putting more money into Anglo Irish Bank and Irish Nationwide Building Society? It is a ridiculous situation, and he has not even said in this Chamber that he will burn the senior unguaranteed bondholders in those institutions? Why is there no outcry, Joan? What has happened?

Deputy Joan Burton: Because you signed the guarantee.

Deputy Pearse Doherty: Who has gagged you?

An Ceann Comhairle: Deputy, address your comments through the Chair.

Deputy Joan Burton: You were——

An Ceann Comhairle: Minister, refrain from encouraging him.

Deputy Pearse Doherty: We in Sinn Féin put down a Private Members' motion yesterday to scrap the universal social charge and replace it with the system that was in existence prior to the December budget. Everybody on that side, including Labour Party Members, voted to keep it there. They voted to keep the tax on the working poor. It would cost €420 million to revert to the old system. That is a great deal of money but it is a pittance compared to the money the Government has announced today that it will inject into these defunct banks.

Deputy Finian McGrath: Hear, hear.

Deputy Pearse Doherty: Those are the priorities of both parties in this Government. They have stolen the clothes of Deputy Micheál Martin and the former Taoiseach, Deputy Brian Cowen, and are wearing them proudly on the Government benches today, along with their smiles. It is sad to see people who so convincingly and eloquently articulated positions in this Chamber, which I believe came from their hearts, smile in this Chamber today as the Minister announced that the bailout for the Irish banking sector will exceed €70 billion.

An Ceann Comhairle: The Deputy's time is up. I ask him to conclude.

Deputy Pearse Doherty: One of the major issues that has arisen, and the figures regarding Permanent TSB amplify this issue, is that the capital requirements of that bank are now €4 billion. The head of that bank told us two years ago that only about 1% of its loans would be bad loans. Permanent TSB did not get involved in the speculative development lending. It was more conservative than that. It dealt with mortgages but it went mad at the end of the property boom and increased its loan book two-fold in the past three years. A huge number of people took out mortgages at the height of the boom and those mortgages are now distressed.

The Minister announced that we will give Permanent TSB €4 billion. It will plug the hole, but what about the mortgage holders? What about the people who cannot make those repayments? We already know that as of last year 44,500 mortgages were in 90 days arrears.

An Ceann Comhairle: The Deputy has exceeded his time.

Deputy Pearse Doherty: We have the figures now for one half of the problem, namely, the banks, but we must now come up with solutions for the problems of the mortgage holders because people with two incomes who were getting two pay cheques every Thursday are now relying on social welfare payments. People who bought property at the height of the boom have to make the decision to put food on the table——

An Ceann Comhairle: Thank you, Deputy.

Deputy Pearse Doherty: —or pay their mortgage, and they are rightly deciding to do the former. We must examine a scheme which deals with debt forgiveness and non-recourse mortgages but one that bails out those people also.

The Minister is going down the wrong track and I appeal to him—

An Ceann Comhairle: I am appealing to Deputy to conclude.

Deputy Pearse Doherty: —to change direction. In particular, I appeal to the Labour Party members to use their influence and go back to what they said they believed. For God's sake, pumping more money into defunct banks does not make sense. They are about to sink the Irish State and they will be guilty of reckless trading.

Deputies: Hear, hear.

An Ceann Comhairle: The Technical Group has 20 minutes. There are six Members offering and one does not need to be a mathematician to know that the time is fairly limited. The Deputies have three and a half minutes each. Is that agreed?

Deputy Stephen Donnelly: Yes.

An Ceann Comhairle: If the Deputy does not mind I will remind him when he has half a minute remaining. I do not like to interrupt people when they are speaking but in fairness we have to adhere to the times allocated.

Deputy Stephen Donnelly: That is fine.

Deputy Richard Boyd Barrett: We know how to be brief.

Deputy Stephen Donnelly: I would like to share my time with Deputies Higgins, Boyd Barrett, Catherine Murphy, Wallace and Pringle.

This is a very sad day for Ireland. The €46 billion that has already been put into the banks, coupled with this €24 billion, gives us a figure of €70 billion, which, conservatively, would eradicate poverty in Ireland forever but, unfortunately, we are putting this money into banks instead.

I say to the Taoiseach that I really hope it works. I am concerned, however, that the proposed approach is not radical enough. The logic is that more money, plus a merger of AIB and EBS, plus some deleveraging, will restore market confidence, get money flowing and lead to a healthy banking system. I hope it works but it is difficult to see how the stress tests will be accepted by the markets. The previous stress tests have eroded market confidence considerably as they were widely perceived to be a political exercise and far off the mark. Similarly, we now know that several of the worst case conditions used for the modelling for the stress tests have already been met, which is a matter for concern.

It is also difficult to see how the proposed restructuring will fix the problem as it does not address the underlying structural issues. They are that the banks have the same managers; they are operating in the same stressed market; they have huge liabilities which this proposed restructuring will not change; they have a diminishing asset base which this will not change; we now have huge moral hazard because the bankers know they can do practically anything and we, the people of Ireland, will bail them out; and we have a diminished ability on the part of the Irish people to continue to bail them out because of our increasing national debt.

I offer two policy approaches to the Taoiseach. The first is to consider a large scale debt for equity swap with the bondholders. This would have several advantages. First, it would clear up

the balance sheets of the banks, which would allow them begin lending again, which is the whole point of this exercise. Second, it would ensure that the people who invested in the banks, that is, the bondholders, took responsibility for their own investments and they would now own the banks in which they had invested. Third, it would bring new financial sector expertise and discipline to bear on the Irish banks, which should improve their performance, which the Minister referenced as one of the things he would try to do through the new governance structures.

The second policy approach I suggest is that it is all right for banks to fail. We live in a market economy and in that system businesses which behave recklessly or which are unlucky, which is the case for many failed businesses throughout the country which cannot get capital from the banking system, are allowed to fail. The same principle is meant to apply to the banks. Banks are not above the markets. They are not sacred. They are simply businesses which buy and sell money and if they behave as they did, they should be allowed to fail.

An Ceann Comhairle: Thank you, Deputy.

Deputy Stephen Donnelly: In the United States between 2008 and 2010 322 banks failed. I will finish on citing something Mervyn King, Governor of the Bank of England, said only four weeks ago.

An Ceann Comhairle: The Deputy is taking other Members' time.

Deputy Stephen Donnelly: I will finish on this point. Mervyn King said:

The objective of supervision is to recognise that banks will fail. Our role is not to stop them failing. Our job is to make sure that if they fail because of management, then they do not contaminate the rest of the financial or economic sector, but they are allowed to fail.

I would urge the Taoiseach to consider those two approaches as fundamental radical reforms of the banking sector.

Deputy Joe Higgins: The Minister for Finance made the claim today that what he has announced is a radical restructuring of Irish banking. In fact, fundamentally, nothing has changed. To recap, major European banks speculated widely in Irish property to make massive and quick profits on the backs of a generation of young working people, forced to pay astronomical prices for the basic human right of a home, chained to 30 to 40-year mortgages at horrific levels and as the appetite for private, corporate profit grew, the recklessness grew, leading to the inevitable crash and the disastrous consequences for the Irish economy.

We had a Fine Fáil-Green Party Government that then decided, in association with the economic and political establishment of the European Union, that the Irish working class, in its widest sense, middle income, low income, private and public sector workers, the unemployed and the poor, should pay for this crisis to ensure that the sharks in the financial markets who caused it would not have to pay.

The former Fianna Fáil Minister when he stood up here today should have begun his contribution with an abject apology for the culpability of his party in first blowing up the bubble of greed and then saddling the Irish people with its cost, but the Fine Gael and Labour Parties arrived today with a continuation of the Fianna Fáil policy to the letter, to continue, in other words, to ensure that the economic lifeblood of our people will continue to be transfused to rescue the European gamblers from their bad debts.

The Minister for Finance said a week ago that the debt might be unsustainable as far as this country was concerned. We heard not a word today about what this new massive infusion will do to the national debt. In fact, it will be unsustainable and by savaging the living standards of working people with draconian cuts, it will ensure an economy bouncing along the bottom,

[Deputy Joe Higgins.]

thus, making the debt unsustainable but the Government has capitulated utterly to the financial markets.

Where is the fighting talk of the Labour Party today? It is only six weeks ago that it was firing salvo after salvo in the direction of Frankfurt and the European Central Bank.

Today we have an abject and shameful capitulation without an excuse or a word of apology. The giant casinos that are the financial markets in Europe have won again as a supposedly democratic Irish Government bends the knee in submission to the faceless, unelected and unaccountable boardrooms of those markets. We should not pay a cent for the bad gambling debts of the speculators. The financial system in Ireland and Europe needs to be remade because the Greek working class, the Portuguese working class, the Spanish working class and working people throughout Europe are equally being held hostage by the same markets and gambling casinos. Financial institutions across Europe need to be remade in public ownership so that they can make major investments in infrastructure, the recovery of our natural resources and other economic activities that can create tens of thousands of jobs, remake our economy and fund our services.

6 o'clock

Deputy Richard Boyd Barrett: Last February, the current Minister for Finance rightly stated that it was neither morally right nor economically sustainable for taxpayers to be asked to beggar themselves to make massive profits for speculators. This is the moment in which the Government betrayed the aspirations of the people who voted for it. Precisely that which the Minister said was unsustainable and morally wrong he now intends to do at the behest of the IMF and the EU. He will continue the bailout of bankers and speculators and at the same time beggar ordinary workers, the poor and the vulnerable. We are going to rob the National Pension Reserve Fund of money that could be used for jobs programmes and we are going to sink into an unsustainable morass of debt that will enslave our society for years to come.

We were told these actions, unjust as they may be, would avoid the nationalisation of the banking system and get credit flowing to the economy. It has achieved neither objective, however, and we now own the zombie banks and the economy is starved of credit even though billions of euro are flowing into the coffers of the speculators and bondholders who helped to create this crisis in the first place.

The plan for Irish Life & Permanent just about sums up the affair. We will pay €4.3 billion for the zombie part of that institution while selling off the profitable divisions which made €160 million last year. This is not a bailout; it is collusion between the EU, the IMF, the previous Government and, tragically, the current Government to asset strip the country under cover of the economic crisis. It is a burial rather than a bailout of our economy and society. We have almost gone beyond the point where it is worthwhile to appeal to the Taoiseach to stop the madness but I will make a last appeal to him to stop the bailout of bankers and bondholders and the immiseration of the people.

The people will have to take matters into their own hands. We should do what the people of Iceland did when their Government refused to listen to them and attempted to implement measures such as the Minister has just announced. We need to take to the streets to stop the madness of this bank bailout. I appeal to people who are angry at the thought that further billions of euro will be used to bail out the bankers and bondholders to take to the streets at 6 p.m. next Wednesday to protest outside these Houses when the Technical Group puts down a motion calling for a referendum on the madness of this bank bailout and the IMF deal. People power will be required if we are to stop this insanity.

Deputy Catherine Murphy: I acknowledge that the Government inherited this problem but the key issue is finding a way to deal with it. Unfortunately, all I see today is more of the same.

We have been told by several Ministers that the country is in receivership but if that is the case we should restructure what we pay out of the public purse. It is immoral that the public should be asked to put another €24 billion into banks that have clearly failed. When added to the €46 billion already put into the banks, the figure comes to €70 billion but that is not even the bottom line because we will be dealing with Irish Nationwide Building Society in May.

This is the fifth time we have been given a figure but the question is not whether this is the final one but why should the taxpayers carry this liability at all. We have been told that allowing banks to fail would be catastrophic, even though banks fail all the time. The shocks were felt around the world when Lehman Brothers failed but the American economy is recovering. We are bailing out the banks at the expense of rebuilding our economy.

The Minister used nice, soft words when he told us a capital injection would be needed. The banks are to be reduced in size, which means the money will not be repaid. It was obvious, even from outside, that we were having a plain vanilla property boom but the German and French banks continued to pour out the money that fuelled it. The only reference to burden sharing in the Minister's statement was on subordinated debt. That is completely unacceptable. We are constantly being told about our EU partners but it does not feel like a partnership. Not only are we paying back the debt that banks offered in the full knowledge that investments fall as well as rise but we are also being criticised for complaining about it.

If 29 September 2008 was a black day, today will be another black day if we insist on pumping a further €24 billion of taxpayers' money into these banks. I join the previous speaker in appealing to the Taoiseach to stop this recipe for this disaster.

Deputy Mick Wallace: There is little more to say. This country is in a bad place. I have been dealing with four banks since September 2007 and it has not been easy. One common characteristic over that three and a half years was that they told lies. At one stage, the director of one of our banks announced he would prefer to die than accept recapitalisation. Every time they were given money, we were told they would start lending. Over the past three years, we have changed from being able to borrow millions of euro to finding it impossible to borrow €10,000. The banks have been closed.

We are rescuing useless, dead banks that have told lies and have been of no benefit to the people of this State. The speculators who invested in them have invested in companies which run their operations in a bad fashion. If anyone invests in a business that is run in a bad fashion, he or she should end up paying the price. If the money men of Europe were dull enough to give so much money to the Irish banks, they should pay the price for it. If the ECB wants us to keep these useless banks afloat so that it can sort out the problems in Europe, it has to foot the bill. We can foot the bill for the money we borrow to run this State, and there will be plenty of that anyway, but we should not foot the bill to satisfy the ECB, the banks of Europe and the money men in the markets. We have had enough of neoliberalism and its doctrine of letting the markets call the shots and hands off for the State. This is crazy. If my business goes down, I do not want anyone to bail me out, and the banks should not be bailed out either. Many Irish companies are going out of business and it is not because they ran their businesses badly, but because they are victims of a banking crisis. The banks will stay in business even though they have been a disaster from an organisational point of view.

Deputy Thomas Pringle: The Minister, Deputy Noonan, said that 30 September 2008 was the blackest day in our country's history since the Civil War. Unfortunately, there have been many days since then to compete with it, and today will probably go down as one of those days. It was with a sense of *déjà vu* that I listened to his contribution. I see now that Fine Gael and the Labour Party have morphed into Fianna Fáil. We could just swap the sides over and we would hear the same story.

[Deputy Thomas Pringle.]

The Minister says he will break the dependence of the banks on the State, but I fear the banks will break the State. This is happening and will take place very quickly. After pumping €70 billion into zombie banks, the best we can hope for is that in two years' time banks will begin lending again. That is a sad reflection of where we are. In two years, countless small businesses will go to the wall because of their inability to obtain finance. In two years, thousands of families will be evicted because they are out of work and cannot pay their mortgages, and the Government will do nothing to assist them. We must wait until 2013 to have a banking system that might work.

The Minister stated that there comes a point at which the debt may become unsustainable. We arrived at that point at 4.45 p.m. today.

Minister for Finance (Deputy Michael Noonan): I thank all the Deputies for their contributions. It was an interesting debate. I am sorry it had to be so late on a Thursday evening, when people are anxious to get away, but the announcements could not be made by the Central Bank until after the markets had closed.

Deputy Joe Higgins: The markets.

Deputy Michael Noonan: That is what delayed matters until this hour of the evening.

Deputy Joe Higgins: The gods of the markets.

Deputy Michael Noonan: Deputy Brian Lenihan was correct in saying that the stress tests were based on conservative assumptions. The BlackRock consultancy group, from the United States, which is the lead consultant in this regard, took a conservative approach, assuming, for example, a further 30% drop in property values over the test period, which is beyond what most domestic economists would say. They did so because Ireland has little credibility left across Europe and internationally and the last set of stress tests were blown out of the water so quickly that a more rigorous approach was required on this occasion, because, if a soft approach was taken, nobody would believe the results. These stress tests are credible. They might be overcooked or overdone, but there is provision in law, if a bank is over-capitalised, for access to the High Court to recover the extra funding. In addition, there is a specific provision in the EU-IMF bail-out that if banks turn out over time to be over-capitalised, they must be reduced to their proper capital level.

There is merit in Deputy Lenihan's criticism that the strategy seems to be to stuff the banks with capital so that the markets are calmed again. Some credibility is restored to the Irish banking system, the State and those who represent it abroad. That is one of the big problems we have found as an incoming Government — there is a credibility problem because of what has happened over the past three or four years. I am not blaming Deputy Lenihan for that, but there were other members of the Cabinet in which he sat whom I do blame. It will take a while to fix these credibility issues.

I remind Deputy Lenihan that this Government inherited the stress tests. BlackRock and the associated consultancy firms were not engaged by us but by the Central Bank in consultation with the Deputy and the outgoing Government. All the arrangements were made by them. If the Deputy is critical, he is critical of consultants in whose appointment he participated, at least at an advisory level.

Our approach is to take the situation as we find it. Rather than curse the darkness, we are doing something about it. We are saying that this country can work without a proper banking system. At present, the banks are not working because they have debt-to-deposit ratios that are far too large, and the overhang of impaired assets, many of which have nothing to do with the Irish economy, is forcing a situation in which bank managements spend their time, as far

as I can see, concentrating on survival and on maintaining the balance sheets. There is very little headroom in the banking system to deliver credit to the economy, and without credit flowing, it is not possible to restore the economy, get it growing or provide jobs.

There is much detail in the plan I outlined this evening. It is hard, but we will provide full briefing documents with detailed explanations to everybody in the House as quickly as possible.

Deputy Joe Higgins: What about the national debt and the interest payments?

Deputy Michael Noonan: However, there is one thing that should be said in the House. We will deleverage down to a point at which there will be headroom for further borrowing. Such a proportion of bank borrowing at present is dedicated to the construction and development industry that it crowds out all other lending. If we can do that, we will create the headroom. What is built into the model is sufficient headroom to provide €12 billion of credit each year for the next three years. This is more than the Central Bank estimates the economy will require on very optimistic projections. As Deputies know — Deputy Wallace and others will know in particular — if credit is available, it creates its own demand. Thus, when one is estimating credit, if one provides a quantum and the business community knows it is available, the demand will be driven up by the very fact of its availability.

The significant message is that the announcements this evening are about reconstructing an Irish banking system built around Bank of Ireland, AIB and EBS.

Deputy Richard Boyd Barrett: Why are we selling the profitable parts?

Deputy Michael Noonan: There are not any profitable banks.

Deputy Richard Boyd Barrett: In Irish Life & Permanent.

An Ceann Comhairle: Sorry——

Deputy Michael Noonan: That is the problem. There are no profitable banks.

Deputy Richard Boyd Barrett: It has a profit of €160 million.

Deputy Michael Noonan: The most impaired banking unit around is Irish Life & Permanent. If one considers——

Deputy Richard Boyd Barrett: Its pensions division is profitable.

An Ceann Comhairle: Deputy, please.

Deputy Michael Noonan: If one considers the situation in Irish Life & Permanent, one will see its debt-to-deposit ratio is about 280%. How can one lend 2.8 times more than one is taking in on deposits and have a normal banking system? The Deputy is right that the life division is prosperous. The reason we are doing this is that the life division is backing up an impaired banking system, and if that continues even for a short time more, it will be contaminated by the banking system. We want to cut it loose and put it on the market as a good, profitable insurance company that provides pensions. In this way we preserve the pensions and policies that are associated with Irish Life & Permanent. However, it must be severed from the impaired bank, which is dragging it down. That is the position with regard to Irish Life & Permanent.

The Deputies can object and be critical of the Government, but the fact is that the European Central Bank is keeping banking going in this country and there is no profitable bank.

Deputy Joe Higgins: What about the national debt?

Deputy Michael Noonan: About €200 billion in liquidity is being provided by the ECB and the Central Bank of Ireland to keep day-to-day activity going in this country. We have to take this action because we need a banking system. No Opposition Member would thank us if he or she went to his or her local bank machine tomorrow morning and it did not work and no money was available.

Deputy Richard Boyd Barrett: That is what the Government parties said.

Deputy Michael Noonan: The liquidity has to keep flowing. The banks are being restructured. I am confident we will drive this restructuring forward and that we will again have a banking system based around the two pillars I suggested with some competition from foreign banks such as Ulster Bank. That side will build up and we can restore credit to the market again. Credit is the lifeblood of business and when we restore credit——

Deputy Joe Higgins: What about the national debt and the interest payments on that?

Deputy Michael Noonan: ——there is a possibility that it will grow again. We will get to the national debt. We will have other days to talk about it. Of course there are servicing cost implications if one puts capital into banks. However, the Deputy will recall that of the €24 billion, between €5 billion and €6 billion is available through discounting subordinated debt. He will also recall that €3 billion of the €24 billion is going in by way of contingency and that my predecessor failed to meet a deadline during the election campaign to provide capital to the banks but, as a compromise and at the request of the Central Bank, he put €7 billion of the €10 billion on deposit in the banking system. That €7 billion has gone in already and it merely has to be moved from one side of the accounts to the other, from deposit to recapitalisation.

The contingency money amounting to €35 billion was put into the bailout fund and divided evenly at €17.5 billion and €17.5 billion. One of these tranches is coming from the National Pensions Reserve Fund and one of the aspects of the pension fund paying money to recapitalise the banks, as intended under the bailout, is there is no interest charge on it. When one examines the detail, I do not say we are getting a free run. There is no such thing as a free lunch——

Deputy Luke ‘Ming’ Flanagan: There is if one is a banker.

Deputy Michael Noonan: ——but the sum of the figures is not as bad as it appears in the first instance. I am not trying to make a good story out of it. We are in a very dire position, but my perception is that it is sustainable if we can get the economy growing and we can do that if we have a proper banking system. That is the purpose of today.

Adjournment Debate

Census of Population

Deputy Richard Boyd Barrett: I wish to express the strongest concern about CACI (UK) Limited, the company administering the census under way in the State. A census gathers comprehensive sensitive and personal information about every citizen and we should ensure this information is secured by those carrying out the census and that it is in the hands of a body that has no questions marks over its integrity. CACI has serious question marks over its character and integrity on two fronts.

First, the company is linked to CACI in Virginia, in the USA, which has defence contracts with the US military relating to interrogation. Its staff were involved in interrogation in Abu Ghraib prison in Iraq. Serious allegations of torture have been made by victims, and lawsuits

are pending against the company because of its involvement in the horrendous atrocities that took place in that prison. To avoid prosecution on these matters, CACI has claimed immunity in the US on the ground that it was working for the US military. On 11 September 2009, a US court of appeal ruled that the company fell under the US military chain of command and thus has government contractor immunity. In other words, a company that is under the American military chain of command according to the US courts is organising our census. I find it worrying that such a company will have access to the most comprehensive and sensitive information about our citizens.

When this issue emerged while a census was being conducted by the company in Scotland, the Registrar General accepted there was a serious problem because the USA PATRIOT Act 2001 gives the American Government the right to demand or to take, even without its knowledge, any information it wants from any American company. The Registrar General acknowledged this was a serious problem. If the US Government wants our census information, it can simply demand it of CACI. This is aside from the company's involvement in the horrors at Abu Ghraib prison and the fact that victims of that horror are trying to take legal action but are being blocked at every level.

Amnesty International and other human rights organisations have conveyed serious concern about CACI's human rights record. This is not acceptable. What guarantees will the Government give that this comprehensive sensitive and personalised information about every citizen in the State is secure? A declaration signed by the company means nothing in the context of the USA PATRIOT Act and the abominable record of CACI. What will the Government do about this serious issue?

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): I am Minister of State with responsibility for the Central Statistics Office, CSO. The 2011 census, which is being conducted on 10 April, is of significant national importance. The census results will give us the information to understand what Ireland needs for the future and will give a comprehensive picture of the social and living conditions of our people in 2011. Only a census can provide such complete detail. The results are essential tools for effective policy, planning and decision making purposes.

The census is a fundamental part of our national heritage and collective knowledge. Ireland has been conducting censuses of population since 1821. This enables us to track developments over a long period with considerable accuracy. The greatest strength of the census is the provision of detailed population figures at local level. They will help to identify likely demand for schools and health care facilities, areas of relatively high unemployment, the best location for new shops and so on. The more accurate the results, therefore, the better we can plan for the future and provide our citizens with the goods and services they need. The census is being, and always has been, conducted by the CSO, an independent statistical agency. It has always acted as an impartial voice for the country and plays a crucial role in public debate through the provision of a wide range of economic, social and environmental statistics.

As the Deputy has highlighted, CACI (UK) Limited has been awarded a contract related to the administration of the 2011 census. This includes the design and printing of the 2011 census forms, and the provision and on-site support of the hardware and software required for the scanning, capture and coding of the completed census forms. This contract was awarded following an open competitive procurement process run under EU tendering law which applies to all public bodies. CACI (UK) Limited was awarded a similar type contract for the 2002 and 2006 censuses, as well as winning the contract for census 2011. Indeed, the same company was also contracted for similar but more wide-ranging services for the census in Scotland in 2011. The company provided the best value for money for the Irish taxpayer and EU rules do not allow bidders to be excluded because they are not Irish companies.

[Deputy Paul Kehoe.]

The tendering process followed strict EU procurement rules. CSO commenced tendering for the supply of the census 2011 processing system in April 2009 and the tender was published on the e-tenders website and in the EU journal. Two tenders were received, including the one from CACI (UK) Limited. Both tenders went through three stages of evaluation. The evaluation team consisted of six senior CSO staff with an independent reviewer overseeing the process. The scoring model used to award the contract was lodged with the Department of Finance in advance of opening the tenders.

CACI (UK) Limited was awarded the contract on 30 June 2010 based on scores provided by the evaluation team. CACI (UK) Limited, the company working on the Irish census, has never provided services to the defence or intelligence sectors. Its business is solely in the supply of software solutions to public and private companies.

Some concerns have been raised about allegations made about the parent company of CACI (UK) Limited regarding human rights abuses in Iraq. These allegations have not been substantiated and investigations by CACI International and the US Government could not confirm them.

Deputy Richard Boyd Barrett: What else would they say?

Deputy Paul Kehoe: CACI International has stated publicly that it does not condone, tolerate or endorse any illegal behaviour by its employees in any circumstances or at any time and the company has held in the past, and always will hold, itself to the highest ethical standards. It should be noted that CACI International, the American parent company of CACI (UK) Limited, has no involvement in the Irish census contract. It is not involved in any way in the preparation or delivery of systems for the Irish census. As a public body the CSO is fundamentally committed to ethical and proper conduct in all matters and would never consider having any dealings with a company convicted of a human rights abuse.

It is also important to note that confidentiality is the cornerstone of all work conducted by the CSO. All census 2011 forms will be processed in CSO census office in Swords where information is stored on a dedicated closed CSO network wholly owned by the CSO. All information collected in the census is treated as strictly confidential by the CSO and will be used for statistical purposes. This confidentiality is guaranteed by law.

The CSO is justifiably proud of its unblemished record in protecting the confidentiality of data. It is one of its top priorities to maintain this record. Every household in the State is legally obliged to participate in the census and the wealth of information that the census provides is available for use by everyone, free of charge. Census data is used by a wide of range of organisations and individuals from central and local government, to local community groups and to our enterprise development agencies working to attract foreign direct investment, entrepreneurs and jobs into Ireland. Everybody in this House should be encouraging every household in Ireland to participate fully in the census and to visit the census website to get a feel for enormous benefits the census information will bring to Ireland over the coming years.

Urban Renewal Schemes

Deputy Joe Costello: This matter is not unrelated to the debate earlier because NAMA was created to pick up the pieces from the bad debts created during the property speculation, the property bubble and the banks. I refer specifically to a number of areas in the city of Dublin, particularly Smithfield and the docklands area, because these were the subject of intense developments. Many property portfolios have been acquired by NAMA. The recent threat to the Light House Cinema is an example of what is going on, where NAMA has control of property, there is an absentee landlord and there are upwards only rents. Rent for the cinema has increased from €100,000 to €200,000 in the space of two years. The absentee landlord is based

in Florida and is taking the matter to the courts to wind up the company for its inability to pay exorbitant rents.

Vast swathes of the country, and in particular urban areas in the city of Dublin, are lying idle. There are unoccupied, vacant premises, commercial and residential ghost properties. In many cases planning permission has been granted but the planning developments are partially finished or not started. A raft of areas in the docklands, including Spencer Dock, Alexander Place, Island Key, East Road, the Paper Mill, Ravensdale Road, Castleforbes and the Village Watchtower are ghost developments, partially constructed or partially occupied. Island Key has been at 37% occupation for the past number of years. The proposed headquarters of Anglo Irish Bank is a skeletal development with rusted cranes on the docklands. It is a monument to what the property bubble became. Will it ever be finished and who is in charge? NAMA has control over this. What is happening? It is derelict.

The situation in Smithfield is similar. This was once intended to be the cultural heart of the city of Dublin. The project was known as the heritage area rejuvenation project, HARP. We now have a lopsided development, with unoccupied residential units and unoccupied commercial units. In this case, an occupied commercial unit — the Light House Cinema — was threatened with a doubling of rent over two years. This is impossible to pay but the landlord is threatening to take the company to court to wind it up if it cannot pay.

The programme for Government states “We will insist on the highest standards of transparency in the operation of NAMA, on reduction in the cost associated with the operation of NAMA, and that decision-making in NAMA does not delay the restoration of the Irish property market.” It is essential to get an early audit of the category and quantity of residential and commercial property. I am specifically concerned with urban areas. There is no property market at the present time and there cannot be one while NAMA is sitting on all of the property in the country. There is stagnation and we have artificial values on everything. NAMA is waiting for the market to develop. The market cannot develop unless NAMA moves. When will the Government, the Department of the Environment, Heritage and Local Government, local authorities and NAMA get together to view the audit of property that NAMA now has under its control and devise a progressive mechanism to get it out into the marketplace so that we get the property market moving here and that in addition to the ghost estates we have at present we do not have derelict property that is vandalised and will give rise to huge problems as a result?

Deputy Paul Kehoe: I am informed by NAMA that, to date, it has acquired €72.3 billion in loans from the five participating institutions for which it has paid consideration of €30.5 billion in the form of Government-guaranteed securities. In addition, NAMA may acquire up to €3.5 billion in further loans over the coming months under the existing NAMA legislative scheme. These have been held up by litigation and by eligibility appeals.

NAMA advises me that it does not have a property portfolio in the docklands area and-or in Smithfield. NAMA has acquired eligible loans from the participating institutions and the property or other assets securing these loans remain in the possession of the debtor. It is therefore possible to speak on this topic in general terms only.

NAMA has acquired the property loans of approximately 850 debtors. The loans of the largest 175 debtor connections, accounting for €61 billion of debt, will be managed directly by NAMA. The rest will be managed by the institutions under delegated authority. NAMA has acquired eligible loans from the participating institutions and the property or other assets securing these loans remain in the possession of the debtor. In cases where enforcement action is taken against a debtor, NAMA may ultimately take control of the property or may appoint a receiver. In these instances, the property will be managed by a receiver who is the agent of the debtor but who acts in accordance with NAMA’s instructions. To date, NAMA has appointed

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receivers who are acting under its instructions in a number of cases, including one of the areas mentioned by the Deputy. However, NAMA has not yet taken direct control of property and, as such, does not yet have a property portfolio.

NAMA has advised that it is currently reviewing business plans for the largest 30 debtors whose loans it has acquired and that the business plans of most other large debtors are currently at advanced stages of preparation. Debtors with loans in respect of property developments in the Smithfield and docklands areas of Dublin are included in the group of largest debtors, which means that many of these loans will be managed directly by NAMA.

A debtor's business plan essentially consists of individual asset plans for each of his properties. In some cases, NAMA will be unable to reach agreement with debtors as they will be unable to demonstrate overall viability. However, for those debtors who can prove viability, NAMA will agree specific asset plans for each of their assets, whether that involves disposal or completion, and so on. NAMA will not, as such, adopt an overarching policy towards any particular area or region. Rather, its policy will emerge only after its detailed review and its acceptance or otherwise of debtor asset plans for individual properties.

In determining a plan for any asset, NAMA will assess the supply and demand for similar assets in the same area or region. In particular, the agency will be very mindful of whatever planning policies have been set by the local authority in each instance. I am advised by NAMA that it is currently developing sectoral policies which will govern its strategic approach towards key subsectors in its loan portfolio. I understand, for instance, that a sectoral policy on the hotel sector is well advanced and this policy will have implications for how NAMA deals with debtors whose loans include facilities borrowed for the acquisition or upgrade of hotels. NAMA has acknowledged that hotels 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.

I am further advised by NAMA that as part of the business plan process and ongoing management of the debtor relationship, NAMA is actively engaging with debtors to get their assets to produce income and is approving decisions relating to the underlying security including lease agreements between the debtor and third parties where it makes commercial sense to do so. There is no reluctance on the part of NAMA to approve commercially viable agreements. Nor is there any enthusiasm on its part for approving commercially agreements that are not viable.

NAMA advises that it does not yet have a property portfolio but that when it does take control of properties, it will not adopt a strategy for any particular area or region. However the agency is presently developing policies which will govern its strategic approach towards certain key subsectors in its loan portfolio.

The Dáil adjourned at 6.45 p.m. until 2.30 p.m. on Tuesday, 5 April 2011.

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 9, inclusive, answered orally.

Arts Funding

10. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Tourism, Culture and Sport if he will maintain funding for the arts at least at its current levels over the course of his term in office. [6192/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): As Minister responsible for the arts and culture sectors I am committed to securing the best possible funding provisions for these sectors for the period of my term of office. In my contribution last week on the implementation of the Programme for Government, I explained that it is this Government's intention to make the arts and culture part of our "primary script". In other words, it would no longer be regarded as a discretionary activity, but rather it is to be a central essential part of the narrative about the character of a new, different, changed and better Ireland.

As I said last week, I believe that in order to survive, grow and prosper as a country, we must look to the talent and ability of our people. The ability to innovate, to think afresh, and to be creative has to be nurtured and encouraged. I hold the view that dynamism in arts and culture induces dynamism in a country. This dynamism is realised through the process of stimulation through music, plays, books, films, works of art, design, in architecture and in crafts, all of which facilitates a country's capacity to be reflective, interested, and bold. I believe that the next 5 years can be an exciting time for the arts, culture and film sectors. The integration with them in one Department of the Irish language and heritage responsibility makes eminent sense and I look forward to seeking out and building on the self evident synergies between these areas.

Since 2006 the Department of Tourism, Culture and Sport has invested over €962m in the arts, culture and film sectors. The 2011 Estimates provide for almost €150 million investment in the sector. I am fully aware of the difficulties facing all of those involved in these areas and the tremendous work they have done in maximising the available resources. I am committed, over the term of office of this Government, to supporting the essential elements of the arts

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and culture sectors with limited available financial resources and in the light of the evolving Budgetary and Estimates' situations.

On the arts, culture and film area, over the course of the 5 years, this Government will continue to work to maintain employment levels in the sector. We will support the invaluable work of the Arts Council, the Film Board and Culture Ireland in maintaining the fundamental services provided to the arts and culture sectors. We will also continue to develop the priceless contribution of our cultural institutions to the overall well-being of our community. We want to grow the engagement with the arts from the community up, with particular reference to young people.

We will make strategic policy formulation the primary function of the Department. We will encourage the Arts Council to continue to dedicate resources to touring. We will work with stakeholders in the Arts community to develop new proposals aimed at building private support of the Arts in Ireland exploring philanthropic, sponsorship or endowment fund opportunities. We will develop a cultural plan for future commemorative events such as the Centenary of the Easter Rising in 2016. We will promote genealogical tourism by updating the National Cultural Institutions Act and look to publish the 1926 census to stimulate genealogy tourism. We will encourage greater co-operation between local authorities to promote the arts and in developing cultural tourism.

It is my intention that at the end of term of this Government we will be able to report that the arts and culture sectors have grown and flourished.

Question No. 11 answered with Question No. 7.

Tourism Promotion

12. **Deputy Charlie McConalogue** asked the Minister for Tourism, Culture and Sport his tourism strategy for County Donegal. [6148/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): I wish to advise the Deputy that, under the National Tourism Development Authority Act, Fáilte Ireland has the devolved function to encourage, promote and support the development and marketing of tourist facilities and services within the State. Therefore, the matter raised by the Deputy is for Fáilte Ireland to consider as part of its day-to-day activities to support the tourism sector.

However, the Deputy may be interested to know that I am informed by Fáilte Ireland that a number of the key developments/events planned for Donegal in 2011 include:

- €2.3 million will be invested by Fáilte Ireland to support the development of visitor infrastructure and walks at Slieve League.
- The 'Donegal Live' Arts and Culture Showcase events are planned for Glasgow and Dublin in May 2011.
- A joint Showcase of Derry and Donegal will take place in Milwaukee, United States in August 2011.
- The European Surfing Championships will take place in Donegal in September.
- 40 International Golf Tour Operators will visit Donegal this month with a view to bringing golfers to the area; and

- A public/private joint marketing campaign for hotels in Donegal will take place this year to target the domestic market.

Question No. 13 answered with Question No. 9.

London Olympics

14. **Deputy Dessie Ellis** asked the Minister for Tourism, Culture and Sport the steps he will take to attract national Olympic teams from various countries to use Ireland as a springboard and preparation centre in advance of the London Olympics. [6209/11]

16. **Deputy Pádraig Mac Lochlainn** asked the Minister for Tourism, Culture and Sport the steps he will take to ensure that Ireland capitalises on the London Olympics in terms of attracting tourists to visit here. [6205/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): I propose to take Questions Nos. 14 and 16 together.

A high-level coordinating group, chaired by my Department, is identifying opportunities that may arise across the sports, tourism and cultural sectors, from the London 2012 Olympic and Paralympic Games. The group comprises representatives from Fáilte Ireland, Tourism Ireland, the Arts Council, Culture Ireland, the Irish Sports Council, the Olympic Council of Ireland, the Paralympic Council of Ireland and the Department of Foreign Affairs.

One of the issues that the London 2012 coordinating group is looking at is Ireland's potential to attract international teams and athletes for training camps in the lead up to London 2012. The American Olympic Synchronized Swimming Squad has chosen the National Aquatic Centre as its pre-Olympic Training Base. The Great Britain Paralympic Swimming Squad has also signed up for a week's training at the Centre in November 2011. The Department and various sports facilities are working on attracting other teams to train here.

The Tourism Agencies are also working hard to maximise the potential benefits to Irish tourism of having the Olympics in London. For example they are targeting tourists from London who may wish to get away from the city during the games. They are also working with UK inbound tour operators to divert people to Ireland who cannot be accommodated in London during the games given the reduced accommodation and carrier capacity that will be available there. The high-level coordinating group will continue to meet on an ongoing basis to maximise opportunities and obviously this will influence the benefits to Ireland.

Heritage Donations

15. **Deputy Pearse Doherty** asked the Minister for Tourism, Culture and Sport the amount of tax relief for heritage donations awarded during each of the past five years under section 1003 of the Taxes Consolidation Act 1997; the number of persons who availed of the scheme during each year; if he will provide details of their donations. [6202/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): Section 1003 of the Taxes Consolidation Act 1997, formerly Section 176 of the Finance Act 1995, is a scheme of tax relief for the donation of heritage items to the National Collections. Under the Scheme heritage items that are considered outstanding examples of their type and that are pre-eminent in their class, whose export from the State would constitute a diminution of the accumulated cultural heritage of Ireland, or whose import into the State would constitute a significant enhancement of the accumulated cultural heritage of Ireland, and which are considered suitable additions to the accumulated heritage of the State, may be donated to an approved body.

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Since 2006 a total of 17 individual donations assessed to a value totalling €16,494,984.72 have been made.

- In 2006 there were 5 individual donations assessed to a value totalling €5,720,694.86, 6 persons or companies received tax relief in lieu of these donations.
- In 2007 there were 4 individual donations assessed to a value totalling €5,273,320.17, 9 persons or companies received tax relief in lieu of these donations.
- In 2008 there were 7 individual donations assessed to a value totalling €5,348,969.68, 12 persons or companies received tax relief in lieu of these donations.
- There were no donations made in 2009.
- In 2010 there was one individual donation assessed to a value totalling €152,000, one person received tax relief in lieu of this donation.

It should be noted that Section 94, Finance (No. 2 Act) 2008 changed the amount of tax relief available from 100% to 80% of the market value of the item. This applies to the 2010 donation. All previous donations received 100% of the market value.

I would like to highlight to the Deputy that information on each donation that has been made to date under this scheme is published on the Department's website with the year, name, value and receiving institution for the donation listed. Examples of the items donated include "*On the Bridge at Grez*" by Sir John Lavery donated to the National Gallery of Ireland, the "*Benjamin Iveagh Library at Farmleigh House*" donated to Archbishop Marsh's Library and "*Il Trovatore c.1960*" by Giorgio de Chirico donated to the Irish Museum of Modern Art.

This is a very worthwhile scheme and donations under Section 1003 collectively and individually have added to the national and international reputations of the Institutions involved. They have also preserved for common ownership significant works, artefacts and collections that could otherwise have left the State or in some cases that would never have been returned.

Question No. 16 answered with Question No. 14.

Departmental Programmes

17. **Deputy Aengus Ó Snodaigh** asked the Minister for Tourism, Culture and Sport his plans to change the sports capital programme and the local swimming pool programme. [6188/11]

19. **Deputy Brian Stanley** asked the Minister for Tourism, Culture and Sport his plans to provide age appropriate sports and recreational facilities in different types of population centres. [6190/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): I propose to take Questions Nos. 17 and 19 together.

Under the terms of the Sports Capital Programme grants are allocated to sporting organisations towards the provision of new facilities, the renovation/extension of existing facilities or the purchase of non-personal sports equipment. Since 1998, almost €740 million has been allocated to over 7,400 projects nationwide. No decision has been made on the timing of the next round of the Sports Capital Programme. While no new call for applications for funding has been made since 2008 a provision of €33m has been provided in this year's estimates to cover the payment of grants previously allocated.

The Local Authority Swimming Pool Programme is administered by my Department. The programme provides grant aid towards the capital costs of new public swimming pools or the refurbishment of existing public swimming pools provided by local authorities themselves or by other bodies where the application for capital funding is supported by the local authority. The current round of the programme closed to new applicants in July 2000.

The programme provides for maximum grant aid of €3.8m per project. There are four principal stages which must be undertaken by a local authority in developing a swimming pool project. These are Preliminary Report (including Feasibility Study), Contract Documents, Tender stage and finally Construction stage. Local authorities may not proceed to the next stage of a project until prior approval issues from my Department. Grant aid is formally allocated when the tender is approved. My Department's technical advisers, the Office of Public Works (OPW), evaluate each stage.

The policy since 2000 has been to give priority to the completion of the 58 projects within the current round. Of these 58 projects, 46 have been completed and 12 others are at various stages in the programme. Cumulative grant expenditure by my Department under the programme from 2000 to date is €145.8m and this grant aid has leveraged total investment of some €406m in the 48 public swimming pools approved grant aid. The allocation of €6.65m in 2011 will be sufficient to meet commitments arising in 2011 under the current round of the Local Authority Swimming Pool Programme.

The Department has previously completed and published a Value for Money and Policy Review Report of the Local Authority Swimming Pool Programme. The report examined, among other things, how the programme has worked to date and what changes are required to ensure its effective and efficient delivery. The terms and conditions of any new round of the programme will be devised taking into account the recommendations of the report.

Abbey Theatre

18. **Deputy Mary Lou McDonald** asked the Minister for Tourism, Culture and Sport the position regarding plans for the relocation of the Abbey Theatre including its possible location. [6185/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): In the previous Government's Renewed Programme for Government there was a commitment to a detailed assessment of the GPO complex in the context of locating the Abbey Theatre there in time for the Centenary of the 1916 Rising. This was the only location examined. This is not a commitment of the present Government.

The development of any national infrastructure is not a simple challenge. Involving the GPO and the Abbey in a shared enterprise creates a project of intense complexity. A Feasibility Group of the primary stakeholders was established by my predecessor. Its membership included representatives from the Department of Tourism, Culture and Sport, the Office of Public Works, the Department of Communications, Energy and Natural Resources, An Post and the Abbey Theatre. The group has concluded its assessment of the GPO complex to ascertain if it would be a feasible location for the redeveloped national theatre.

Among the main considerations that were assessed were:

- the capacity of the GPO to accommodate the brief agreed for the Abbey Theatre,
- the integration of theatre infrastructure into the street and skyline and the feasibility from a planning perspective of any redevelopment proposal,

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- the cost of the construction, the nature of the title to the site, and the terms and conditions of leases, indentures, mortgages, liens, etc., thereon; and
- the costs of lease terminations and other commercial and corporate issues for An Post.

I am currently studying that report and intend to bring the matter to Cabinet shortly for a final decision in the matter.

Question No. 19 answered with Question No. 17.

Tourism Promotion

20. **Deputy Robert Troy** asked the Minister for Tourism, Culture and Sport if he will increase funding to the tourism marketing fund; and if he will make a statement on the matter. [6146/11]

27. **Deputy Michael Colreavy** asked the Minister for Tourism, Culture and Sport his plans for the tourism marketing fund. [6194/11]

30. **Deputy Robert Troy** asked the Minister for Tourism, Culture and Sport the way he plans to market Ireland in China, Russia, India, Japan and the Middle East in order to increase tourist numbers from those countries; and if he will make a statement on the matter. [6147/11]

31. **Deputy Pádraig Mac Lochlainn** asked the Minister for Tourism, Culture and Sport the details of the proposed marketing campaigns in emerging long-haul markets set out in the programme for Government and the proposed revamped tourism strategy. [6206/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): I propose to take Questions Nos. 20, 27, 30 and 31 together.

The Government fully recognises the significant role that the tourism sector can play in Ireland's economic recovery. After declines in overseas visitor numbers in each of the last three years, we are determined, working with the tourism agencies and the industry, that 2011 will mark a turning point for the sector and that we see a return to growth in both overseas visitor numbers and associated revenue. An extensive range of marketing, product development, festival and sporting events, training and business supports are being put in place by the Tourism State Agencies under the Tourism Services budget of the Department, which is €148 million for 2011. Within this total, I am assured that the provision of €41.473 million for this year's Tourism Marketing Fund will ensure that the level and value of investment in overseas marketing of Ireland can be maintained in real terms in 2011 and allow Tourism Ireland to fully implement its proposed marketing strategy for the year. More generally, allocations for the Tourism Marketing Fund are decided by Government within the overall budgetary and Estimates process and will be considered in that context.

In terms of operational decisions on how the marketing allocation is spent in the different markets, this is a matter for the relevant agency, Tourism Ireland, which has the function of promoting the island of Ireland overseas as a tourist destination under the Good Friday Agreement. Having noted that, I am pleased to advise the House of the following main features of Tourism Ireland's work in the markets this year.

Overall, €28 million is being invested by Tourism Ireland in a marketing drive in the first half of the year. This included the recent promotional programme of activities to showcase Ireland during the St. Patrick's Day period, including the "greening" of iconic buildings and

attractions around the world including the London Eye, the Moulin Rouge in Paris, Burj Al Arab in Dubai and Table Mountain in South Africa.

I am advised that, in Ireland's most important overseas market, Great Britain, Tourism Ireland is increasing its marketing investment by 30%. It will have a year-round presence on TV, radio, online and on social media. Tourism Ireland's publicity programme in Britain will deliver further positive coverage across all media worth in excess of €65 million in advertising value.

In North America, Tourism Ireland's spring advertising campaign was launched on 23 February with radio advertisements in cities with good air access to Ireland — including New York, Boston, Chicago, San Francisco, Los Angeles, Atlanta, Philadelphia, Dallas and Houston. In addition co-operative marketing campaigns with all the relevant airlines are planned or are under way.

In Germany a €2.1 million TV campaign is under way, on prime time TV across seven top German stations. In France, a spring TV advertising campaign commenced on 16 March and will reach 14 million potential holidaymakers. This campaign is supported by online promotions with partners including Aer Lingus, Air France, Irish Ferries, Brittany Ferries, B&B Ireland and others.

Turning to some of the new and developing markets, while Tourism Ireland's focus in the short term will be on driving significant numbers from the traditional key markets outlined above, visitors from emerging long-haul markets stay twice as long as the average holidaymaker, and have the highest spend per visit. Accordingly, Tourism Ireland is implementing a series of innovative marketing and publicity campaigns and travel trade programmes to raise the profile of Ireland.

Tourism Ireland's regional hub office in the United Arab Emirates, which has been operating since 2009, oversees Tourism Ireland's operations in the Asia-Pacific region, including China, India, Japan and the Middle East. Tourism Ireland also has offices in Shanghai and Beijing in China and Mumbai in India. Tourism Ireland is also working with relevant airlines in the developing markets to encourage and promote direct and indirect access to the island of Ireland. Tourism Ireland is also working closely in these markets with other Government Departments and agencies, in line with the Strategy for Trade, Investment and Tourism, to promote Ireland.

The above outlines just some of the key activities that will be undertaken by Tourism Ireland using the Tourism Marketing Fund this year. Additional information can be found in Tourism Ireland's 2011 Marketing Plan which is available on their website. I am confident that the resources and plans are sufficient to ensure that we do see a return to growth in both numbers and associated revenues from our important markets this year.

Air Services

21. **Deputy Dessie Ellis** asked the Minister for Tourism, Culture and Sport when he plans to negotiate with airlines (details supplied) to re-open closed routes. [6210/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): I refer the Deputy to my earlier reply to Priority Question No. 1 [6333/11], in the name of Deputy McConalogue, in which I outlined the position on this matter.

Tourism Industry

22. **Deputy Brian Stanley** asked the Minister for Tourism, Culture and Sport the available resources for developing and co-ordinating niche tourism such as eco-tourism. [6189/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): I wish to advise the Deputy, that under the National Tourism Development Authority Act, Fáilte Ireland has the devolved function to encourage, promote and support the development and marketing of tourist facilities and services within the State. I am informed that Fáilte Ireland is closely involved in the development of a nationwide eco-tourism certification programme. In addition, in order to establish a nationwide standard in eco-tourism and green labelling, Fáilte Ireland is in the process of establishing a validation scheme. This means that the labels and certification programmes that exist in Ireland for green tourism businesses and eco-tourism will have the option to go through an independent scheme in order to be validated, and therefore promoted, by Fáilte Ireland.

Eco-tourism will continue to be a niche part of natural heritage and will be prioritised in the context of available resources. It is recognised that eco-tourism raises the bar for everyone involved in nature-based tourism in Ireland and therefore has an importance in generally encouraging awareness of good practice and appreciation of our natural environment.

National Library

23. **Deputy Martin Ferris** asked the Minister for Tourism, Culture and Sport the date on which he will publish legislation to update the National Cultural Institutions Act in order to put the Genealogical Office on a statutory footing. [6196/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): Under the terms of the National Cultural Institutions Act, 1997 the Genealogical Office is on a statutory footing as a branch of the National Library of Ireland.

Film Industry Development

24. **Deputy Mary Lou McDonald** asked the Minister for Tourism, Culture and Sport his plans to support the Irish cinema sector. [6186/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): I assume that the Deputy is referring to the Irish audiovisual sector. Primary responsibility for the support and promotion of film-making in Ireland, in respect of both the indigenous sector and inward productions, is a matter for the Irish Film Board (IFB). This agency is funded through my Department and is independent in its day-to-day operations.

My Department's operational role in supporting the film sector relates to the administration of elements of Section 481 of the Taxes Consolidation Act, 1997. Under that provision tax relief is allowed for investments in qualifying films. This involves the administration of certain elements of the scheme regarding satisfying cultural criteria. The types of film eligible for certification are feature film, television drama, creative documentary and animation. This scheme is kept under regular review in conjunction with the Irish Film Board and any enhancements necessary to retain or regain competitiveness are addressed and brought to the attention of the Minister for Finance as appropriate. The scheme has now been extended to the end of 2015.

It is important to underline that the audiovisual sector makes a strong contribution in employment and economic terms. The Irish audiovisual sector was valued at €557.3 million in 2008, equivalent to 0.3% of GDP, and employs almost 7,000 people in about 570 companies. I am sure that the Deputy appreciates that the benefits of film and television production in Ireland include not only job creation in the industry itself but also huge positive spin-off effects for promoting Ireland as a tourist destination and as an industrial location for all aspects of creative endeavour. Currently, I am finalizing a five-year strategy for the sector and I propose to bring that strategy to Government in the near future.

Departmental Funding

25. **Deputy Sandra McLellan** asked the Minister for Tourism, Culture and Sport the extent, if any, of capital or current funding provided for sporting or cultural activities in County Cork for each of the past four years, both from the proceeds of the national lottery or other sources; the intended future expenditure from each source for the coming year; and if he will make a statement on the matter. [6183/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): The information requested by the Deputy in respect of the years 2007 to 2010, inclusive, is as set out in tabular form below. Future funding decisions are made on a case-by-case basis, so it is not possible to provide an estimate of expenditure on sporting or cultural activities in County Cork for the coming year.

Type of Funding	Recipient of Funding	Allocation Amount
		€
<i>Year 2007</i>		
Cultural	Crawford Art Gallery	1,980,000
Cultural	Glenans Sailing Club	2,389
Cultural	Briary Gap Cultural Centre, Macroom	30,000
Cultural	Cloyne Diocesan Youth Service, Community Hall, Mallow	20,000
Cultural	Cork Arts Theatre, Carroll's Quay, Cork	150,000
Cultural	Cork Opera House, Emmet Place, Cork	1,500,000
Cultural	Everyman Palace Theatre, MacCurtain Street, Cork	500,000
Cultural	Firkin Crane, Shandon, Cork	100,000
Cultural	Glen Theatre, Banteer	20,000
Cultural	Graffiti Theatre, Blackpool, Cork	250,000
Cultural	Laharn Community Hall, Lombardstown, Mallow	20,000
Cultural	National Sculpture Factory, Albert Road, Cork	450,000
Cultural	Triskel Arts Centre, Tobin Street, Cork	69,750
Cultural	West Cork Arts Centre, Skibereen	1,500,000
Cultural	Cork Butter Museum	30,000
Cultural	University College Cork	200,000
Sporting	A full list of allocations made under the Sports Capital Programme is available on the Department's website.	9,972,300
2007 Subtotal		16,794,439
<i>Year 2008</i>		
Cultural	Crawford Art Gallery	1,991,000
Cultural	An Scannánlann, Cork Film Archive, Fairhill, Cork	34,000
Cultural	Ballinspittle Community Centre	13,000
Cultural	Cloyne Diocesan Youth Centre, Community Hall, Mallow	20,000
Cultural	Sirius Arts Centre, Cobh	1,600,000
Cultural	Cork City Council	10,000
Cultural	Cork Butter Museum	30,000
Cultural	University College Cork	80,000
Sporting	A full list of allocations made under the Sports Capital Programme is available on the Department's website.	4,485,000
2008 Subtotal		8,263,000

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Type of Funding	Recipient of Funding	Allocation Amount
		€
<i>Year 2009</i>		
Cultural	Crawford Art Gallery	1,753,000
Cultural	Triskel Arts Centre	125,000
Cultural	Tigh Filí	10,000
Cultural	Cork Butter Museum	30,000
Cultural	Cork City Council	10,000
Sporting	Cobh Swimming Pool	190,461
2009 Subtotal		2,118,461
<i>Year 2010</i>		
Cultural	Crawford Art Gallery	1,579,000
Cultural	Tigh Filí	10,000
Cultural	Glucksman Gallery, UCC	75,000
Cultural	Tigh Filí, St. Lukes, Cork	50,000
Cultural	Triskel Arts Centre, Tobin Street, Cork	100,000
Cultural	Cork City Council	10,000
Cultural	Cork Butter Museum	30,000
2010 Subtotal		1,854,000
Total		29,029,900

I wish to advise the Deputy that no new allocations under the Arts and Culture Capital Enhancement Support Scheme and the Sports Capital Programme have been made since 2008. No decision on a new round of these schemes has been made.

Tourism, Culture and Sport Sectors

26. **Deputy Peadar Tóibín** asked the Minister for Tourism, Culture and Sport if he has had any discussions with tourism, sport and recreational groups coming within the aegis of his Department with a view to promoting their respective sectors and maximising employment opportunities. [6200/11]

34. **Deputy Peadar Tóibín** asked the Minister for Tourism, Culture and Sport the extent to which he has evaluated economic potential and job creation throughout the various sectors under the aegis of his Department; his plans for the future in this regard; and if he will make a statement on the matter. [6199/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): I propose to take Questions Nos. 26 and 34 together.

Tourism

The Report of the Tourism Renewal Group, *Survival, Recovery and Growth — A Strategy for Renewing Irish Tourism 2009-2013*, sets out tourism's contribution to Ireland's economic, social and cultural development and the prospects for Irish tourism in a changed world. It also puts forward a Framework for Action for tourism's survival, recovery and growth over the period to 2013.

Tourism has taken a more central role across economic, employment and trade policy in the past two years, in light of the difficulties facing the Irish economy. The Strategy and Action Plan for Irish Trade, Tourism and Investment to 2015, *Trading and Investing in a Smart Economy*, contains targets for job creation, exports, tourist numbers and inward investment projects by 2015 as well as how Government and agencies will work towards those targets. Its tourism elements draw on the Tourism Renewal Group in its Report and Framework for Action, setting a target of increasing visitor numbers to 8 million by 2015 and providing for 15,000 new jobs to be generated directly in tourism.

Drawing on the Tourism Renewal Group, *Trading and Investing in a Smart Economy*, reiterates the scope to develop both the leisure and business tourism sectors and highlights certain areas where Ireland may have a particular competitive advantage. The Strategy recognises that in the short to medium term, Ireland's best prospects are in the United States, Great Britain and the major European markets, which is reflected in Tourism Ireland's overseas marketing plan for 2011.

The four-year *National Recovery Plan* explicitly recognises the tourism industry as a labour-intensive sector that could provide job opportunities and foreign revenue earnings as the economy recovers. It prioritises continued investment in and promotion of the tourism product. Funding under the *National Recovery Plan* is to enable the upgrading of tourist attractions, the development of a number of key iconic attractions and the improvement of infrastructure in growth areas such as walking, water-based activities, cycling and heritage. Continued investment was also promised to enhance and promote cultural tourism, eco-tourism and conference business across the country.

Building on the framework as set out above, the new Programme for Government recognises the importance of tourism with the following actions identified:

- International access is vital to tourism recovery. We will abolish the €3 travel tax subject to a deal being agreed with Ryanair and Aer Lingus to re-open closed routes and bring more tourists into Ireland. If no deal can be done, there will be no reduction in the tax.
- We will prioritise the Tourism Marketing Fund as an essential pillar of our tourism strategy and will ensure the best return on Exchequer spending.
- We will explore the possibility of a new agreement on visitor visas with the UK, offering tourists the opportunity to visit the UK and Ireland with one visa, at a reasonable cost, to tap into the tourism market for significant events such as the forthcoming London 2012 Olympics.
- Marketing campaigns will be developed in emerging long-haul markets such as China, Russia, India, Japan and the Middle East, using the Tourism Marketing Fund. Recovery of market share in Britain will also be a key priority in a revamped tourism strategy.
- Improving the e-capability of our tourism product will be a priority.
- We will target available resources at developing and co-ordinating niche tourism products and activity packages that are attractive to international visitors focusing on food, sports, culture, ecotourism, activity breaks, water-based recreation and festivals.
- Event tourism will be prioritised to continue to bring major fairs and events to Ireland, such as the Volvo Ocean Race and Solheim Cup.

[Deputy Jimmy Deenihan.]

Culture

Moving to the importance of the arts, culture and creative industries to Irish society and to our economy, I am conscious not only of the role of the sector in providing vital opportunities for self-expression and participation but also of the economic potential of the arts and creative industries. At the same time, while our arts, culture and heritage are important contributors to sustainable economic recovery, their contribution should never be measured in financial terms alone. Rather, they should be appreciated also for the social, cultural and educative benefits that they bring to communities large and small around the country.

Government policy in relation to the arts will continue to be enabled and implemented through the agencies and institutions within my Department, namely the Arts Council, the Irish Film Board and Culture Ireland as well as the cultural institutions within my Department's remit.

My Department provides funding for a number of cultural events throughout the year which are specifically designed to promote the value of our cultural heritage and cultural activities. These include events such as Culture Night when arts and cultural organisations throughout the country extend their opening hours to provide the public with increased free access to the various collections, workshops and other events hosted by the organisations.

My Department also continues to support the cultural tourism product on offer, particularly in the use and deployment of smart technologies. In 2010, my Department launched a new initiative, the Cultural Technology Grant Scheme, the aim of which was to use a variety of the best new and existing technology methods to deliver a promotional, educational or information product to promote the Irish arts, culture and creative sectors. Funding in excess of €1 million was provided to 25 projects to showcase the best of our Irish art, music, culture and heritage in the most exciting, innovative and dynamic ways.

Another example of an innovative project supported by my Department was the provision of Church Baptism, Marriage and Death genealogy records on the website www.irishgenealogy.ie. This should help generate interest in genealogical research into family histories and encourage roots tourism.

Sport

Similar considerations to those in the cultural arena apply to our sporting heritage, which contributes not just to the personal and social development of communities across the country but also to the economic wellbeing of the country. For example, based on an analysis by my Department, every €26,700 allocated by the Department under the Sports Capital Programme supports one job in the construction sector. Moreover, thanks to the Local Authority Swimming Pool Programme, a new 25-metre swimming pool with a modern gymnasium supports 12 full-time and 12 part-time jobs.

There is also a very extensive financial dividend to be obtained through the success of major sporting events, particularly those with an international dimension. Through a variety of actions and investments, Ireland is developing an enviable reputation as a destination to play and watch sports. Stadia such as the Aviva, Croke Park, Semple and Thomond Park attract international and domestic tourists in large numbers throughout the year. The targeting of major international sporting events such as the Ryder and Solheim Cups in golf, the Volvo Ocean Race and the Irish Open golf tournament attracts tourists and also showcases the country in the best possible light.

The *Assessment of Economic Impact of Sport in Ireland* report, which was prepared for the Irish Sports Council in 2010, states that Government investment plays an important role in supporting and driving the wider economic benefits of sport. This report demonstrated that there is a very significant return on Government investment and expenditure on sport in Ireland. Based on figures for 2008, it is estimated that overall Government expenditure on grants, capital investment and other sport-related expenditures amounted to €618.3 million. However, the Government sector as a whole received €922.4 million in revenues from taxes on sport-supported expenditures and incomes, in addition to revenues from sports facilities. This implies a net income to the Government sector arising from the sport economy amounting to €304.1 million. In other words, for every €100 of Government expenditure, the Government receives approximately €149 back in the form of taxes and other income arising from sport-related economic activity.

In summary, the tourism, culture and sport sectors have demonstrable ability to contribute to economic recovery and job creation, and the new Government will engage with the key stakeholders to ensure that this potential is fully realised.

Question No. 27 answered with Question No. 20.

Culture Sector

28. **Deputy Gerry Adams** asked the Minister for Tourism, Culture and Sport his plans to increase awareness of the value and benefit of cultural activities; and if he will make a statement on the matter. [6204/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): The Department of Tourism, Culture and Sport, provides annual funding to the National Cultural Institutions which are directly involved in promoting and increasing awareness in the value and benefit of cultural activities. As well as the normal promotion of events and programmes for which they are responsible, each of our National Cultural Institutions provides Community and Outreach programmes which include targeted events for the members of the community e.g. older persons, children, families, socially disadvantaged group etc.

The National Museum of Ireland has long been a resource for primary, secondary and third level students and educators, providing a broad range of services — including guided tours; demonstrations and workshops; an information and resource service; professional development courses and activities for teachers. The Museum's Education & Outreach department organises in-service courses for teachers annually.

The National Concert Hall's Learn & Explore team is dedicated to bringing the finest musicians from The National Concert Hall out into schools and communities across Ireland to deliver the best in music education. Each summer, the team organises in-service primary school teacher training which is accredited by the Department of Education and Skills as a Teacher Education Summer Course. The National Concert Hall also hosts summer camps that cater for all ages and all instruments.

The Irish Museum of Modern Art's (IMMA) Education and Community Programme aims to foster within society an increased awareness and understanding of the visual arts by creating innovative and inclusive opportunities for people to engage with the Museum's exhibitions and programmes, both as audience members and participants. It also seeks to create opportunities for meaningful exchanges between artists and the public. The Museum's Education and Community Programme is informed by models of practice which are designed to meet the needs of specific groups and to address targeted education needs. These models are documented and

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evaluated and their outcomes inform a broader programme which can provide access for a wide range of people.

Whilst IMMA caters for the needs of all groups interested in using the Museum as a resource, it has also developed a number of programmes and projects intended to address the needs of specific groups, such as schools and colleges.

The National Gallery of Ireland also has a range of educational and outreach programmes, i.e.:

- Lifelong Learning Events
- Children's & Families Programme
- Outreach Programme
- Teachers & Schools Programme
- A lecture series throughout the Winter

As well as providing funding to the National Cultural Institutions, the Department also provides annual funding to a number of other cultural institutions which are equally important in increasing awareness in the value and benefit of cultural activities. These include the Hunt Museum, Archbishop Marsh's Library, the Foynes Flying Boat Museum, the National Print Museum as well as regional and local museums throughout the country.

The Department also provides funding for a number of cultural events throughout the year which are specifically designed to promote the value of our cultural heritage and cultural activities. These include events such as Culture Night, Dublin Contemporary 2011 and the Cultural Technology Grant Scheme.

Tourism Promotion

29. **Deputy Seán Crowe** asked the Minister for Tourism, Culture and Sport if he will ensure close community consultation in developing sustainable tourism and outline the methods by which such consultation will take place. [6207/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): I wish to advise the Deputy that under the National Tourism Development Authority Act, Fáilte Ireland has the devolved function to encourage, promote and support the development and marketing of tourist facilities and services within the State. Sustainable tourism requires a balance to be struck between the needs of the visitor, the place and the host community. It has long been recognised that what is good for communities is generally good for tourism. Communities have a significant role to play in sustainable tourism development in Ireland and should also benefit from a sustainable tourism industry.

Fáilte Ireland — the National Tourism Development Authority — continues to develop and support sustainable tourism development at community level in a number of ways, from funding of festivals, investment in local infrastructure and business development supports to provision of research and insights. These supports are delivered primarily through the development of clusters or networks on the ground, made up of tourism and non-tourism stakeholders, brought together to ensure sustainable tourism development in these areas. A critical part of these networks is the feedback provided by these groups so that future interventions can be tailored to meet the needs of these stakeholders.

Questions Nos. 30 and 31 answered with Question No. 20.

Sport and Recreational Development

32. **Deputy Seán Crowe** asked the Minister for Tourism; Culture and Sport the date on which the national sports facilities strategy will be published. [6208/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): I refer the Deputy to my reply earlier today to Priority Question No. 3 (6348/11) in the name of Deputy Wallace.

Question No. 33 answered with Question No. 7.

Question No. 34 answered with Question No. 26.

35. **Deputy Jonathan O'Brien** asked the Minister for Tourism, Culture and Sport his plans to address the impact of social disadvantage on various forms of participation in sport. [6197/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): The Irish Sports Council was established on a statutory basis on 1 July, 1999, and the functions of the Council are outlined in Section 6 of the Irish Sports Council Act 1999. Section 6(1)(a) states that one of the functions of the Council shall be “to encourage the promotion, development and coordination of competitive sport and the achievement of excellence in competitive sport.” Section 6(1)(b) states, as one of the functions of the Council, that the ISC has responsibility for developing “strategies for increasing participation in recreational sport and to coordinate their implementation by all bodies (including public authorities and publicly funded bodies) involved in promoting recreational sport and providing recreational facilities”. The ISC operates participation programmes specifically aimed at disadvantaged communities. Details of these are available from the Council and on their website.

Tourism Promotion

36. **Deputy Jonathan O'Brien** asked the Minister for Tourism, Culture and Sport if he will support the development of significant tourism projects between councils; and if he will make a statement on the matter. [6198/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): I wish to advise the Deputy, that under the National Tourism Development Authority Act, Fáilte Ireland has the devolved function to encourage, promote and support the development and marketing of tourist facilities and services within the State. In this context, Fáilte Ireland operates the Tourism Capital Investment Programme, which provides support for capital investment in tourism infrastructure, visitor attractions and visitor activities. Under this programme, Fáilte Ireland has provided grant support to local authorities in projects such as Mizen Bridge, Waterford Viking Triangle, Tralee Lee Valley, Mayo Greenway and Slieve League to name but a few. Fáilte Ireland continues to work closely with local authorities, both collectively and individually, and is open to consider any future proposals for the development of eligible projects that local authorities may have.

Passport Applications

37. **Deputy Jack Wall** asked the Tánaiste and Minister for Foreign Affairs the reason a parent (details supplied) has not been allowed a passport for their son given that the child was born here; and if he will make a statement on the matter. [6293/11]

Tánaiste and Minister for Foreign Affairs (Deputy Eamon Gilmore): A passport application for the child in question was made in July, 2010. This was done under the provisions of the Passports Act, 2008, which provides, that this Department must be satisfied that an applicant is an Irish citizen before issuing him/her a passport. As the child was born in the State in April 2010, his entitlement to Irish citizenship is governed by Section 6A of the Irish Nationality and Citizenship Act, 1956, as amended (the 1956 Act). This Act provides that a person, who is born in the State on or after 1 January, 2005 and does not have a parent who is either an Irish or British citizen or otherwise entitled to reside in the State or Northern Ireland without restriction, may claim citizenship by birth in the State (and thereby establish eligibility for a passport) only where a parent has been lawfully resident in the State for three of the four years preceding the birth of the child.

This Department assesses such applications in line with guidelines provided by the Department of Justice and Law Reform, which is responsible for citizenship and immigration. Under these guidelines, the proofs of lawful residence, which are accepted and considered in connection with passport applications, are immigration stamps in passports or the registration cards/books which are given to persons registering with the Garda National Immigration Bureau (GNIB). These are official documents, which can be objectively verified and are relied on by the Department in the processing of passport applications.

In line with the requirements of the 1956 Act, the lawful residence in the State of the applicant's mother in the four year period preceding her son's date of birth was examined. Based on the evidence of immigration stamps in her passport, which were verified in writing by GNIB, the total amount of reckonable residence did not meet with the statutory requirement of three years. As the child's entitlement to Irish citizenship had not been demonstrated, the Department could not issue a passport to him.

The Department wrote to the applicant's mother on 1 December, 2010 to explain its decision and to give one month's notice of passport refusal unless further evidence was provided to the Department that would increase the amount of her reckonable residence to the legal requirement. I understand a copy of this correspondence was sent to you.

You replied, on behalf of the applicant, to the Department's letter on 22 December, 2010 and provided further documentation such as tax documents and salary details to show the applicant's mother presence in the State. Unfortunately, these documents could not be accepted as they do not fall within the strict category of proofs (i.e. immigration stamps and cards) of lawful residence that are acceptable in this type of passport application. As no other evidence was provided in your letter, the applicant's entitlement to Irish citizenship remained undemonstrated and thus no passport could issue.

This was explained by the Department in a letter to you, dated 30 December, 2010. This letter also advised that the Department of Justice and Law Reform is the Department responsible for citizenship and immigration matters and that any issues relating to lawful residence of the applicant's mother in the State is a matter for that Department. No action was taken at that stage in terms of passport refusal. Instead, the Department extended the deadline date for the proposed refusal to 18 February, 2011. This was done to give time to the applicant's mother to pursue, if she wished, the question of her residence and the implications that this has on her son's entitlement to Irish citizenship with the Department of Justice and Law Reform.

Since then, no further evidence has been provided by the applicant's mother. Accordingly, the passport was refused under the terms of the Passports Act, 2008. The Department wrote to the applicant's mother on 22 February, 2011 to inform her of this. A refund of the passport fee was subsequently made to the applicant's mother.

Tax Code

38. **Deputy Michael McGrath** asked the Minister for Finance the position regarding a subcontractor certificate for a business (details supplied) in County Cork. [6262/11]

Minister for Finance (Deputy Michael Noonan): I am advised by the Revenue Commissioners that the Certificate of Authorisation (C2) has not been issued in the case of this company as there are outstanding liabilities by the company for 2009 and 2010. Also, the company has not submitted the following returns, which are overdue:

- Corporation Tax Return for the accounting period ended 31/3/10 due on 21/12/10.
- RCT 35 for the year 2010.
- RCT 30's for December 2010, January 2011 and February 2011.
- P30's for January and February 2011.

Regarding the offset of rebates from the Department of Enterprise, Jobs and Innovation, payment of €6,275 was set against the company's P35 liability for 2009. Revenue are awaiting confirmation of the availability of a further of €3,075.07 for offset. This was requested on 13 August 2010 and 19 October 2010, but no reply has been received to date.

Schools Refurbishment

39. **Deputy Brendan Griffin** asked the Minister for Education and Skills if a school (details supplied) in County Kerry will qualify for the summer works scheme. [6236/11]

Minister for Education and Skills (Deputy Ruairí Quinn): I can confirm that the school referred to by the Deputy submitted an application for external works under the 2011 Summer Works Scheme. Unfortunately, due to the scale of demand for funding under the scheme, it was not possible to grant aid all applications. As outlined in the Circular governing the operation of the scheme, applications for works in the higher categories were prioritised and it was not possible to include the school referred to by the Deputy in the list of 453 successful schools that were announced yesterday.

Pupil-Teacher Ratio

40. **Deputy Pádraig Mac Lochlainn** asked the Minister for Education and Skills if he will commit to reversing the decision to increase the pupil-teacher ratio in Irish-medium schools to that of mainstream schools; his views that it will have a detrimental effect on Gaelscoileanna leading to job losses for teachers; and if he will make a statement on the matter. [6280/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The standardisation of the staffing schedule for Gaelscoileanna so that it is the same as that which applies to primary schools generally is one of a number of measures in Budget 2011 to control and reduce teacher numbers. These changes are effective from September 2011. Given the financial constraints in which this country now finds itself, it is not possible to reverse these changes.

The Gaelscoileanna movement is well established and I do not believe that the growth of Gaelscoileanna will be impeded by way of this measure. This change will result in a reduction of the order of 50 posts in Gaelscoileanna. There are currently a total of over 1,500 teaching posts in these schools. The actual impact at individual school level is determined as part of the allocation process for 2011/12 school year and schools are being notified in the normal manner.

[Deputy Ruairí Quinn.]

This Government will endeavour to protect front line education services as best as possible. However, this must be done within the context of bringing our overall public expenditure back into line with what we can afford as a country. All areas of Government, including Gaelscoileanna, will have to manage on a reduced level of resources. The challenge will be to ensure that the resources that are being provided are used to maximum effect.

State Examinations

41. **Deputy Martin Ferris** asked the Minister for Education and Skills the steps he will take to ensure that a person (details supplied) in County Kerry will be provided with a reader for their leaving certificate in June 2011. [6299/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The State Examinations Commission has statutory responsibility for operational matters relating to the certificate examinations including organising the holding of examinations and determining procedures in places where examinations are conducted including the supervision of examinations. I can inform the Deputy that the Commission operates a scheme of Reasonable Accommodations in the Certificate examinations. Applications for such accommodations are submitted by schools on behalf of their students.

A range of accommodations are provided to enable students with special needs to access the Certificate examinations. For example enlarged print, Braille translation, modified questions, use of a scribe, a reader, a personal assistant, a tape recorder or word processor, or exemptions from areas of assessment, may be allowed depending on needs. In view of this I have forwarded your query to the State Examinations Commission for direct reply to you.

Special Educational Needs

42. **Deputy John McGuinness** asked the Minister for Education and Skills if he will ensure that the special needs assistant at a school (details supplied) in County Kilkenny is retained; if he will expedite a decision in the case. [6318/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The National Council for Special Education (NCSE) is responsible, through its network of local Special Educational Needs Organisers (SENOs) for allocating resource teachers and Special Needs Assistants (SNAs) to schools to support children with special educational needs. The NCSE operates within my Department's criteria in allocating such support. The NCSE has issued a circular to all schools advising of the allocation process for the 2011/2012 school year. A key feature of the amended scheme will be to provide for an annual allocation of SNA support to eligible schools. All schools have the names and contact details of their local SENOs. Parents may also contact their local SENOs directly to discuss their child's special educational needs, using the contact details available on www.ncse.ie.

School Staffing

43. **Deputy Brendan Smith** asked the Minister for Education and Skills if urgent consideration will be given to the concerns outlined in correspondence (details supplied) and if appropriate measures will be implemented without delay to deal with these issues. [6338/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The process of allocating teaching resources to schools for 2011/2012 and the arrangements for filling vacant or new teaching posts takes place in the context of the EU/IMF Programme of Support for Ireland and the

Public Service Agreement 2010/2014. My Department is aware of the issues which have been raised by the Deputy. However, the overriding imperative is that all the surplus permanent teachers are redeployed into vacancies. The redeployment panels are being circulated to panel operators and a clearer picture will start to emerge in the coming weeks in relation to progress on the redeployment of surplus teachers.

It is the intention of the Department to restore recruitment from fixed-term teachers on the main panels, supplementary panels or public advertisement at the earliest possible opportunity, after all the surplus permanent teachers have been redeployed. The Department will be recommending discussions with the relevant education partners in relation to what additional arrangements are required to deal with any remaining surplus teachers.

Departmental Committees

44. **Deputy Jack Wall** asked the Minister for Social Protection when the interdepartmental committee on gender recognition will complete its final report; the action she has planned or is proposing to ensure that this matter is resolved; and if she will make a statement on the matter. [6220/11]

Minister for Social Protection (Deputy Joan Burton): The Gender Recognition Advisory Group was established in 2010 with the following terms of reference:

To advise the Minister for Social Protection on the legislation required to provide for legal recognition of the acquired gender of transsexuals. In particular, to propose heads of a bill to provide for:

- The establishment of a process for legal recognition of the acquired gender of persons suffering from Gender Identity Disorder, who have made the transition from one gender to another;
- The establishment of a gender recognition register;
- The granting of entitlement to marry in the legally recognised reassigned gender; and
- Any other provisions as may be deemed necessary consequent to the main provisions of the Bill.

The Group is made up of representatives of various Departments and Offices of State. The group has met on a number of occasions and has engaged in extensive consultation with a range of representative organisations and individuals with knowledge and expertise in the area, both in Ireland and abroad. Further consultation, research and discussion is required on the issues arising. I understand that the group hopes to report within a matter of weeks. As the Deputy will be aware, there are a number of detailed stages and procedures involved in drafting and enacting legislation, so it is not possible for me to set out a timetable for the introduction of legislation in this matter at the present time.

Social Welfare Appeals

45. **Deputy Dan Neville** asked the Minister for Social Protection if an oral hearing on a farm assist appeal will be granted as soon as possible to a person (details supplied) in County Limerick. [6213/11]

Minister for Social Protection (Deputy Joan Burton): I am advised by the Social Welfare Appeals Office that an Appeals Officer, having fully considered all the evidence, disallowed

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the appeal of the person concerned by way of summary decision. The person concerned has been notified of the decision. Under Social Welfare legislation, the decision of the Appeals Officer is final and conclusive and may only be reviewed by the Appeals Officer in the light of new evidence or new facts. If there is any new evidence or new facts pertinent to this case that was not brought to the attention of the Appeals Officer during the determination of this appeal, they may be submitted to the Social Welfare Appeals Office for further consideration.

The legislation also provides that an Appeals Officer may decide a case before him/her on the basis of the documentary evidence. This course of action was taken in this case as it was considered that an oral hearing was not warranted. 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

46. **Deputy Michael Ring** asked the Minister for Social Protection when a person (details supplied) in County Mayo will receive a decision regarding their application for illness benefit. [6219/11]

Minister for Social Protection (Deputy Joan Burton): A claim for illness benefit from the person concerned was registered on 16 March 2011. The records of the Department show that he has no social insurance contributions paid or credited since 2001. He indicated on his illness benefit application form that he has been self-employed since 2002. Any PRSI contributions payable for this period would be class S contributions which are not reckonable for illness benefit purposes.

A formal decision will be issued shortly notifying him that based on his contribution record, he does not qualify for payment of illness benefit nor has he an entitlement to receive credited contributions in respect of any medical evidence of incapacity for work submitted in respect of this illness benefit claim. He will also be advised that, if his means are not sufficient to meet his needs or the needs of his household, he may wish to consider applying for supplementary welfare allowance.

If the person's medical condition is expected to last for at least one year he may wish to consider applying for disability allowance which is subject to a means test. The person's medical condition must be such that he is substantially restricted in undertaking work that would otherwise be suitable for a person of similar age, experience and qualifications. Further information is available from the Department's website www.welfare.ie and from any Citizens information Centre or Local Office of the Department.

47. **Deputy Michael Ring** asked the Minister for Social Protection when a decision regarding an application for illness benefit will issue in respect of a person (details supplied) in County Mayo. [6222/11]

Minister for Social Protection (Deputy Joan Burton): A decision has been made in this case. The person has been awarded illness benefit for the period 28 February 2011 to 18 March 2011 and payment is being issued by electronic fund transfer to her account with a due date of 31 March 2011. Further payments of illness benefit may issue on receipt of medical evidence of incapacity for work in the period since 18 March 2011.

48. **Deputy Michael Ring** asked the Minister for Social Protection the reason a person (details supplied) in County Mayo is not entitled to receive illness benefit. [6223/11]

Minister for Social Protection (Deputy Joan Burton): One of the qualifying conditions for illness benefit is that a person must have at least 104 reckonable social insurance contributions paid since the date of entry into insurable employment. The records of the Department indicate that the person concerned has a total of 78 contributions paid to the end of the 2009 contribution year. Based on that record, he does not qualify for payment of illness benefit. He has been asked to provide full details of his employment and PRSI contributions paid in 2010. Following receipt of this information his case will be reviewed. Furthermore, his case is also being examined to see if he qualifies for occupational injury benefit. If so, he will be notified accordingly.

Social Welfare Appeals

49. **Deputy Dan Neville** asked the Minister for Social Protection if a social welfare appeals application in respect of a person (details supplied) in County Cork will be dealt with as soon as possible and an oral hearing granted. [6229/11]

Minister for Social Protection (Deputy Joan Burton): 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.

There was a 46% increase in the number of appeals received by the Social Welfare Appeals Office in 2009 when compared to 2008, which in itself was 27% greater than the numbers received in 2007. There was an increase of a further 25% in the number of appeals received in 2010. These increases have caused delays in the processing of appeals. In order to be fair to all appellants, oral hearings are arranged in strict chronological order. 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

50. **Deputy Jack Wall** asked the Minister for Social Protection if a person (details supplied) in County Kildare is entitled to payment of rent subsidy, carer's or domiciliary care allowance; and if she will make a statement on the matter. [6291/11]

Minister for Social Protection (Deputy Joan Burton): The Health Service Executive has advised that the person concerned has been requested to provide further information in order to process his application for rent supplement. A decision will be made on his application when the requested information has been provided. Carer's allowance is a social assistance payment, made to persons who are providing full time care and attention to elderly people or to people with disabilities and whose income falls below certain limits. To qualify for carer's allowance in respect of a person under 16 years of age domiciliary care allowance must be in payment in respect of them.

As with other social assistance schemes, a means test is applied to the carer's allowance to ensure that limited resources are directed to those in greatest need. The income of both the applicant and his/her spouse/partner is assessable as means in determining entitlement. In order to qualify for carer's allowance the carer must satisfy a number of conditions including: be aged 18 or over; satisfy a means test; be caring for the person on a full-time basis; not be employed or self-employed for more than 15 hours outside the home; not be living in a hospital, convalescent home or other similar institution; and satisfy the habitual residence condition.

In order to assess a person's entitlement to carer's allowance it is necessary for them to complete an application form. If the person in question makes an application for carer's allow-

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ance their entitlement will be considered. A person signing for credits can be considered for carer's allowance and may be entitled provided all conditions are met.

Domiciliary care allowance (DCA) is payable in respect of children who have a disability so severe that it requires the child needing care and attention and/or supervision substantially in excess of another child of the same age. The care and attention received must be given by another person, effectively full-time so that the child can deal with the normal activities of daily life. The child must be likely to require this level of care and attention for at least 12 months.

Eligibility for DCA is not based primarily on the medical or psychological condition, but on the resulting lack of function of body or mind necessitating the degree of extra care and attention required. Each application is assessed on an individual basis taking account of the evidence submitted by the applicant. The person in question may make an application for DCA at any time they wish and their entitlement will be considered.

51. **Deputy Jack Wall** asked the Minister for Social Protection when a person (details supplied) in County Kildare will be awarded their rent subsidy allowance; and if she will make a statement on the matter. [6298/11]

Minister for Social Protection (Deputy Joan Burton): The Health Service Executive has advised that the person concerned has been requested to provide further information in order to process her application for rent supplement. A decision will be made on her application when the requested information has been provided.

Social Welfare Appeals

52. **Deputy Charlie McConalogue** asked the Minister for Social Protection the position regarding a domiciliary care allowance appeal in respect of a person (details supplied) in County Donegal; and if she will make a statement on the matter. [6301/11]

Minister for Social Protection (Deputy Joan Burton): 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

53. **Deputy John McGuinness** asked the Minister for Social Protection if the case of a person (details supplied) in County Carlow will be re-examined in view of the hardship being caused to the family by the decision to reduce their rent allowance; if the rent allowance will be increased and if she will expedite a response. [6319/11]

Minister for Social Protection (Deputy Joan Burton): The Health Service Executive has advised that payment of rent supplement to the person concerned ceased as the rent payable was in excess of the rent limit for the family size. The Executive further advised that the person concerned has sufficient household income to meet her household needs.

54. **Deputy John McGuinness** asked the Minister for Social Protection if supplementary welfare and assistance with mortgage payments will be approved in respect of a person (details supplied) in County Kilkenny and if she will expedite a reply. [6320/11]

Minister for Social Protection (Deputy Joan Burton): The Health Service Executive has advised that payment of mortgage interest supplement ceased as the person concerned has sufficient income to meet his mortgage interest costs.

55. **Deputy John McGuinness** asked the Minister for Social Protection the reason rent allowance being paid to a person (details supplied) in County Kilkenny has been reduced; if the case will be reviewed and if the payment will be restored as the person has a serious medical condition and the reduction is causing financial hardship and distress. [6327/11]

Minister for Social Protection (Deputy Joan Burton): The Health Service Executive has advised that the person concerned has been awarded rent supplement of €36 per week from 11 April 2011. This is the maximum amount payable based on her household circumstances.

56. **Deputy John McGuinness** asked the Minister for Social Protection if rent allowance being paid to persons (details supplied) in County Kilkenny will be increased and if she will expedite a response. [6328/11]

Minister for Social Protection (Deputy Joan Burton): The Health Service Executive has advised that the persons concerned are in receipt of the maximum amount of rent supplement payable based on the household income from disability allowance and jobseeker's allowance.

57. **Deputy Pearse Doherty** asked the Minister for Social Protection the arrangements that were adopted when a person on the live register was employed by the Central Statistics Office for the purpose of compiling census 2011; the savings that were made to the Department for each person employed in this way; and if she will make a statement on the matter. [6330/11]

Minister for Social Protection (Deputy Joan Burton): One of the qualifying conditions for a jobseeker's payment is that a person is unemployed for three days out of six (not including Sunday). This means that an enumerator could work up to four days a week, including Sunday, and still receive a jobseeker's payment.

A person on jobseeker's benefit must sign off for any days worked as an enumerator. If a jobseeker's benefit customer carries out his/her duties as an enumerator over three days each week, s/he may be entitled to jobseeker's benefit for the other three days provided all other statutory conditions are satisfied. Customers in receipt of a jobseeker's benefit payment have an entitlement to 234 or 312 days benefit depending on the number of contributions paid. Where a customer signs off for any days worked during the life of the claim, this extends the duration of his or her entitlement to jobseeker's benefit. There are no savings to the Department.

Where a person on jobseeker's allowance carries out his/her duties as an enumerator over three days each week, s/he may be paid a full week's jobseeker's allowance less any earnings means from the days worked, provided all other statutory conditions are satisfied. Statistics are not maintained on the savings to the Department as means can differ in each case.

58. **Deputy Dan Neville** asked the Minister for Social Protection if rent allowance will be reinstated in respect of a person (details supplied) in County Cork. [6331/11]

Minister for Social Protection (Deputy Joan Burton): The Health Service Executive has advised that payment of rent supplement automatically ceased in September 2010 as the person concerned had not collected her payment for a number of weeks. If the person concerned wishes to make a new application for rent supplement then she should contact the community welfare officer at her local health centre.

59. **Deputy Paul J. Connaughton** asked the Minister for Social Protection when disability allowance will issue in respect of a person (details supplied) in County Galway; and if she will make a statement on the matter. [6345/11]

Minister for Social Protection (Deputy Joan Burton): The person concerned applied for disability allowance on 4 February 2011. As this is a means tested allowance she has been asked to forward a P45 from her last employment and bank statements for the past six months. A decision on her entitlement to disability allowance will be given on receipt of the requested documentation and she will be notified directly of the outcome. The person has also been advised of her possible entitlement to an invalidity pension and an application for same has been forwarded to her.

Sports Capital Programme

60. **Deputy Jack Wall** asked the Minister for Tourism, Culture and Sport when the sports capital grant applications will be accepted again or when will grant applications submitted under this heading be accepted and processed; and if he will make a statement on the matter. [6294/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): Under the Sports Capital Programme, funding is allocated to sporting and to voluntary and community organisations at local, regional and national level throughout the country. No decision has been made on the timing of the next round of the Programme.

Grant Payments

61. **Deputy Sean Fleming** asked the Minister for Tourism, Culture and Sport the amount of grants and other payments to a project (details supplied) in County Laois. [6310/11]

Minister for Tourism, Culture and Sport (Deputy Jimmy Deenihan): Dunamais Arts Centre in Portlaoise, Co Laois has received a total of €1,884,719 in capital grant aid from my Department and my Department's predecessors since 1994. The following is a breakdown of the funding — all of which has been paid out.

Year	Amount
	€
1994-1999	1,650,671
2006	140,000
2007	80,000
2010	14,048
Total	1,884,719

Planning Issues

62. **Deputy Catherine Murphy** asked the Minister for the Environment, Heritage and Local Government when all of the remaining sections of the Planning and Development (Amendment) Act 2010 will receive a commencement notice; the reason there has been a significant delay in commencing the outstanding sections; if the delay has increased the risk of the European Commission taking further legal action against Ireland for failing to implement the earlier ruling of the European Court of Justice in the case of C-215/06; and if he will make a statement on the matter. [6224/11]

Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Willie Penrose): The Planning and Development (Amendment) Act 2010 was enacted on 26 July 2010, and five commencement orders have been made over the period August 2010–March 2011. Remaining provisions of the Act will be commenced as soon as possible once the required regulations, guidance and certain legal refinements to the 2010 Act are finalised. Section 69 of the Act will not be commenced as it now stands part of a separate Act, the Compulsory Purchase Orders (Extension of Time Limits) Act 2010.

Following the European Court judgment on 3 July 2008 in case C-215/06, my Department immediately wrote to planning authorities and An Bord Pleanála to advise that applications for retention should no longer be accepted in respect of projects requiring environmental impact assessment and the practice of accepting such applications should cease from that date. An amendment to section 34 of the Planning and Development Act 2000 Act was made in the 2010 Act to address the judgment and this provision was commenced on 23 March 2011. As a result, the retrospective regularisation of projects requiring environmental impact assessment may only be applied for in very limited exceptional circumstances. The related substitute consent provisions will be commenced as soon as possible.

63. **Deputy Catherine Murphy** asked the Minister for the Environment, Heritage and Local Government, following the announcement by the European Commission on 16 February 2011 last that it is to take Ireland back to the European Court of Justice to seek the imposition of fines for failing to implement the earlier ruling in the case of C-66/06, the position regarding these ongoing legal proceedings; when he will bring before the Oireachtas the necessary legislation to ensure satisfactory closure of this case; and if he will make a statement on the matter. [6225/11]

Minister of State at the Department of the Environment, Heritage and Local Government (Deputy Willie Penrose): The European Court of Justice found, in its ruling of 20 November 2008, that Ireland's system of Environmental Impact Assessment (EIA) screening for certain categories of agriculture related projects was over-reliant on size thresholds and did not take other relevant criteria (e.g. cumulative impacts of development, proximity to sensitive sites etc.) into account. The categories of projects in question include the restructuring of rural land holdings, the use of uncultivated land or semi-natural areas for intensive agricultural purposes, and water management projects for agriculture, including irrigation and land drainage projects.

Following discussions with the European Commission and other stakeholders, including the Department of Agriculture, Fisheries and Food, my Department provided a comprehensive response to the Commission in November 2010, outlining its proposed legislative reforms fully to address the Court judgment which proposed, *inter alia*, to significantly to lower the thresholds at which mandatory EIA was required and at which a planning application is required (i.e. lowering the exempted development thresholds).

Notwithstanding these proposals, the European Commission announced in February 2011 that it is referring Ireland back to the European Court of Justice for failing to implement the ruling. My Department, together with the Department of Agriculture, Fisheries and Food and in consultation with the Commission, is working intensively to develop appropriate proposals which will satisfy the Commission's concerns regarding full implementation of the judgment, and which will also be proportionate and capable of being operated effectively and efficiently by the farming community and local authorities. Both Departments have recently met with Commission officials on this matter.

Subject to further discussions with the Commission and other stakeholders, it is proposed to address the issues through a combination of amendments to the exempted development pro-

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visions of the Planning and Development Regulations, which will require a resolution of both Houses of the Oireachtas, and new enabling regulations made by the Minister for Agriculture, Fisheries and Food under the European Communities Act 1972. It is intended to finalise both sets of Regulations, together with accompanying guidance for farmers, planning authorities and other interested parties, in the coming weeks.

Pension Provisions

64. **Deputy Olivia Mitchell** asked the Minister for the Environment, Heritage and Local Government if he will comply with the recommendation of the Ombudsman in respect of the case of a person (details supplied) in Dublin 16; and if he will make a statement on the matter. [6263/11]

Minister for the Environment, Heritage and Local Government (Deputy Phil Hogan): Under the terms of the Local Government Superannuation Scheme (LGSS) a person's pension contributions and benefits are based on the pensionable pay appropriate to the pensionable local authority post. Earnings in respect of a position, other than the person's local authority pensionable post, do not count for pension purposes and, equally, contributions are not payable in respect of such earnings.

I understand that the person referred to in the question was employed by a local authority and was seconded to a post, at a higher level, in another public service organisation up to the time of retirement. In this regard, the local authority correctly determined his superannuation award based on the salary applicable to his pensionable local authority post. It is a standard feature of public service pension schemes that a scheme member on secondment is pensionable in his/her substantive post and I am not aware of any proposals to amend this principle.

Building Regulations

65. **Deputy John McGuinness** asked the Minister for the Environment, Heritage and Local Government under the Building Control Act 2007, Part 3, the person who appoints the stage 3 interview board and the technical assessment board relevant to the evaluation process for applications; if the appeals board has been set up and if so, if he will name the board members and their qualifications; the number of appeals outstanding and the number of appeals dealt with; the time frame for each appeal; and if he will make a statement on the matter. [6316/11]

Minister for the Environment, Heritage and Local Government (Deputy Phil Hogan): Part 3 of the Building Control Act 2007 enables eligible persons engaged in the provision of architectural services to register for the use of the title architect. The Royal Institute of the Architects of Ireland (RIAI) has been designated as the registration body for the purposes of Part 3 of the Act.

To date the registration body has established an Admissions Board and a Technical Assessment Board which allowed for the commencement of the registration process in 2010. The Chairpersons of these Boards, who may be a solicitor, a barrister or a former judge of the Circuit Court, High Court or Supreme Court, were appointed by my predecessor as Minister who also nominated a majority of persons who are not architects to each Board.

The Act also provides for an Appeals Board and a Professional Practice Committee and the matter of appointing Chairpersons and nominating the majority of non-architect members to each of these bodies is now being attended to as a matter of priority. I understand that the registration body has received one application for an appeal against a decision of the Technical Assessment Board.

The table below lists those members thus far appointed to the bodies concerned.

Applications Board	
Mr. Richard Humphreys, Chairperson	Ministerial appointee
Ms Paula Butler	Ministerial nominee
Ms Mairéad Hughes	Ministerial nominee
Mr. Brian Cunningham	Ministerial nominee
Vacancy	Due to resignation of Martin Hogan, Ministerial nominee
Mr. Eoin O’Cofaigh	RIAI appointee
Mr. Toal O’Muire	RIAI appointee
Ms Gráinne Shaffrey	RIAI appointee

Technical Assessment Board	
Ms Cliona Kimber, Chairperson	Ministerial appointee
Mr. Sean Balfe	Ministerial nominee
Mr. Henk van der Kamp	Ministerial nominee
Mr. Bernard Lennon	Ministerial nominee
Ms Geraldine Walshe	Ministerial nominee
Ms Orla Fitzgerald	RIAI appointee
Mr. Loughlin Kealy	RIAI appointee
Ms Joan O’Connor	RIAI appointee

Proposed Legislation

66. **Deputy Olivia Mitchell** asked the Minister for Justice and Law Reform when he will sign the commencement order of the remaining section of the Multi-Unit Developments Act; and if he will make a statement on the matter. [6265/11]

Minister for Justice and Law Reform (Deputy Alan Shatter): The Commencement Order for the remaining sections of the Multi-Unit Developments Act 2011 was signed on 2 March (S.I. No. 95 of 2011). They come into operation on 1 April.

Citizenship Applications

67. **Deputy Pat Breen** asked the Minister for Justice and Law Reform, further to Parliamentary Question No. 959 of 29 September 2010, the position regarding an application in respect of a person (details supplied) in County Clare; and if he will make a statement on the matter. [6215/11]

Minister for Justice and Law Reform (Deputy Alan Shatter): A valid application for a certificate of naturalisation from the person referred to in the Deputy’s Question was received in the Citizenship Division of my Department in January 2008. The application is being processed in the normal way with a view to establishing whether the applicant meets the statutory conditions for the granting of naturalisation and will be submitted to me for decision in the near future.

I should remind the Deputy that queries in relation to the status of individual Immigration cases may be made direct to INIS by Email using the Oireachtas Mail facility which has been specifically established for this purpose. The service enables up-to-date information on such

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cases to be obtained without the need to seek this information through the more administratively expensive Parliamentary Questions process.

68. **Deputy Jack Wall** asked the Minister for Justice and Law Reform the position regarding an application for citizenship in respect of a person (details supplied) in County Kildare; and if he will make a statement on the matter. [6232/11]

Minister for Justice and Law Reform (Deputy Alan Shatter): A valid application for a certificate of naturalisation from the person referred to in the Deputy's Question was received in the Citizenship Division of my Department in June 2008. The application is being processed in the normal way with a view to establishing whether the applicant meets the statutory conditions for the granting of naturalisation and will be submitted to me for decision in due course. While the average time from application to decision is 26 months, processing requirements and time taken to carry out necessary checks vary from case to case.

I should remind the Deputy that queries in relation to the status of individual Immigration cases may be made direct to INIS by Email using the Oireachtas Mail facility which has been specifically established for this purpose. The service enables up-to-date information on such cases to be obtained without the need to seek this information through the more administratively expensive Parliamentary Questions process.

Crime Levels

69. **Deputy Finian McGrath** asked the Minister for Justice and Law Reform if he will provide statistics for an area (details supplied) regarding anti-social activities. [6233/11]

Minister for Justice and Law Reform (Deputy Alan Shatter): Following the submission in 2004 of a report and recommendations by an expert group on crime statistics, it was decided that the compilation and publication of crime statistics should be taken over by the Central Statistics Office, as the national statistical agency, from An Garda Síochána. The Garda Síochána Act 2005 consequently makes provision for this and the CSO has established a dedicated unit for this purpose. Following the setting up of the necessary technical systems and auditing of the data from which the statistics are compiled, the CSO is now compiling, publishing and responding to queries regarding criminal statistics. I have requested the CSO to provide statistics directly to the Deputy.

Parking Regulations

70. **Deputy Finian McGrath** asked the Minister for Justice and Law Reform if he will support the case of persons (details supplied) regarding parking. [6234/11]

Minister for Justice and Law Reform (Deputy Alan Shatter): I am informed by the Garda authorities that the location referred to is within Clontarf Garda Sub-District. Local Garda management is not aware of any specific complaints regarding parking at the location. A member of the local Community Policing Unit is specifically assigned to the area and will contact local residents. Any issues arising will be dealt with appropriately.

The area is the subject of regular patrols by members of An Garda Síochána on mobile and foot patrols. Local Garda management closely monitors and keeps under review patrols and other operational strategies in place, in conjunction with crime trends and policing needs of

the communities in the area, to ensure optimum use is made of Garda resources and the best possible Garda service is provided to the public.

Stardust Disaster

71. **Deputy Finian McGrath** asked the Minister for Justice and Law Reform the position regarding supports for the Stardust families (details supplied). [6257/11]

Minister for Justice and Law Reform (Deputy Alan Shatter): As the Deputy will recall, the principal recommendation made in Mr. Paul Coffey SC's independent examination has been implemented in full by means of motions passed in both Houses of the Oireachtas. Insofar as his recommendation concerning outstanding medical and counselling needs is concerned, arrangements have been put in place to provide services to those victims, or bereaved, who wish to access such services through this channel and a number have chosen to do so.

Citizenship Applications

72. **Deputy Jack Wall** asked the Minister for Justice and Law Reform the position regarding an application for citizenship in respect of a person (details supplied) in County Kildare; and if he will make a statement on the matter. [6292/11]

Minister for Justice and Law Reform (Deputy Alan Shatter): An application for a certificate of naturalisation from the person referred to in the Deputy's Question was received in the Citizenship Division of my Department in November 2009. On examination of the application submitted it was determined that the person in question did not meet that statutory residency requirements as set out in the Irish Nationality and Citizenship Act, 1956, as amended. The person concerned was informed of this in a letter issued on 2 December, 2009. It is open to the person concerned to lodge a new application for a certificate of naturalisation with the Citizenship Division of my Department if and when they are in a position to meet the statutory requirements.

I should remind the Deputy that queries in relation to the status of individual Immigration cases may be made direct to INIS by Email using the Oireachtas Mail facility which has been specifically established for this purpose. The service enables up-to-date information on such cases to be obtained without the need to seek this information through the more administratively expensive Parliamentary Questions process.

Residency Permits

73. **Deputy Jack Wall** asked the Minister for Justice and Law Reform the position regarding a person (details supplied) in County Kildare; the procedure they must follow to obtain a resident permit; and if he will make a statement on the matter. [6297/11]

Minister for Justice and Law Reform (Deputy Alan Shatter): The person concerned was granted permission to remain in the State on 17th September, 2001, for an initial twelve month period, on the basis of his parentage of an Irish citizen child. This permission was renewed on a number of occasions, most recently to 17th September, 2009.

Arising from the conviction of the person concerned in the United Kingdom, for an immigration related offence, which resulted in a custodial sentence being handed down in that jurisdiction, allied to the fact that he was no longer living as part of a family unit with his Irish citizen child, the person concerned was notified, by letter dated 28th October, 2009, that, in accordance with the provisions of Section 3 of the Immigration Act 1999 (as amended), the

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Minister proposed to make a Deportation Order in respect of him. He was given the options, to be exercised within 15 working days, of leaving the State voluntarily, of consenting to the making of a Deportation Order or of making representations to the Minister setting out the reasons why a Deportation Order should not be made against him. Representations have been received on behalf of the person concerned.

The position in the State of the person concerned will now be decided by reference to the provisions of Section 3(6) of the Immigration Act 1999 (as amended) and Section 5 of the Refugee Act 1996 (as amended) on the prohibition of refoulement. All representations submitted will be considered before the file is passed to me for decision. Once a decision has been made, this decision and the consequences of the decision will be conveyed in writing to the person concerned. In advance of a final decision being made, the case of the person concerned will be examined to determine what, if any, impact the recent European Court of Justice Judgment in the Belgian Zambrano case may have on his case.

I should remind the Deputy that queries in relation to the status of individual immigration cases may be made directly to INIS by Email using the Oireachtas Mail facility which has been specifically established for this purpose. The service enables up-to-date information on such cases to be obtained without the need to seek this information through the more administratively expensive Parliamentary Questions process.

74. **Deputy Gerald Nash** asked the Minister for Justice and Law Reform the reasons for the delay in processing an application for a subsidiary protection order in respect of a person (details supplied) in County Meath; if he will grant such an order to the person concerned; and if he will make a statement on the matter. [6347/11]

Minister for Justice and Law Reform (Deputy Alan Shatter): The persons concerned are a husband, his wife and the couple's three children. The husband and wife lodged separate asylum applications on 24th January, 2005. The first and second named children were included in their mother's asylum application meaning that any decision taken in relation to her applied equally to the two children. The third named child made a separate asylum application on 15th March, 2007.

The second named person concerned initiated Judicial Review Proceedings in the High Court, challenging the decision of the Refugee Appeals Tribunal in her case. The High Court refused the Judicial Review Leave Application with the consequence that the earlier decision of the Refugee Appeals Tribunal stood.

Arising from the refusal of their respective asylum applications, and in accordance with the provisions of Section 3 of the Immigration Act 1999 (as amended), they were separately notified, the husband and wife by letters dated 30th March, 2009 and the third named child by letter dated 20th February, 2009, that the Minister proposed to make Deportation Orders in respect of them. They were each given the options, to be exercised within 15 working days, of leaving the State voluntarily, of consenting to the making of Deportation Orders or of making representations to the Minister setting out the reasons why Deportation Orders should not be made against them. In addition, they were notified of their respective entitlements to apply for Subsidiary Protection in accordance with the European Communities (Eligibility for Protection) Regulations 2006.

The persons concerned submitted applications for Subsidiary Protection and, following the separate consideration of these applications, it was determined that the persons concerned were

not eligible for Subsidiary Protection. The persons concerned were notified of these decisions by separate letters dated 25th March, 2011. The position in the State of the persons concerned will now be decided by reference to the provisions of Section 3(6) of the Immigration Act 1999 (as amended) and Section 5 of the Refugee Act 1996 (as amended) on the prohibition of refoulement. All representations submitted will be considered before the files are passed to me for decision. Once decisions have been made, these decisions and the consequences of the decisions will be conveyed in writing to the persons concerned.

I should remind the Deputy that queries in relation to the status of individual immigration cases may be made directly to INIS by Email using the Oireachtas Mail facility which has been specifically established for this purpose. The service enables up-to-date information on such cases to be obtained without the need to seek this information through the more administratively expensive Parliamentary Questions process.

Grant Payments

75. **Deputy Tom Hayes** asked the Minister for Agriculture, Fisheries and Food when a payment for single farm payment will issue in respect of a person (details supplied) in County Tipperary; and if he will make a statement on the matter. [6240/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): On 11th February 2011 an application was received by my department to transfer 38.22 entitlements by way of inheritance from the Kilkenny herd number of the person named in her maiden name to the Tipperary herd number of the person named in her married name. As the application form indicated that an inheritance was involved, a letter issued from my department requesting the normal testamentary documents required to process a transfer application involving inheritance.

The person named contacted my department by telephone on the 25th March 2011 and clarified that the transfer was not by way of inheritance. The transfer of her entitlements was completed that same day and payment will issue in the coming week. While the closing date for submission of transfer applications for the 2010 scheme year was 15 May 2010 this application was accepted on the basis that the entitlements concerned were being amalgamated with other entitlements held by the person named.

Harbours and Piers

76. **Deputy Pádraig Mac Lochlainn** asked the Minister for Agriculture, Fisheries and Food if he will confirm when he will allocate the necessary funding to ensure that construction works on the breakwater at Greencastle, County Donegal can recommence and when the project will be completed. [6279/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): Greencastle harbour is owned by Donegal County Council and responsibility for the maintenance and development of the harbour rests with that local authority in the first instance. My Department has, however, in recent years, project managed works on phase one of the Greencastle Harbour development project on behalf of Donegal County Council as well as providing funding. Any application received from Donegal County Council for funding, under the 2011 Fishery Harbours and Coastal Infrastructure Development Programme, to continue phase one of the Greencastle development project will be considered in the context of available exchequer funding and competing national priorities.

Grant Payments

77. **Deputy Tom Hayes** asked the Minister for Agriculture, Fisheries and Food when single farm payment for 2008 will issue in respect of a person (details supplied) in County Tipperary; and if he will make a statement on the matter. [6286/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): The person named is one of three applicants who have declared commonage land on their SPS applications: two applicants each declared a half share, while the third claimed a one-third share. All applicants have submitted varying degrees of proof in support of their claims to my Department in support of their declaration. While the onus rests with the individual claimants concerned to clarify the position regarding their respective rights to the commonage land concerned, my Department has decided to undertake a field survey on the land. It is envisaged that this will be done in the coming weeks.

Forestry Sector

78. **Deputy Martin Ferris** asked the Minister for Agriculture, Fisheries and Food the amount of forestry and land under Coillte's control that has been sold since 1989; and if he will make a statement on the matter. [6300/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): I am advised that, since its establishment in 1989, Coillte has sold approximately 15,700 hectares of land, of which circa 6,000 hectares were afforested. Of the total sold, some 3,400 hectares were sold to State Bodies (e.g. E.S.B, County Councils, O.P.W and local development groups). I understand that the properties sold are those considered by the company not to be of strategic importance to the company's forestry business. As advised to the Deputy last week, Coillte has also sold, since its establishment in 1989, approximately 11,500 hectares of immature forests to forestry investment funds. In these sales, the sale agreements confer rights on the purchaser to harvest timber at maturity while Coillte retains ownership of the land, carbon rights and other assets.

Animal Welfare

79. **Deputy Maureen O'Sullivan** asked the Minister for Agriculture, Fisheries and Food in view of the publicised plans by the Irish Greyhound Board to expand greyhound racing to China, if his attention has been drawn to the non-existence of animal welfare legislation in China; if he will assure those concerned for the thousands of Irish surplus dogs who would end up discarded if racing starts in China and are in very real danger of being used in fur and/or food production. [6306/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): Bord na gCon is a commercial State Body. The Board of Bord na gCon is responsible for leading and directing the activities of the Company. My Department is aware that Bord na gCon is exploring possible business opportunities in China. However Bord na gCon has not as yet made a submission to the Department in this regard.

Bord na gCon has repeatedly confirmed its commitment to the highest standards of animal welfare in the greyhound industry. Consequently my Department would expect that any proposal involving Bord na gCon engaging with the greyhound industry in China would consider animal welfare matters. The Department will, if and when it receives a submission on this matter from Bord na gCon, consider the proposal in the round and form a view based on

the case put forward. The Department is always mindful of the need to ensure the welfare of animals.

Any proposal to export greyhounds from Ireland to China would require the establishment and agreement of export health certification protocols with the Chinese authorities, and appropriate transport arrangements would have to be put in place to ensure the welfare of the animals in transit. My Department endeavours to ensure that all exporters comply with Council Regulation (EC) No. 1/2005 on the protection of animals during transport and related operations. All Member States of the EU including Ireland are working to promote better animal welfare internationally and in this regard Ireland has introduced national legislation giving effect to Regulation (EC) No. 1523/2007 of the European Parliament and Council dated 11 December 2007 banning the marketing, import to or export from, the Community of cat and dog fur and products containing such fur.

Grant Payments

80. **Deputy John McGuinness** asked the Minister for Agriculture, Fisheries and Food if REP scheme payments due to a person (details supplied) in County Kilkenny will be granted and if he will expedite the matter. [6324/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): The person named commenced REPS 4 in October 2009. The person named received the year 1 payment in December 2009 and the year 2 payment in February 2011.

Employment Support Services

81. **Deputy Pearse Doherty** asked the Minister for Community, Equality and Gaeltacht Affairs the efforts that have been made to assist the workers recently made redundant (details supplied) in County Donegal to find suitable alternative employment; and if she will make a statement on the matter. [6238/11]

82. **Deputy Pearse Doherty** asked the Minister for Community, Equality and Gaeltacht Affairs if she has instructed any Government Departments to target investment to a townland (details supplied) in County Donegal following recent job tosses in the area. [6239/11]

Minister for Community, Equality and Gaeltacht Affairs (Deputy Frances Fitzgerald): I propose to take Questions Nos. 81 and 82 together.

In January 2011, the company in question, which is a client company of Údarás na Gaeltachta, announced its decision to cease the frozen production element of its operations in the district referred to by the Deputy, due, according to the company, to increases in the cost of raw materials, a decline in sales and increased competition. I understand that, following the company's decision, Údarás na Gaeltachta has worked with the company in an effort to maintain employment levels in the district. In this context, I understand from Údarás na Gaeltachta that the assets owned by the company, with the exception of the frozen food line, have now been purchased by the company's former owner with a view to saving 67 jobs at the facility.

I also understand from Údarás na Gaeltachta that it has facilitated a number of meetings between affected employees and relevant State agencies, such as FÁS and the Department of Social Protection, with a view to assisting them in any way possible.

Pension Provisions

83. **Deputy Tom Hayes** asked the Minister for Health and Children if a person (details supplied) in County Tipperary is entitled to a refund of pension contributions made while working part-time for the Health Service Executive; and if he will make a statement on the matter. [6282/11]

Minister for Health and Children (Deputy James Reilly): As this is a local matter, it has been referred to the HSE for attention and direct reply to the Deputy.

Medical Cards

84. **Deputy Jack Wall** asked the Minister for Health and Children the position regarding an application for a medical card in respect of a person (details supplied) in County Kildare; and if he will make a statement on the matter. [6212/11]

Minister for Health and Children (Deputy James Reilly): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

85. **Deputy Jack Wall** asked the Minister for Health and Children when a person (details supplied) in County Kildare will receive their medical card; and if he will make a statement on the matter. [6226/11]

Minister for Health and Children (Deputy James Reilly): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

Health Services

86. **Deputy Finian McGrath** asked the Minister for Health and Children the position regarding a care package in respect of a person (details supplied). [6228/11]

Minister for Health and Children (Deputy James Reilly): As this is a service matter, it has been referred to the Health Service Executive for direct reply.

Services for People with Disabilities

87. **Deputy Finian McGrath** asked the Minister for Health and Children the number of adults with an intellectual disability nationally who are on residential, day care and respite waiting lists. [6235/11]

Minister for Health and Children (Deputy James Reilly): As the Deputy's question relates to service matters I have arranged for the question to be referred to the Health Service Executive for direct reply to the Deputy.

Health Services

88. **Deputy Michael McGrath** asked the Minister for Health and Children the position regarding the payment due to a nursing home for a week of respite care in respect of a person (details supplied) in County Cork. [6237/11]

Minister for Health and Children (Deputy James Reilly): As this is a service matter it has been referred to the Health Service Executive for direct reply.

Prescription Charges

89. **Deputy Michael Creed** asked the Minister for Health and Children if he will reverse the charge on prescriptions for medical card holders; if he will explain the rationale behind this decision; and if he will make a statement on the matter. [6241/11]

Minister for Health and Children (Deputy James Reilly): An analysis of the available research shows that prescription charges tend to reduce the use of medicines among certain patient groups. This can create negative health effects. Reducing the use of essential medicines may lead to increased hospitalisation, resulting in greater costs for the Exchequer in the long term. It is my intention, subject to Government approval, to introduce legislation to abolish prescription charges for medical card holders.

Nursing Homes Support Scheme

90. **Deputy Finian McGrath** asked the Minister for Health and Children if he will support the case of a person (details supplied) regarding the fair deal scheme. [6256/11]

Minister for Health and Children (Deputy James Reilly): As this is a service matter it has been referred to the Health Service Executive for direct reply.

Child Care Services

91. **Deputy Michael Creed** asked the Minister for Health and Children the position regarding the charging of rates on facilities that provide preschool services and the early childhood care and education scheme; and if he will make a statement on the matter. [6260/11]

Minister for Health and Children (Deputy James Reilly): I have responsibility for the implementation of the free Pre-School Year in Early Childhood Care and Education (ECCE) programme, which was introduced in January 2010 and which is participated in by some 4,300 pre-school services. A pre-school service's liability to commercial rates under the Valuation Act 2001, is a matter for the Valuation Office, acting under the remit of the Department of Finance. I understand that pre-school services which are operated by community not for profit organisations may, on a case by case basis, be exempted from commercial rates. In addition, the Valuation Office has advised that pre-school services participating in the ECCE programme will be considered to be exempt from commercial rates where the expenses they incur in providing their services are defrayed wholly by the State. My understanding is that in all other cases, pre-school services are regarded as being subject to these charges.

Health Services

92. **Deputy Olivia Mitchell** asked the Minister for Health and Children if he will ensure a person (details supplied) in Dublin 16 has their orthodontic treatment completed; and if he will make a statement on the matter. [6264/11]

Minister for Health and Children (Deputy James Reilly): As this is a service matter it has been referred to the HSE for direct reply.

Hospital Services

93. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if he will restore front-line services and capacity to Clonmel hospital; and if he will make a statement on the matter. [6266/11]

94. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if he will restore front-line services and capacity to Merlin Park hospital; and if he will make a statement on the matter. [6267/11]

95. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if he will restore front-line services and capacity to Nenagh General Hospital; and if he will make a statement on the matter. [6268/11]

96. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if he will restore front-line services and capacity to Roscommon County Hospital; and if he will make a statement on the matter. [6269/11]

97. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if he will restore front-line services and capacity to Our Lady's Hospital, Navan; and if he will make a statement on the matter. [6270/11]

98. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if he will restore front-line service and capacity to Sligo General Hospital; and if he will make a statement on the matter. [6271/11]

99. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if he will restore front-line service and capacity to Letterkenny General Hospital; and if he will make a statement on the matter. [6272/11]

100. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if he will restore front-line service and capacity to Portiuncula Hospital; and if he will make a statement on the matter. [6273/11]

101. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if he will restore front-line service and capacity to Wexford General Hospital; and if he will make a statement on the matter. [6274/11]

102. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if he will restore front-line service and capacity to Monaghan Hospital; and if he will make a statement on the matter. [6275/11]

103. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if he will restore front-line service and capacity to Ennis General Hospital; and if he will make a statement on the matter. [6276/11]

104. **Deputy Seán Ó Fearghaíl** asked the Minister for Health and Children if he will restore front-line service and capacity to Louth County Hospital; and if he will make a statement on the matter. [6277/11]

Minister for Health (Deputy James Reilly): I propose to take Questions Nos. 93 to 104, inclusive, together.

I am committed to ensuring that acute hospital services at national, regional and local level are provided in a clinically appropriate and efficient manner. In particular I want to ensure that as many services as possible can be provided safely in smaller, local hospitals. In order to fully consider the issues involved, I am being briefed by my Department and the Health Service

Executive (HSE) on the organisation of acute services in each region and on the important clinical programmes being developed by the HSE. These inter-related programmes aim to improve service quality, effectiveness and patient access and to ensure that patient care is provided in the service setting most appropriate to individuals' needs.

Health Services

105. **Deputy Tom Hayes** asked the Minister for Health and Children if he will investigate the delays in accessing orthodontic treatment, including the case of a person (details supplied) in County Tipperary. [6285/11]

Minister for Health and Children (Deputy James Reilly): As this is a service matter it has been referred to the HSE for direct reply.

Medical Cards

106. **Deputy Jack Wall** asked the Minister for Health and Children the reasons medical card holders are being charged by general practitioners in respect of certain health issues (details supplied); if this is acceptable under the guidelines of the scheme; and if he will make a statement on the matter. [6295/11]

Minister for Health and Children (Deputy James Reilly): Under the General Medical Services (GMS) contract, a general practitioner (GP) is expected to provide his/her patients who hold medical cards or GP visit cards with all proper and necessary treatment of a kind generally undertaken by a GP. Where blood tests form part of the investigation and necessary treatment of patients' symptoms or conditions, these should be provided free of charge to medical card and GP visit card holders. The HSE also points out that, in many GP surgeries, it is the practice nurse who takes blood samples. The HSE significantly subsidises the cost of employing practice nurses. If the HSE is made aware of specific cases where GMS patients are being charged by GP contractors, it will arrange to have such cases investigated as appropriate.

107. **Deputy John McGuinness** asked the Minister for Health and Children if a medical card will be issued as a matter of urgency in respect of a person (details supplied) in County Kilkenny. [6304/11]

Minister for Health and Children (Deputy James Reilly): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

Health Services

108. **Deputy John McGuinness** asked the Minister for Health and Children if he will confirm the home support that has been put in place for a person (details supplied) in County Kilkenny; if the reports of doctors and psychologists have been considered and the action that has been taken arising from the reports; if the needs of the family will be assessed to determine the level of care needed so that it can be sourced privately if the Health Service Executive does not have the capacity to respond; if a case meeting can be arranged to hear the concerns of the family directly; if urgent action will be taken to resolve all issues and provide the care urgently needed; and if he will make a statement on the matter. [6314/11]

Minister for Health and Children (Deputy James Reilly): As the Deputy's question relates to service matters I have arranged for the question to be referred to the Health Service Executive for direct reply to the Deputy.

Medical Cards

109. **Deputy John McGuinness** asked the Minister for Health and Children if a medical card will be issued immediately in respect of a person (details supplied) in County Kilkenny. [6315/11]

Minister for Health and Children (Deputy James Reilly): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

Programmes for Government

110. **Deputy John McGuinness** asked the Minister for Health and Children the changes he will introduce to assist Members to obtain information through the parliamentary question system from the Health Service Executive in a more timely manner; and if he will make a statement on the matter. [6317/11]

Minister for Health and Children (Deputy James Reilly): Responding to the information needs of the Oireachtas and the public is a priority for my Department and is a regular agenda item at meetings between the Secretary General of my Department and the Chief Executive Officer of the Health Service Executive. The Health Service Executive is a statutory body with its own vote and Accounting Officer.

As the Deputy is aware, Parliamentary Questions raised in relation to day to day operational matters concerning the health service are referred to the HSE for direct reply to Deputies. This is in line with the commitment under the Programme for Government that it shall be a statutory duty on any body established under statute, to submit to the same Parliamentary Question regime as applies to Government Departments. This will involve a liability to provide answers to written questions within a specified number of Dail sitting days.

The operation of the Parliamentary Affairs Division of the HSE (PAD) allows for the centralised receipt, assignment and tracking of Parliamentary Questions within the HSE's extensive network of operations. More generally, PAD monitors overall performance in relation to the timely issue of replies and provides a central contact for all requests from Oireachtas members for information relating to matters within the statutory remit of the Executive. It reports on a regular basis to the Chief Executive Officer and his management team.

The Executive is very conscious of the need for prompt replies to Parliamentary Questions and there is regular liaison between my Department and the Executive in this regard. While the Executive attempts to answer all questions referred to it as quickly as possible, many of the questions submitted by Deputies request large and detailed amounts of statistical data on a variety of subjects which require input and coordination from all areas of the Executive.

Recently, the HSE has undertaken a number of initiatives to improve response times to Parliamentary Questions and to deal with other queries from members of the Oireachtas including:

- the development of a new I.T. system to streamline and improve the process of responding to Parliamentary Questions. The new system is expected to go live within the next few weeks;
- the provision of additional resources to reduce backlogs in key areas;
- the nomination of regional coordinators for each HSE region to deal with Parliamentary Affairs for that area;

- the development of a dedicated web page on the HSE website for Oireachtas members. This page, titled “Rialtas”, will link Oireachtas members to a range of information on the HSE website including published reports, statistical data and responses to Parliamentary Questions;
- the Primary Care Reimbursement Service (PCRS) has also established a dedicated page on the HSE website. This web page, which can be accessed at www.medicalcard.ie, provides assistance in a range of areas for both Oireachtas members and their constituents including:
 - detailed guidelines on the criteria for eligibility for medical cards;
 - a facility to make a medical card application online;
 - a facility to check on the status of a current application, or the status of an existing medical card.

The Programme for Government contains a number of proposals to improve the handling of Parliamentary Questions, Adjournment Debates etc. It is expected that these initiatives will be progressed across all Government Departments in due course.

Medical Cards

111. **Deputy John McGuinness** asked the Minister for Health and Children if a full medical card will be approved in respect of a person (details supplied) in County Kilkenny and if he will expedite the matter. [6321/11]

Minister for Health and Children (Deputy James Reilly): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

Health Services

112. **Deputy John McGuinness** asked the Minister for Health and Children his plans in respect of the need to improve neurological services throughout the country and in particular the south east; the average waiting times for inpatient and outpatient services in this area; the numbers of patients waiting for the services throughout the country and the length of time they have been on the list by region; and if he will make a statement on the matter. [6322/11]

Minister for Health and Children (Deputy James Reilly): In 2010 the Director of the Office of Clinical Strategy and Programmes in the HSE met the Irish Consultant Neurologists' Association (Neurology Faculty) to discuss how best to move neurological services forward in Ireland. Following discussions it was agreed to appoint a number of Neurologists to lead three key national programmes, giving neurological care a major focus in the HSE.

The first two national programmes are on stroke management and on epilepsy. Plans for epilepsy and stroke will include the development of protocols of care and delivery of expert care closer to people's homes as well as in the expert centres. The third national programme on access for neurology outpatients aims to provide standardised care for neurology patients and to increase access. This programme is in the process of recruiting 13 additional Consultant Neurologists / Consultant Neurophysiologists. The setting up of these programmes shows the importance that the HSE gives to neurological care and its commitment to improving access to neurological services.

[Deputy James Reilly.]

Furthermore, the HSE has emphasised to my Department that all national programmes, including those concentrating on neurology, will have a focus on patient advocacy. These inter-related programmes aim to improve service quality, effectiveness and patient access and to ensure that patient care is provided in the service setting most appropriate to individuals' needs. I am being briefed by my Department and the HSE on these important clinical programmes and on the organisation of acute services in each region. In relation to the other issues raised, as these are service matters, they have been referred to the HSE for direct reply.

Medical Cards

113. **Deputy John McGuinness** asked the Minister for Health and Children if an application for a medical card will be expedited and approved in respect of a person (details supplied) in County Kilkenny. [6325/11]

Minister for Health and Children (Deputy James Reilly): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

Health Service Executive Investigations

114. **Deputy John McGuinness** asked the Minister for Health and Children the names of officials and those who attended a meeting with the former Minister, former Deputy Mary Harney, relative to a formal complaint lodged by a person (details supplied) in County Kilkenny; the actions taken by him or the Health Service Executive following this meeting; if he will arrange an independent review of the case and the way the complaint was handled to satisfy himself that the HSE investigation followed best practice, protected the rights of the patient concerned, protected the rights of the nurse who made the complaint, disciplined those who were found to be wrong and introduced protections and procedure to ensure such an incident be a does not happen again; and if he will make a statement on the matter. [6326/11]

Minister for Health and Children (Deputy James Reilly): At the meeting on 19 January last, Minister Harney was accompanied by her adviser, a representative from the Mental Health Unit and a representative from the Patient Safety Unit. Following the meeting, and as agreed, the official from the Mental Health Unit contacted the Mental Health Commission and requested that the Inspector of Mental Health Services again examine the issues raised by the complainant.

On 7 March, the Acting CEO of the Commission forwarded a copy of the Inspector's response, which indicated that he had reviewed all available information relating to the case, and had spoken to the Executive Clinical Director for Carlow/Kilkenny/South Tipperary. The Inspector indicated that in his judgement, satisfactory investigations were carried out and he is satisfied that appropriate measures are now in place to prevent a recurrence. The complainant was informed of the Inspector's response by letter dated 14 March, and the position was also explained to him, by telephone, by a number of Department Officials.

The complainant's contention that his working hours were reduced following the submission of his complaint has not been substantiated; documentary evidence received from the HSE indicates that the complainant's working hours had in fact increased, following the submission of his complaint. I am satisfied that the allegations have been satisfactorily reviewed and any necessary measures were taken by the hospital management. In the circumstances, I believe that a further review of the complaint is not warranted.

Road Network

115. **Deputy Dominic Hannigan** asked the Minister for Transport the persons responsible for the maintenance and upkeep of the N2; and if he will make a statement on the matter. [6278/11]

Minister for Transport (Deputy Leo Varadkar): The construction, improvement and maintenance of individual national roads, including the N2, is a matter for the National Roads Authority (NRA) under the Roads Act 1993 in conjunction with the local authorities concerned.

National Roads Authority

116. **Deputy Finian McGrath** asked the Minister for Transport if he will offer advice to families regarding damage (details supplied). [6258/11]

Minister for Transport (Deputy Leo Varadkar): As Minister for Transport, I have responsibility for overall policy and funding in relation to the national roads programme element of Transport 21. The implementation of individual national road projects is a matter for the National Roads Authority (NRA) under the Roads Acts 1993-2007, in conjunction with the local authorities concerned. The construction of the Dublin Port Tunnel project was procured by Dublin City Council and funded through the NRA. In order to be of assistance I have referred the Deputy's question to the NRA for direct reply. Please advise my private office if you do not receive a reply within ten working days.

Services for People with Disabilities

117. **Deputy Jack Wall** asked the Minister for Transport if consultations have taken place with a company (details supplied) or if he has given any directives or issued any guidelines in regard to disability placement on trains to facilitate persons who suffer from a disability to obtain a placement on a train or in asking passengers to facilitate a disabled person on a train; if his attention has been drawn to the fact that signage to this effect has been changed on trains and it is causing problems for disabled persons; if he has plans to ensure that on whatever public transport a disabled person seeks to use, the signs, facilities and so on will be in place to ensure that the disabled person will be facilitated; and if he will make a statement on the matter. [6296/11]

Minister for Transport (Deputy Leo Varadkar): I appreciate the deputy's concerns and while I have a general responsibility for the promotion of improved accessibility across all transport modes, the issue of signage is essentially a matter for Iarnród Éireann.

I have been informed by Iarnród Éireann that it is currently undertaking a complete modernisation of the signage on trains and this will be completed in 2011. This new signage is compliant with the new EU legislation requirements set out in EU Commission Decision of 21 December 2007 concerning the technical specification 2008/164/EC relating to "persons with reduced mobility". This became effective on 1 July 2008. These signage requirements are for use by all EU railways and represents best practice in terms of layout and content. Iarnród Éireann have also indicated that it has not received any representations from any party regarding the signage for persons of reduced mobility.

Improvements to public transport in general are being advanced through the implementation of *Transport Access for All*, my Department's Sectoral Plan under the Disability Act 2005. The

[Deputy Leo Varadkar.]

Plan is available on my Department's website *www.transport.ie* and was first published in 2006 and reviewed in 2008. Among other things, the plan sets out a series of policy objectives and targets for accessible public transport across all modes — actions to make trains, buses, taxi and hackney services, as well as air and marine transport, accessible to people with mobility, sensory and cognitive impairments. Preparations are already underway for a further review of the plan this year which will include an extensive public consultation process.

Air Services

118. **Deputy Tom Fleming** asked the Minister for Transport, as the continuation of reductions of Kerry-Dublin flights is impacting severely on tourism and business in County Kerry and jobs at Kerry Airport, if he will bring forward to a more immediate date the public service obligation which was originally scheduled for July 2011. [6346/11]

Minister for Transport (Deputy Leo Varadkar): My Department is in the final stages of consultation with Kerry Airport on the specifications for a new PSO air service on the Kerry-Dublin air route. Discussions with the EU Commission are also ongoing. The next step in the process is the submission of necessary PSO and tender notifications to the European Commission for approval and publication in the Official Journal of the European Communities. In line with the EU guidelines, the process of renewal of a PSO takes a minimum of 6 months from the date the notices appear in the Official Journal. My Department is making every effort to expedite the completion of the necessary documentation and transmission to the European Commission.