

DÁIL ÉIREANN

DÍOSPÓIREACHTAÍ PARLAIMINTE PARLIAMENTARY DEBATES

TUAIRISC OIFIGIÚIL OFFICIAL REPORT

IMLEABHAR 741

VOLUME 741

*Dé Céadaoin, 21 Meán Fómhair 2011.
Wednesday, 21 September 2011.*

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

Paidir.

Prayer.

Leaders' Questions

Deputy Micheál Martin: Before the general election, the Taoiseach not only promised to maintain special needs assistant provision in education but also supported a motion in the House to increase funding for SNAs this year. For the past few months parents of children with special needs have been coming under increasing pressure. Deputies have met many parents who are affected by what is an inflexible approach to the provision of SNAs. We know the provision of special needs assistants is critical for these children in order that they can avail of their constitutional right to an education.

Last night on “Prime Time” there were specific examples of how this policy was being implemented and how it was affecting children with special needs. The stories on the programme were truly shocking to anyone who was watching. It is simply unacceptable. The way in which the system is being implemented is heartless and demonstrates a hand-off approach on the part of the Minister. It is clear from all the evidence we have heard that there is a disconnect between what people are being told in the House and what is happening on the ground. Parents of special needs children are well aware of the commitments the Taoiseach made and his choice to break them will not be forgotten. Will he take a hands-on approach to this issue in order that genuine cases will be properly dealt with and common sense and flexibility will prevail?

The Taoiseach: I did not see the “Prime Time” programme to which the Deputy refers, but I realise this situation always causes genuine concern and anxiety for the parents of children who are challenged in their schooling. Since 2001 the number of SNAs has tripled to 10,575. There are also 9,950 resource teachers for special education services, 350 more than last year. The programme, as far as I have heard, did have a point in that there is clearly a need to consider the extent of observation time in classes by professionals. Professionally qualified people assess children on the basis of their needs and it is as a result of these assessments that SNAs are appointed in the first instance. As the Deputy is aware, the special educational needs organiser then discusses the use of these SNAs with the principal, the staff and the children involved.

I assure the Deputy and everybody else that this is a sensitive matter which is importance to the Government. We do not have a hands-off approach, as though it were happening somewhere else and the matter did not need to be considered by the Minister for Education and Skills who has a genuine interest in it. It will not be the case that all SNAs will be removed from a school. A child who needs care and attention will have access to an SNA. I have made that commitment before and stand by it. I do not determine the professional assessment in each individual case, as the Deputy is well aware, but where a professionally qualified person says a child needs particular attention, it will be provided.

As I have said to the House before, the Minister for Education and Skills has retained 475 SNA posts that have yet to be allocated. These are withheld for a very good reason: to cater for cases in which a newly assessed child comes into a class, an accident occurs or some other issue arises. Far from viewing this issue as being of no interest to the Government or not being a hands-on matter, the Minister for Education and Skills is considering and is right to consider the extent of observation periods in class in order that a fully comprehensive assessment of each child’s needs can be obtained. Following this, decisions about the allocation of SNAs to particular schools or classes can be made and discussions on the use of SNAs in the interests of children take place among the SENO, the principal and the staff.

Deputy Micheál Martin: Since 1998 there has been radical change, as well as dramatic improvements in mainstreaming special needs education services. For God’s sake, what the Taoiseach is saying does not tally with the reality on the ground. It is ridiculous to talk about 475 posts being withheld; why are they being withheld? The school year has started and SNAs are being removed from children. The Government must release the 475 SNA posts being held over as a first step. That is elementary. We do not need to hold them back for the rest of the school year. The Government should release them now and stop taking SNAs away from children.

I have said there is a complete disconnect between what the Taoiseach and the Minister are saying in the Dáil and what is happening on the ground. There was a hands-off approach. Last night on “Prime Time” the Minister used phrases as, “That is not the way it should be happening” and “It is not meant to happen that way.”

Deputy Jerry Buttimer: Fianna Fáil signed up to the cap six months ago.

Deputy Micheál Martin: That is of no consolation to the parents and no comfort to the schools involved. The Government has an extra €1 billion to €2 billion since it took office, which gives it flexibility; therefore, there is no real need for this. We should have the matter sorted quickly. I appeal to the Taoiseach to stop talking at a level that is completely at variance——

Deputy Bernard J. Durkan: The Deputy signed up to this six months ago.

Deputy Micheál Martin: —with the reality as experienced by teachers, parents and, most critically, children in schools. The Government should release the 475 SNA posts being withheld. It can deal with any emergencies that emerge during the year—

Deputy Jerry Buttiner: The Deputy agreed to the cap.

Deputy Micheál Martin: —with the flexibility it has been given.

(Interruptions).

An Ceann Comhairle: The Taoiseach has one minute. Please let him answer.

The Taoiseach: Deputy Martin wanted to know why the Minister for Education and Skills has withheld the appointments to 475 posts. It has to do with emergencies and reviews—

Deputy Micheál Martin: Flexibility is the point regarding emergencies.

The Taoiseach: If the Deputy wants the answer I will give it to him. It is to do with acquired injuries, new entrants to schools, arrivals from overseas, new assessments of disability—

Deputy Billy Kelleher: It has to do with political choices, too.

The Taoiseach: —or particular syndromes during the school year. That is the reason. That is the answer to the Deputy's question.

Deputy Micheál Martin: I did not ask a question. I said, "Release them".

The Taoiseach: I live in the very real world. I met the parents of St. Senan's schools in Templeshannon, Enniscorthy, when I was in Wexford last week. I met them for 20 minutes. Those people were absolutely concerned—

Deputy Timmy Dooley: What did you say to them?

The Taoiseach: —and very angry about the situation that had arisen. However, I want Deputies to understand that I meet that situation in many places. In that school, for example, which I understand was mentioned in the programme yesterday, there are three special classes for autism spectrum disorder, with 13 special needs assistants catering for the 18 pupils in those classes, or almost one SNA for each individual pupil, higher than the recommended ratio for special class groups, namely, one SNA for three children.

The Deputy knows, as I do, that no one knows a child better than its mother does. This is obviously of great concern and anxiety to people. We all want to see a situation where every child gets the best opportunity. I believe, therefore, that in reviewing this the Minister for Education and Skills is right to look at the issue of the extent of observation time in classes in order that those who are professionally qualified to make an assessment about a particular child's needs from an educational perspective are enabled to do so. Based on those recommendations the Minister and the Department can determine the allocation of SNAs for each school and, through the special education needs officer, discuss the best use of that allocation between the teachers and the staff allocated to the children.

I reiterate that in any individual case where a professional assessor states that any particular child needs access to a special needs assistant, that access will be granted to that child.

Deputy Mick Wallace: Are they in mainstream classes at present?

Deputy Mary Lou McDonald: On 10 May the Taoiseach introduced his jobs initiative, stressing that it was not a budget. In May there were 440,000 people on the live register. By the end of August that figure had risen to almost 500,000, or 14.4%. It is now clear that this jobs initiative has failed, the policy of squandering the National Pensions Reserve Fund on the banks rather than using it as a stimulus has been seen to fail, and austerity is not working, the most acute evidence of which is the swelled ranks of the dole queues. Today, as we meet in this Chamber, hundreds of people who work for Aviva fear for their jobs. This comes hot on the heels of the loss of 475 jobs at TalkTalk in Waterford, losses of jobs in the Gaeltacht, and 425 job losses in Pocket Kings and Allied Logistics in Dublin. These are but a sample of the haemorrhage of jobs. At what stage did the Government become aware of the threat to the jobs at Aviva and what contact, if any, has there been by the Government with the management at Aviva?

The Taoiseach: The situation in which the country finds itself, with unemployment at the level it stands on the live register, is completely unacceptable. As the Minister for Social Protection, Deputy Joan Burton, has commented on many occasions, the figure of 300,000 people who are unemployed within the context of the live register is unacceptable to me and to the Government. That is why the entire focus of this Government is to rectify our public finances, restore our economic sovereignty, grow jobs, put out a very clear understanding that this Government is open for business, is pro-business and pro-initiative, and within the course of this Dáil session will bring in a number of further measures that will add confidence, demonstrate flexibility for small and medium enterprises, provide micro-finance for those who employ very small numbers or who want to employ such numbers, and adjust, where we can, the red tape, bureaucracy and obstructions to job creation.

I made the point the other day to the Deputy's party leader that I was approached by an employer in the past fortnight who told me that the rates of pay in her place of employment were between €9.50 and €11 per hour, but after advertising and interviewing on three occasions, not one Irish person could be taken on to work in the establishment, which has a very high standard rating. The consequence, she told me, is that she will now have to bring in people from outside the country who will work for and contribute on those rates and send money back to their own countries.

Deputy Willie O'Dea: Do Irish people not want to work?

Deputy Timmy Dooley: Is the Taoiseach saying that Irish people do not want to work?

The Taoiseach: There is a culture here that we must understand, namely, that any person who is unemployed is of interest to this Government—

Deputy Willie O'Dea: I can send the Taoiseach a list.

Deputy Timmy Dooley: Will the Taoiseach take a bundle of CVs later?

The Taoiseach: —but we want to see that jobs are created.

Deputy Timmy Dooley: I have a bundle below in the office.

The Taoiseach: Regarding the report about Aviva, it is one of the longest established, global enterprises in the insurance business and has announced it is going through a restructuring phase. It is only right and proper that I do not comment on this until such time as the company arrives at its conclusions, having carried out its analysis. The extent of insurance drop-off in terms of car and house purchases and many people leaving health insurance indicates the extent

and depth of the recession and the pressure on people as we take €6 billion out of the economy this year. Obviously, there are serious challenges ahead. IDA Ireland, which has been in contact with Aviva, cannot make any sort of judgment about the future until such time as the company makes its own decisions in respect of the review which it is carrying out.

Deputy Mary Lou McDonald: I find it astonishing that the Taoiseach would even suggest that the hundreds of thousands of people out of work do not wish to find employment. Given that he raised the issue of hourly payments, he might also reflect on the fact that no one sitting in this Chamber is on €9.50 per hour. If he takes a look around him——

Deputy Bernard J. Durkan: Neither are you.

Deputy Mary Lou McDonald: ——and tries to understand the cost of living in the real world, he might find the answer to that particular riddle.

The Taoiseach states that the unemployment figures are unacceptable; in that he is correct. What is even more unacceptable in the face of this unemployment crisis is to have a Government that sits on its hands. It talks big, it acts small.

Deputy Brendan Howlin: Remarkable.

Deputy Mary Lou McDonald: I do not accept the Taoiseach's position that he has had no contact with Aviva. He has passed the buck to IDA Ireland. Hundreds of jobs are now under threat. What will he do about it? It is not sufficient to pass the buck to another agency. If he is so appalled, so concerned to keep people in work and get them back to work, he should get cracking now and ensure those jobs in Aviva are secured. He should match his rhetoric with action.

A Deputy: What would you do?

Deputy Bernard J. Durkan: There is rhetoric in training here now.

The Taoiseach: The Government has been cracking since we were appointed and given a mandate by the people.

Deputies: Hear, hear.

Deputy Michael McGrath: The Taoiseach should crack down on the dole queues.

The Taoiseach: That is why we called back all the ambassadors and diplomatic personnel we have around the world. That is why the Tánaiste is in New York and the Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton, is in the United States. That is why we have had direct contact with business interests at home and abroad to rebuild this country's reputation, to tell people that we are open for business and that this Government is focused on making changes that will restore our country's finances and our people's good fortunes.

That is why, since this Government was appointed, IDA Ireland has approved 3,150 jobs. That is why I was in Wexford last weekend——

Deputy Micheál Martin: Is the Taoiseach claiming credit for that?

Deputy Timmy Dooley: They were in the pipeline before he got there.

The Taoiseach: —both for the opening of the Coca-Cola plant, a €300 million investment, and to talk to enterprise and small indigenous business which is now employing unemployed people and is in the business of manufacturing and exporting.

Deputy Billy Kelleher: The Government has lost 30,000 jobs as a result of its jobs initiative.

Deputy Willie O’Dea: Yes, the country is minus 30,000 jobs.

Deputy Brendan Howlin: The Deputy should realise that this is not a laughing matter.

The Taoiseach: When she has the opportunity, I would like Deputy McDonald to outline her party’s economic strategy in the context of the creation of jobs.

Deputy Mary Lou McDonald: We would be more than happy to outline our position.

A Deputy: Burn the bondholders.

The Taoiseach: In so far as the Government is concerned, I want to see the maximum number in employment.

Deputy Willie O’Dea: Is there anyone who does not want that?

The Taoiseach: The focus of the Government will be on introducing a micro-finance and a partial loan guarantee scheme.

Deputy Willie O’Dea: A waste of time.

The Taoiseach: We are open to ideas that are credible — even those brought forward by Deputy McDonald’s party — to get people back to work.

Deputy Pádraig Mac Lochlainn: Our policies are on the record.

Deputy Colm Keaveney: Sinn Féin wants Ireland to do what Argentina did in the past, namely, default.

The Taoiseach: However, not too many such ideas have been put to me.

Deputy Colm Keaveney: They want Ireland to be like Argentina. For Argentina read Donegal.

(Interruptions).

The Taoiseach: Far from living in an ivory tower, the Government is cracking on in dealing with the obstructions to business and job creation. That is where our focus is going to be. I sympathise with every person who is unemployed, as people want to work. There are some cultures within Irish society which must be shaken up because we are facing a new reality. We are not our own economic masters. The Government was left with that legacy, but it is going to shift the position and return to a point where Ireland can borrow on the bond markets—

Deputy Timmy Dooley: The Government will be obliged to burn the bondholders first.

The Taoiseach: —and be in charge of its economic destiny. The Government’s ethos is that Ireland will be open for business, that business will be created here and that work and initiative will be rewarded. We will proceed, in conjunction with the people, to put Ireland back in the position it should occupy.

Deputy Micheál Martin: The Taoiseach is making a Second Stage speech. This is Leaders' Questions.

(Interruptions).

The Taoiseach: There is evidence that in the farming, pharmaceutical and software sectors and so many other there is the potential for job creation and the Government will respond to it.

Deputy Caoimhghín Ó Caoláin: We have already put 80 proposals to the Government. Will the Taoiseach comment on this?

Deputy Timmy Dooley: The Taoiseach treated us to a pre-election rant.

(Interruptions).

Deputy Pádraig Mac Lochlainn: Broken promises.

Deputy Jerry Buttimer: All Sinn Féin wants to do is burn the bondholders. They informed us that we should “burn away”.

(Interruptions).

Deputy Shane Ross: The Taoiseach who has just made a rousing rallying cry on the economy will no doubt be aware of the IMF report issued last night. It is devastating in its findings, not just with regard to the global economy but also and more particularly in respect of Europe. The chief economist of the IMF has stated it is time for Europe to get its act together. These are pretty strong words from an international body of this nature. When the US Treasury Secretary, Mr. Timothy Geithner, addressed a meeting in Poland last weekend at which the Minister for Finance was in attendance, he delivered a similar message. The message from outside is that Europe is an economic swamp, that it is sinking and that it has no leadership.

Is the Taoiseach happy with the solution being offered in each European crisis, namely, that Chancellor Merkel and President Sarkozy get together for a meeting? They met in June, July and August and achieved nothing. They were in contact by telephone last week and achieved absolutely nothing. Who gave them the authority to pose as the voices of Europe, to meet in high profile situations and to give the appearance — deliberately so — that they have solved the European problem? Regardless of whether we like it and partly because the economy has been mismanaged, Ireland is a pivotal player in the recovery of Europe.

An Ceann Comhairle: A question please, Deputy.

Deputy Shane Ross: The IMF has suggested — this runs counter to much of what the Taoiseach has just said — that all European countries will be obliged to surrender a great deal of their economic sovereignty if the current problem is to be solved. The Taoiseach has stated — I applaud him for it — that is that our ambition is to get ourselves out of the grasp of the IMF-EU-ECB troika and re-establish our economic sovereignty. Is he going to move in the opposite direction and sacrifice that economic and political sovereignty to President Sarkozy and Chancellor Merkel?

The Taoiseach: I note the report from the IMF. The Deputy is only too well aware that frequent denials regarding the state of the country's economy were issued prior to the arrival of the IMF. The Government, which I lead, has been working assiduously with the IMF, the ECB and the European Commission — the troika — on the changes we consider to be important, both in the context of this country's interests and those of the European Union. As a

[The Taoiseach.]

public representative, I have made the point on many occasions that in the past large European countries stood by their smaller counterparts in the context of the overall political direction of the Union. Given the nature and make-up of the governments of quite a number of countries — namely, minority administrations, multi-party administrations and so on — there are obvious internal difficulties. There are no such difficulties in this country.

Deputy Billy Kelleher: To whom did the Taoiseach make that point?

The Taoiseach: I make it to the Deputy that in the context of the decisions made in July with regard to the economic position for the future. We undertook to engage in certain actions and are doing so assiduously.

Deputy Ross is correct when he observes that the conversation in Europe is focusing on whether any country can be successful in emerging from the current economic turmoil. Everyone in Europe is looking at this country as one in which the Government and the people are working together to deal with the challenge we face and is asking whether it could well be the first to emerge from the difficulties. Confidence levels are rising in terms of the perception of how Ireland is dealing with this matter and our reputation abroad is being restored. It is true that we have had to do some work in rebuilding that reputation with international business interests. However, our work is paying dividends and the line of investment continues to be very strong. When we consider the matters that have been renegotiated by the Ministers for Finance and Public Expenditure and Reform in the context of the memorandum of understanding, it is obvious that the IMF and the other members of the troika are willing to listen to and agree with the credible arguments being made by the Government in respect of a change of direction and emphasis.

I accept that America has its own difficulties and that there is economic turmoil in other parts of the world. We would like to believe everything is rosy in the European garden. At the meeting in July the Greek Prime Minister provided clear assurances that the conditions of the bailout relating to his country would be adhered to. Changes have been made in Greece in respect of its Ministry of Finance and austerity programmes, etc., have been introduced. Italy has also introduced an austerity programme.

Ireland is focusing on doing what it undertook to do, while also seeking to grow the economy in order that we can return to a position where employment can be increased. We must send a signal that of all the small countries in the world, Ireland is the one in which it is best to do business. Despite comments being made internationally, politicians must ultimately make decisions for the future. We are making such decisions and working assiduously with the troika in the interests of the people and the country and also Europe.

Deputy Billy Kelleher: The Taoiseach sang a very different song when he was on this side of the House.

Deputy Shane Ross: Perhaps the Taoiseach might answer the question I posed on sovereignty when dealing with the supplementary question I am about to ask. Will he indicate whether he is prepared, as required by the IMF, to give up our sovereignty?

Is the Taoiseach satisfied that President Sarkozy and Chancellor Merkel should be meeting and posing as the spokespersons for Europe on a continual basis? The President of France must recognise that in the past week two of the three biggest French banks, namely, *Crédit Agricole* and *Société Générale*, have been downgraded. France is in the same swamp as Ireland at this stage. For the IMF to suggest we should hand over sovereignty to others who are in possibly worse situations is something we must question.

An Ceann Comhairle: A question, please, Deputy.

Deputy Shane Ross: Is the Taoiseach happy to be an impotent spectator in the European solution to this problem, while others in similar positions are posing as the leaders of Europe? Is he happy to allow these individuals to speak for him?

The Taoiseach: No, I am not happy to be, nor do I intend to be, nor will the Government be a spectator standing “idly by” while all this happens, as somebody more famous than me said one time.

Deputy Micheál Martin: He never said that.

The Taoiseach: The IMF is perfectly entitled to make its proposals. It has been very considerate of propositions put forward by our Minister for Finance in respect of the renegotiation of elements of the memorandum of understanding. It is perfectly in order for Chancellor Merkel and President Sarkozy to meet, as it is for any other leaders. I expect to go to Germany to provide an update on the progress we are making here. I also expect to meet the French President when it is appropriate. Both countries are enormously influential. Germany, in particular, sets the base rate here. The Chancellor has made it perfectly clear that Germany will continue to support the euro and that the eurozone has to work together to get out of these difficulties. For the first time ever, a measure of economic sovereignty has been removed from this Parliament. We are not in a position to determine all the things we would like to do now. If we comply with the conditions of the bailout deal and get back to borrowing in the bond markets, the Government will be able to work with the people to determine our future as a country.

The IMF is perfectly entitled to put forward its plans and make known its views on the future of Europe. The Lisbon treaty has been signed off on. I do not see any prospect of further treaties up ahead. We have to work together. I want Deputies to understand that the Government will continue to put forward propositions at ECOFIN meetings and leaders' meetings. Those propositions will not just be based on the narrow individual interests of Ireland, but will also be based on the interests of Europe. An element of that was accepted when we made our argument about the interest rate reduction. We made the point that other countries within the EU were getting moneys at a much lower interest rate. That argument was accepted and became the norm. That is part of the reason the interest rate reduction has been applied in the way it has been.

Order of Business.

The Taoiseach: It is proposed to take No. 4 — European Financial Stability Facility and Euro Area Loan Facility (Amendment) Bill 2011 — Second Stage (resumed) and Subsequent Stages. It is proposed, notwithstanding anything in Standing Orders, that the Dáil shall sit later than 9 p.m. tonight and shall adjourn not later than 10 p.m.; the resumed Second Stage of No. 4 shall, if not previously concluded, be brought to a conclusion at 6.30 p.m. and proceedings on Committee and Remaining Stages shall, if not previously concluded, be brought to a conclusion at 10 p.m. by one question which shall be put from the Chair and which shall, in relation to amendments, include only those set down or accepted by the Minister for Finance; and in the event that a division is in progress at the time fixed for taking Private Members' business, which shall be No. 23, motion re the ESB and the disposal of State assets, Standing Order 121(3) shall not apply and Private Members' business shall, if not previously concluded, be brought to a conclusion after 90 minutes.

An Ceann Comhairle: There are three proposals to be put to the House. Is the proposal that the Dáil shall sit later than 9 p.m. tonight agreed? Agreed. Is the proposal for dealing with No. 4, Second and Subsequent Stages of the European Financial Stability Facility and Euro Area Loan Facility (Amendment) Bill 2011, agreed? Agreed. Is the proposal for dealing with Private Members' business agreed? Agreed. That is good. I thank Deputies.

Deputy Micheál Martin: It is called being constructive.

An Ceann Comhairle: It is nice to get a surprise occasionally.

Deputy Jerry Buttimer: Deputy Ó Cuív said that last week.

Deputy Micheál Martin: Last week, I called for a debate in the House on the eurozone summit that took place in July, particularly in light of the changing circumstances in Europe. I would not treat the comments of the IMF lightly. The IMF has made a significant statement about the need for Europe to get its act together. The situation with regard to the Greek debt has not yet been resolved. There are huge concerns and anxieties about the manner in which the situation is unfolding. There is a real sense of impending crisis. Commentators outside Europe are extremely concerned. All of that merits a substantial debate in the House. We will not have such an opportunity this week. Tonight's debate is specifically on the Bill. It will be guillotined, as the Taoiseach knows. We are facilitating that. We need a proper debate in this House on the broader and wider dimensions of the debt crisis in Europe. I ask the Government to allow time to facilitate that.

The Taoiseach: I will take note of that. Obviously, today's debate is on the European Financial Stability Facility and Euro Area Loan Facility (Amendment) Bill 2011. All of these matters are related. Legislation is coming through on a range of issues in regard to Europe. I will get the Whip to consider it. Obviously, we may have to sit longer, or possibly on a Friday, to facilitate such a debate. We have factored that into the Dáil sittings for this period. The Whip will take note of that and discuss it at the Whips' meeting when the time structure for the debates next week and the week after is being considered.

Deputy Mary Lou McDonald: The Whip needs to do more than consider holding a debate. The emergency summit happened in July. The House was supposed to receive a report on it. I understand that the recess intervened. It is important for Deputies to have an opportunity to debate these matters in the House. There is public anxiety about developments in Greece, Italy and further afield. It is important for the House to discuss the matter and for the Government to set out its contingency plans in the event of a Greek default, for example. I join others in asking for such a debate to be held. I do not think it suffices for the Taoiseach merely to pass that request to the Whips for consideration.

An Ceann Comhairle: That is the only way it can be dealt with.

Deputy Mary Lou McDonald: Can the Taoiseach give the House a commitment that such a debate will happen? If we have to sit longer, so be it.

The Taoiseach: As the Deputy is aware, we have introduced a change to the effect that the House will have debates before and after major heads of government meetings take place. I cannot recall whether we had one after the July meeting.

Deputy Mary Lou McDonald: We did not.

The Taoiseach: Did we come back after that?

Deputy Micheál Martin: No.

The Taoiseach: Did we not?

Deputy Mary Lou McDonald: That is the point.

The Taoiseach: In any event, the structure here is that the Whips will have a meeting.

Deputy Mary Lou McDonald: I am sure the Taoiseach can bring his influence to bear.

The Taoiseach: The Whips have taken notice of the interest in that matter of Deputies McDonald and Martin.

Deputy Micheál Martin: As the Taoiseach knows, Question Time takes place just once a week since he got rid of one Question Time. We do not get that opportunity either.

The Taoiseach: I said on the first day that perhaps we should not have this endless repetition——

Deputy Micheál Martin: I know, but I did not agree with it.

The Taoiseach: ——of the same questions every second week.

Deputy Billy Kelleher: We get the same answers.

Deputy Michael McCarthy: If the Deputies ask the same questions, they will get the same answers.

Deputy Bernard J. Durkan: They need to come up with new questions.

Deputy Dessie Ellis: It is planned to transfer the role of welfare officers who deal with rent subsidies to local authorities. There are approximately 100,000 families on rent supplement. It probably costs approximately €500 million. Can the Taoiseach outline whether legislation has dealt with this? Is legislation intended? Will the ban on recruitment hinder the transfers between health boards and local authorities?

An Ceann Comhairle: Is legislation promised here?

The Taoiseach: No legislation is promised here. I have been informed by the Minister that we are spending almost €500 million on rent supplement. That covers almost 95,000 families. It is not a matter of legislation being promised. The Deputy could raise this on Question Time, during Topical Issues or at a committee.

An Ceann Comhairle: There are loads of ways of raising it.

Deputy Caoimhghín Ó Caoláin: Given the growing backlog of legislation in the Department of Health, and against the backdrop of nurses at the Mid-Western Regional Hospital in Limerick feeling compelled to take industrial action today, will the Taoiseach ensure that legislation like the health and social care professionals Bill is brought forward as an absolute requirement? Nurses at the front line of service delivery do not take these decisions lightly. They indicated the reason for their actions when they referred to the appalling conditions being endured by patients and the clinical safety risks at the hospital's accident and emergency department.

An Ceann Comhairle: The Deputy cannot expand on this point.

Deputy Caoimhghín Ó Caoláin: This is reflected at other hospital sites throughout the State. We have a real crisis here.

An Ceann Comhairle: I suggest that the Deputy could raise this matter during Topical Issues.

Deputy Caoimhghín Ó Caoláin: Is the Taoiseach listening to these nurses and front line care providers, who would not take such action glibly? Will he do something about it? Will he ensure the necessary legislative measures to address the crisis in accident and emergency departments are brought forward and dealt with urgently?

An Ceann Comhairle: The Deputy is stepping over the mark a little bit.

The Taoiseach: The Bill is due to come in early next year.

There are, as I outlined previously, quite a number of time-lined pieces of legislation, some of which are very complex, which must be published and dealt with in this Dáil session. I have tried to say to Ministers what is on the A list is what we want to put through.

I understand the Minister for Health is to sign a letter to Deputy Ó Caoláin today about patient care on which the Deputy had been querying him, and that will arrive to Deputy Ó Caoláin today. Obviously, it is always an issue of concern in respect of difficulties at hospitals. We all know this, and no one better than Deputy Ó Caoláin in regard to the hospital in County Monaghan over the years. However, the stoppages will not make the situation any better. While many are under pressure, this is a matter of sitting down and trying to sort out what is in the best interests of the patients, the nurses and everyone else, given the constraints on resources. I would urge that people should do that in the first instance. Obviously, the Minister for Health is looking at the management arrangements that apply in hospitals in order that we get the best and most effective result in everyone's interests.

Deputy Caoimhghín Ó Caoláin: The best interests of the patient would be the priority of the nursing staff. There can be no question about that.

An Ceann Comhairle: No. I call Deputy Kevin Humphreys.

The Taoiseach: We have agreed legislation for this session.

Deputy Kevin Humphreys: Under secondary legislation, in the week that is in it and with the success of the ploughing championships highlighting the importance of the agricultural sector to the economy, there has been a certain amount of scaremongering about the ban on raw milk consumption. Has the Government reconsidered the forthcoming secondary legislation to ban the consumption of raw milk, when will it come to the House and is it being put back until next year?

An Ceann Comhairle: That is a matter for a parliamentary question.

The Taoiseach: It is a matter——

An Ceann Comhairle: Deputy Humphreys got his spoke in very well. I call Deputy Durkan.

The Taoiseach: It is a matter——

An Ceann Comhairle: I regret, Taoiseach, that Deputy Humphreys is out of order.

Deputy Bernard J. Durkan: When might it be expected that the Bill to consolidate and amend the bail laws will be published and brought before the House? When can we expect the

proposed legislation to strengthen the powers of the Criminal Assets Bureau on forfeiting the proceeds of crime? Now might be a good time to expedite that legislation.

The Taoiseach: I regret that I must disappoint Deputy Durkan on both scores. I do not have a date that I can indicate to him with certainty on which these will be published. We note what he said.

Deputy Michael McGrath: Is there an indicative date for the publication of the pre-budget outlook and the new multi-year plan? It is due in October, but is it the beginning, the middle or the end of October? Will there be an opportunity for Opposition spokespersons to be briefed?

The Taoiseach: The Minister states it will be probably some time towards the end of the October.

Deputy Billy Kelleher: In view of comments by the Taoiseach on poor hospital management and that he stated that many of the difficulties in hospitals were down to bad management, is any legislation to be published soon to restructure the HSE with regard to the change of hospital management structures——

Deputy Brendan Howlin: Fishing for legislation.

Deputy Billy Kelleher: ——given that hospitals are not being inspected by HIQA and cleanliness and hygiene cannot be guaranteed any further by the watchdog for patient safety? When will this legislation on changes to the HSE and hospital management be published? I raise this in view of the Taoiseach's clear statement that hospital management was badly handled in this country.

An Ceann Comhairle: Is legislation promised?

The Taoiseach: No legislation is promised——

Deputy Billy Kelleher: I cannot believe that.

The Taoiseach: ——but I can assure Deputy Kelleher in that I was informed by the HSE on the question he raised yesterday, and I do not have evidence of HIQA being short of resources to do its job.

Deputy Billy Kelleher: The authority itself stated it.

The Taoiseach: I can also tell him that, for instance, the special delivery unit personnel were down in the mid-western hospital during the week. There is also ongoing serious activity with the Minister for Health——

Deputy Billy Kelleher: There is a serious strike there.

The Taoiseach: ——in respect of improving the management competency in a number of hospitals.

An Ceann Comhairle: I suggest that Deputy Kelleher put in a request to raise the matter as a topical issue and I will consider it.

Deputy Billy Kelleher: I am delighted to inform the Ceann Comhairle that I have.

An Ceann Comhairle: Good.

Deputy Billy Kelleher: I hope that it will be considered——

An Ceann Comhairle: It will.

Deputy Billy Kelleher: ——in light of the seriousness of the issue.

An Ceann Comhairle: I hope Deputy Kelleher will be around tomorrow. I call Deputy O’Dea.

Deputy Michael McGrath: Was Deputy Kelleher selected?

An Ceann Comhairle: There is always tomorrow. I call Deputy O’Dea.

Deputy Brendan Howlin: I would say Deputy Kelleher is there now anyway.

Deputy Willie O’Dea: Would the Taoiseach have a date on which the Government is to bring forward its proposals for dealing with mortgage arrears?

The Taoiseach: No. We are waiting for the expert group to report on that. I expect that will be probably before the end of September. Certainly in the next fortnight, we are expecting that report back with recommendations, and Government will make its decisions based on that.

Local Authority Public Administration Bill 2011: First Stage

Deputy Niall Collins: I move:

That leave be granted to introduce a Bill entitled an Act to compel local authorities to provide members of the public and public representatives with substantive replies to written communications within a prescribed period of time.

An Ceann Comhairle: Is the Bill being opposed?

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): No.

Question put and agreed to.

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

Deputy Niall Collins: I move: “That the Bill be taken in Private Members’ time.”

Question put and agreed to.

Human Rights Commission (Amendment) Bill 2011: First Stage

Deputy Jonathan O’Brien: I move:

That leave be granted to introduce a Bill entitled an Act to amend the Human Rights Commission Act 2000.

An Ceann Comhairle: Is the Bill being opposed?

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): No.

Question put and agreed to.

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

Deputy Jonathan O'Brien: I move: "That the Bill be taken in Private Members' time."

Question put and agreed to.

Regulation of Debt Management Advisors Bill 2011: First Stage

Deputy Michael McGrath: I move:

That leave be granted to introduce a Bill entitled an Act to make provision in relation to debt management advisors and for the authorisation and supervision of debt management advisors by the Central Bank of Ireland and the Minister for Finance and to provide for related matters.

An Ceann Comhairle: Is the Bill being opposed?

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): No.

Question put and agreed to.

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

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

Question put and agreed to.

European Financial Stability Facility and Euro Area Loan Facility (Amendment) Bill 2011: Second Stage (Resumed)

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

An Ceann Comhairle: Deputy Durkan is in possession and has eight minutes.

Deputy Bernard J. Durkan: It is difficult to cover the length and breadth of the subject in the course of seven or eight minutes.

An Ceann Comhairle: Do your best anyway.

Deputy Bernard J. Durkan: We will do our best. I was commenting last night on the changing situation and the debate in this House over recent months where, depending on which side of the House one is on, one hears a different side of the story. There are those who repeatedly state that we should burn the bondholders, refuse to pay and default, and every day on the Order of Business every opportunity is used to state that there will be default, the euro will collapse, we must get out from under this, and so on. People seem to have forgotten that we have some standing internationally and we are expected to stand up for ourselves. We are expected to discharge our duties and our responsibilities and fulfil our commitments. That is what we have always done. An amazing job has been done in a short space of time by the Government of digging in and setting about doing the job it was given to do. It is not a very pleasant task.

I noted that Deputy Ross raised other issues throughout the eurozone and European Union area. He was correct, but there was nothing new in what he said. Some of us have been saying that in this House for the past three to five years. This is the first serious financial crisis that

[Deputy Bernard J. Durkan.]

has affected the European Union, apart from what has affected this country. We are fairly substantial contributors to the problems that have arisen as well, but we are not the only ones. The problems that have arisen have required a cohesive, coherent and united approach, and to be fair, the President of the Commission, the President of the European Parliament and the President of the European Council have tried to provide that. There is nothing as bad as a lack of confidence in any system, and what the international speculators have recognised quickly is that there does not seem to be a co-ordinated and united approach or a willingness on behalf of some countries to live up to expectations and the commitments they have made. In fact, there have been those Members in this House and citizens of this country who have been expounding the merits of withdrawing from the scene and defaulting. I am unsure in what world some people are living, but the reality is that default is not an option; it simply does not work that way. Some expect that we can borrow money on an annual basis to pay for public services and at the same time say to people we do not intend to pay back the money received. That is a crazy notion and attitude. There are people inside and outside the House and experts who rant and rave on a regular basis and maintain they know better and that this is the way it should be done. That is not to say, however, that everything has been done in the fashion it should have been and that European institutions have responded in the way they should have or that they have done so quickly.

Let us consider what has happened in so far as we can to try to address the issues involved and let us put in place something that will at least protect us from something like this in the future. The euro has been singled out as the cause of all the problems. Naturally, this is nonsense. Had the single currency been applied throughout the European Union the position would have been a good deal more favourable. Let us recall the position before the euro was introduced. The banking sector suggested banks would cease to exist because all of the charges for currency exchanges would be removed and that they would not be able to make a profit. It turns out that they were able to make a profit, but not everyone would agree with the way they did it.

There was always a certain bitterness towards the euro. The fact is that it offers by far and away the best chance of salvation in the current economic climate, provided a united approach is adopted by all on board. The ECB has representatives of the central bank of each of the euro member states. I cannot understand, therefore, why there has not been a co-ordinated approach, whereby everybody thinks alike and why there has not been across-the-board application of the rules and rigorous adherence to them. This did not happen because the clever hot shots who believed they were the economists of the future decided to conjure up ways and means of multiplying everything and bypassing the old and established rules and criteria and to make a name for themselves. That is how we arrived at where we are.

The European Union laid down the Stability and Growth Pact which was ignored by large countries as well as, to some scale, the authorities here. How did that come to pass? I remember how a Taoiseach in the previous Administration became apoplectic at the thought of departing from these economic guidelines. However, no one raised a hand or said a word about it. We were told about it afterwards and sleepwalked into the situation in which we find ourselves.

Where do we go from here? I believe that at least the foundations have been laid. The country has shown that it has the guts, determination, will and stamina to stand up and do what must be done, on which I congratulate all concerned. The people also recognise what must be done. They do not do so happily, but they are willing to make sacrifices. However, they have no wish to make them forever, as this hurts a broad spectrum of the population. It is all very well to preach to others and say we must all do it and that the burden must be

applied equally and so on, but it is hurting some and it will hurt others even more. However, we must do what needs to be done.

At this level we must give leadership. We must stop the rhetoric, the ranting and the pretence that we are living in a different or parallel world. We must cut out the nonsense and stop suggesting we will opt out, that we will not pay and that we will continue to live happily ever after. It does not work that way; it never did and never will. I congratulate the Minister for Finance, the Taoiseach and the Tánaiste and all those associated with their efforts to date. They have done extremely well in very difficult circumstances. We should all wish them well and hope the current rate of success can be sustained.

Deputy Richard Boyd Barrett: In trying to make an assessment of the merits of the European Financial Stability Mechanism, EFSM, we should begin by setting down our priorities. What are the priorities and interests of ordinary people? In so far as we are discussing the majority in this country, these priorities and interests are about the hundreds of thousands who have lost their jobs through no fault of their own in getting back to work. We must do something about the situation where the most vulnerable sectors of society who bear no responsibility whatsoever for the current economic crisis are having considerable suffering, pain and misery inflicted on them. The anguish and despair are palpable for parents who have children with special needs, who are unsure whether these children will have a future equal to that of other children because of cuts in resources and the numbers of special needs assistants; for persons dependent on social welfare, and those who are disabled or have invalidity issues. The people concerned are facing cuts in their fuel allowance. Their incomes which are miserably low are being cut. These issues should dictate our priorities.

The ways by which we get people back to work, how we give them hope, how we end their suffering and provide for their basic needs and how we develop a strategy for the economy in the interests of the people are priorities any Government worthy of its name should state as its first priorities. Every proposal and suggestion put to it should be judged by how it meets these needs and priorities. Surely, that is what democratic government is about.

Nevertheless, it seems this and the previous Government, the political authorities of Europe, the EU-IMF troika and everyone else do and did not have this set of priorities. Since the crisis broke, what they have done and continue to do at every meeting and summit and in every agreement and new mechanism developed up to and including the proposed EFSM is maintain that banks and the financial system come first. They maintain this is the only realistic way to deal with the crisis and prioritise stabilising and recapitalising the banks and nursing the banking system back to health. They maintain this is the only way forward and in our best interests. They further maintain that anyone who says anything different is being unrealistic.

It is nearly three years since the crisis broke. Is it not time to assess the effectiveness of that approach? Is it not time to ask whether it has worked; whether the priority of nursing the banks back to health and developing opaque mechanisms in Europe designed to bail them out is working, and whether this is helping in responding to the basic needs of ordinary citizens both here and elsewhere? If one puts that question, is it not obvious that it is not helping to make things better, that it is not improving our prospects for economic growth or recovery; that according to every serious indicator, things are getting worse, not better, and that the crisis is getting deeper and spreading, that the contagion is becoming more virulent with every week that passes and that every new agreement EU leaders come up with and every great new plan or stratagem introduced finally to contain and deal with the problem and put us back on the road to recovery, unravels within hours or days? We stumble from one crisis to another and, meanwhile, the ordinary people continue to suffer, the austerity continues to rain down on them, the jobs continue to be massacred, and it just gets worse and worse.

[Deputy Richard Boyd Barrett.]

It is in this context that we must ask whether it is a good idea to ram through what is a sort of monster-sized, souped-up version of the same bailout strategy and mechanisms that have been deployed for the past two or three years. Having looked at a situation where the priority of bailing out the banks for two and half years has failed, we are now going to put together a monster-sized bailout for the banks — a pan-European mechanism for bailing them out to an enormous degree — yet we think it is going to make things better when every move in this direction has made things worse.

Some of the provisions of this mechanism are quite extraordinary and amount to nothing less than a political *coup d'état*, a usurping of the democratic rights of the citizens of this and other European countries, and of national parliaments, to decide their priorities, economic strategies and economic and social objectives. Some of the provisions of European Stability Mechanism, ESM, are indicative of how undemocratic, how rotten, is the direction Europe is taking, although our Government is going along with it. For example, Article 27 of the ESM Treaty grants immunity from every form of judicial process, with no legal accountability whatsoever to citizens. Article 30 grants full legal immunity to all ESM governors and staff, and states that all employees will be free from national income taxes and will only have to pay an internal tax for the benefit of the ESM on salaries and emoluments paid by the ESM. It is unbelievable.

This is an enabling treaty to undermine the basic rights of citizens in countries across Europe, as well as of Parliaments and of representative democracy, and all to bail out the banks. It is not working. The Government has always challenged us by saying “We do not like this; we wish we did not have to do it but it is reality; in any event, you, who criticise us, have no alternative”. I put it to the Government that we have an alternative. It might be worth the time of the Minister of State, Deputy Brian Hayes, and other Government members to read the UN Conference on Trade and Development report produced in recent weeks, which lambasted the policies of austerity and of focusing on bank bailouts, and stated that what was needed was stimulus and that the policies being pursued by Governments such as the Irish Government, as well as the European authorities, were moving in the opposite direction to the one needed to ensure economic growth and recovery. They argued for stimulus, for social transfers, for subsidies and for investment in the economy in order to put people back to work.

Yesterday, the Minister, Deputy Howlin, told us the deficit this year, if we walk away from the EU-IMF deal, will be €15 billion. He acknowledged that this included interest repayments on the loans, which I suspect is some €4 billion or €5 billion, although the Minister of State, Deputy Hayes, might be able to confirm the figure. Therefore, the deficit gap we have to make up is approximately €10 billion or €11 billion. If we consider that 350,000 people have lost their jobs as a result of the recession, and that they probably cost us the best part of——

Deputy Brian Hayes: The Deputy is suggesting welshing on sovereign debt.

Deputy Richard Boyd Barrett: No, I am suggesting welshing on bankers' debt. If half of the social welfare budget, which is €21 billion, is accounted for by people who are now on the dole, and it costs us some €10 billion to keep them on the dole when they want to work, we could make up the deficit by simply putting them back to work——

Deputy Brian Hayes: With what?

Deputy Richard Boyd Barrett: ——and topping up the €10 billion or so it costs us to keep them unemployed by getting €4 billion or €5 billion elsewhere. Where could we get that €4 billion or €5 billion? By taxing the wealth in this country.

An Ceann Comhairle: The Deputy is over time.

Deputy Richard Boyd Barrett: It is the one thing this Government, the last Government and all of the Governments and institutions across Europe refuse to do, namely, to tax a bit of the wealth of the tiny minority who have hoovered up the wealth and resources of our society for the past 20 years, who live on obscene salaries——

An Ceann Comhairle: The Deputy is over time.

Deputy Richard Boyd Barrett: Their wealth should be taxed and we should put that money back into our economy and into employing people to do useful jobs——

An Ceann Comhairle: The Deputy is over time. I ask him to resume his seat.

Deputy Richard Boyd Barrett: ——improving infrastructure and providing services. Why can we not do that?

Minister of State at the Department of the Taoiseach (Deputy Lucinda Creighton): I wish to share time with the Minister of State, Deputy Brian Hayes.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Lucinda Creighton: I am pleased to have the opportunity to speak on this important Bill amending the European Financial Stability Facility and the Euro Area Loan Facility. As the House knows, the Bill effectively facilitates the implementation of the agreement of eurozone Heads of Government last July. It is extremely important both to Ireland and to the eurozone, as we have seen in recent days and weeks, and also to the wider global economy. While I do not pretend it will solve all of our problems or that it will definitively put an end to the uncertainty that has plagued the eurozone, there is no doubt it will make a difference to Ireland and to the eurozone to some limited extent.

Until last March, it is fair to say Ireland was deadlocked in its negotiations on a reduction in the interest rate on our loan package. This was an extremely frustrating place for us to be and an extremely difficult one in terms of trying to ease the burden on Irish taxpayers. We were politically paralysed as a nation at that point, unable to achieve even the slightest degree of flexibility regarding the terms of the IMF-EU bailout programme. It has been my experience in recent months, as I have met counterparts from other Governments throughout the EU, that our reputation was in tatters, to put it mildly. Right across the EU and beyond, on a global basis, rightly or wrongly, we were regarded as being spendthrift, arrogant and as not having anything to contribute, which reflected extremely badly on us and on our ability to negotiate.

It is fair to say we have come a long way since then. In just over six months, the perception of Ireland has changed dramatically. The Government has managed to renegotiate some of the terms of the IMF-EU loan, enabling us, for example, to introduce the jobs budget. While some on the other side of the House may scoff at that, anybody who talks to retailers, particularly in the hospitality sector, including restaurants, pubs, hotels and so on, will almost unanimously say it has made a profound impact on their trade, and they welcome the measures introduced by the Government earlier in the year. These have boosted trade, in particular tourism over the summer months, whether Deputy Boyd Barrett likes to acknowledge it or not. I know it is difficult for him to acknowledge that anything at all that happens in this country is good but——

Deputy Richard Boyd Barrett: Just look at Dún Laoghaire main street.

Deputy Lucinda Creighton: —hopefully, he will begin to see things in a slightly more positive light. Perhaps if he talks to retailers and business people in his constituency—

Deputy Richard Boyd Barrett: I do.

Deputy Lucinda Creighton: —he might get a flavour of some of the good news that is happening in this country.

Furthermore, we have employed an all-of-government approach across every single Department to rebuilding our reputation across the European Union and globally, and this is bearing fruit. A contrast can be made with the kind of editorials and commentaries that were not merely common but were almost akin to a daily barrage towards the end of 2010 and the early part of 2011, in which analysts repeatedly condemned Ireland, which was regarded as one of the PIGS with no prospect of getting its house in order or correcting and balancing its budget. However, this viewpoint and prospective has changed dramatically. If one reads the *Wall Street Journal*, the *Financial Times* and all the euro-press in pretty much every member state — I do not know whether Deputy Boyd Barrett takes the time to do this—

Deputy Richard Boyd Barrett: Yes, I do.

Deputy Lucinda Creighton: —there now is almost unanimous positive editorial comment on the progress this small island has made in just six months. It would be big of Deputy Boyd Barrett to even acknowledge this because the contrast is clear. I do not know whether he read the editorial in the *Financial Times* on 1 September stating:

Ireland has made “considerable progress” in extracting itself from the emergency that forced it ... to negotiate [the] €85bn international support package [last year]. ... Wage cuts and price deflation have restored Irish competitiveness.

While this may be bad news to Deputy Boyd Barrett, it is good news to the business world, to those who seek jobs and to those who wish to see this country recover. The view of the *Financial Times* constitutes just one example of how international commentary with regard to the global perception of Ireland has changed utterly, which is a positive development.

The latest phase in our negotiation has resulted in the Government achieving better terms for Ireland’s IMF loan. This is what this Bill will implement and I find it difficult to understand how any Member could object to that. The agreement of 21 July will result in a dramatic reduction in Ireland’s interest rate. At one point, while sitting in this Chamber only three or four months ago, I was told the Government could not even achieve a 1% reduction in the interest rate. While it now has achieved a reduction in the interest rate of nearly 3%, that does not appear to satisfy Deputy Boyd Barrett either. In addition, agreement has been reached to extend the maturity on Ireland’s loan repayments. This is good news for Ireland.

As I stated at the outset, it does not necessarily resolve the overall euro crisis for which I believe a much more radical solution is required. However, this Bill is good news in respect of our national self-interest and it behoves all Members to support it because it will deliver better terms and a lesser burden on the people. The difference between the Government and the line coming from the Opposition is that the former will tell the truth. It is clear that our recovery will not be painless and will not happen overnight. However, with a good deal of goodwill, skilled negotiation and realistic focus — not fanciful or fantastical demands — the Government will manage to improve the terms of its loan facility. It will continue to improve them and will ensure the burden on Irish people is lessened week by week and month by month. This is the Government’s task, which it is achieving, and hopefully at some point in the future Deputy Boyd Barrett might acknowledge this.

Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes): The task and mandate given by the people to the Fine Gael-Labour Party Government that has been in place for the past six months was clear and twofold. It was first to sort out the economic mess it has inherited and second to rebuild the country's international reputation. The Government has been in office for six months and I ask people to be fair and objective in this regard. During the last general election campaign, our opponents stated there would be no renegotiation of what was a dreadful deal for Ireland negotiated between the previous Administration and the troika. In a six-month period, the Government has demonstrated to the public that the jobs budget it brought through this House and the small help that gave to the domestic economy — I will not exaggerate it — as well as the difference made with regard to the negotiations at eurozone and ECOFIN levels, has allowed it to reduce the totality of the debt payment by approximately €1 billion per year. Moreover, as the Minister of State, Deputy Creighton, has noted, the loan period has been extended. This has been an enormous achievement by the Government. It also has been helped by circumstances in Greece and people should not overdramatise that.

In this six-month period, however, the enormous reputational damage done to the country by a previous Administration has been healed and more of this is required. A fundamental choice faces this House. A minority of Deputies, such as Deputy Boyd Barrett, believe in a unilateral position that Ireland should renege on its debts, leave the euro, paddle its own canoe and should then face the world regardless of the consequences that may arise from so doing. However, the great majority of Deputies, many of whom are on the Opposition benches, believe the task is to negotiate a better deal, brick by brick and step by step, as a confidence-building measure. The Government has shown over the past six months — this Bill is proof positive in this regard — that the slow, deliberate confidence-building that has come about during this period has delivered real results for this country. I put it to Deputy Boyd Barrett and others that their unilateralist views, their “Ireland on its own” or “Ireland for the Irish” view——

Deputy Richard Boyd Barrett: That is not my view.

Deputy Brian Hayes: ——the kind of Argentinian basket-case for which the Deputy likes to argue——

Deputy Richard Boyd Barrett: That is not my view.

Deputy Brian Hayes: ——will not deliver such a future for this country.

An Ceann Comhairle: Thank you.

Deputy Brian Hayes: The Deputy is putting forward a view that can bring about only ultimate ruin in Ireland. The Government's task is to work within the EU, to negotiate and to deliver the best deal possible in the appalling circumstances it faces and this Bill constitutes a small step in that direction.

An Ceann Comhairle: I thank the Minister of State. Does Deputy Wallace intend to share time?

Deputy Mick Wallace: I am unsure to be honest.

An Ceann Comhairle: He has ten minutes in any case.

Deputy Mick Wallace: As Barney says, “sharing is caring” and I am prepared to share time.

An Ceann Comhairle: No, I simply was not sure. The Deputy has ten minutes.

Deputy Anthony Lawlor: I will share some of the Deputy's time.

Deputy Mick Wallace: Fine, the Deputy is on.

Members will vote on this EFSF proposal and while I am not an economist, if anyone on the Government benches is interested in having a bet with me on whether it will work, we can meet outside to put down a wager, as I do not believe it will. Having started with 17 countries in the eurozone, three have been bailed out, which means the other 14 will guarantee borrowings for three. When that number increases to four, only 13 will remain to do so. This group could then fall to 12 countries and could eventually fall to just ten countries. I do not see how it will stack up in the long term and cannot envisage its survival. Moreover, I do not believe many people in Europe can envisage it working out either. I wish to cite a small piece from today's edition of the *Financial Times* by Peter Spiegel that discusses this very topic. He wrote:

The sum of €440bn was intended to “shock and awe” financial markets ... in May 2010 during the first Greek crisis. The EFSF has since evolved from a temporary set-up to help small peripheral countries into a multipurpose firefighter to assist large banks and bigger eurozone economies such as Italy and Spain. Most analysts believe it is too small for the tasks it will soon be called on to perform. Because increasing the size of the fund has proved controversial in many creditor countries — particularly Germany, Finland and the Netherlands — senior officials have tried not to discuss options publicly for fear of spooking parliamentarians who must approve the new powers...

The hurdles to increasing the fund are not just political. For some countries, bigger contributions to the EFSF will add ... pressure to their already strained public finances. Daniel Gros, director of the Centre for European Policy Studies think-tank, estimated that under some scenarios, the EFSF — and its successor, a permanent agency called the European Stability Mechanism — would have to be as big as €4,000bn.

Given the Italians owe €1,900 billion and realisation is slowly dawning that Italy's position is much worse than had previously been known and that, in recent weeks, matters have begun to unravel for French banks, developments in Europe have amounted to sticking plasters. No real solutions to the financial crisis that is swamping the whole of Europe have been put in place. The reason the Germans, who are the kingmakers, have been sitting on the fence to an extent is that they cannot make up their minds as to whether they really want a European Union that is a fiscal union. Such a union is coming down the tracks if the Germans choose it. Their alternative is an exit from the euro and they are yet to make up their minds as to which option to choose. Either way, the idea that Ireland will retain much financial sovereignty is pretty fanciful at this point.

The transfer of private banking debt to sovereign debt, with three years of deflationary budgets across Europe, has proved too much to bear. For some reason, Ireland does not seem to be interested in being active, rather it is reactive. Things happen to us, not because of anything we are doing but because something happens elsewhere in Europe which has an impact on us. We have become the victim of the impact of other serious matters in Europe. However, we are not doing anything ourselves or making anything happen. We are not dealing with our problems. What has been done for the domestic economy? I run wine bars and coffee shops, while my son runs clothes shops, and the system is failing. The amount of money in the pockets of those coming through the doors is decreasing. That is what austerity does. We have to invest, as what we are doing is not working. We are draining the system. That people will

have more money in their pockets if it is constantly taken from them is akin to taking blood from a patient and thinking he or she will be well afterwards.

Not just Ireland but Europe also will eventually do a U-turn on the austerity philosophy. In the past few weeks the Bank of England and the Federal Reserve in America have rethought the matter and are starting to turn. The world economists with the highest stature, Paul Krugman and Joseph Stiglitz, have been shouting from the rooftops for three years. Unfortunately, the neoliberal agenda has kept their philosophy out of the equation up to now but eventually we will listen to them and start doing things their way.

Deputy Richard Boyd Barrett: The Deputies opposite are not listening to Deputy Wallace. They are chatting the whole way through his contribution.

Deputy Mick Wallace: Reforms are required in countries throughout Europe, including our own. The issue of waste needs to be tackled. A lot of things have got out of control and it is only right that we sort them out. However, that does not make the austerity package introduced by the Government right, as we are hitting the most vulnerable in society.

On SNAs, I listened to the Taoiseach this morning as he tried to defend the situation at St. Senan's and it was hard to take. He is economical with the truth and how he uses words. I will give him credit for the way he does it, in the sense that he is crafty, but there is no honesty. I have spoken to many of the parents and met the children involved and what is happening is draconian. Children with SNAs who were in mainstream classes are not attending them this year. They were progressing at a fantastic rate and the parents were delighted with them. Now, however, they are back at square one and regressing. I know the Government inherited a poisoned chalice from the previous Government which destroyed the place. However, surely it must believe the primary purpose of any Government is to look after those in society who most need our help, but that is not happening.

We will vote on the Bill, but I am sure it will be passed because the Government has the numbers. However, it will not mean an awful lot in the long term because it will not work.

Deputy Joe McHugh: As a Donegal man, I always reserve a healthy scepticism for anything European and the overall European project. I have to look at the historical context in that Donegal people voted "No" in the first Lisbon treaty referendum. By a slight margin, they also voted "No" in the second. Having had an opportunity to analyse the two referendum results at local level, one decides to examine the situation a little more closely and try to understand where we are going. With that in mind, it is very interesting to pick up on the fact that there are two groupings of political experts among the Opposition. One group revises the past, while the second, which comprises the majority, includes political experts in predicting the future. However, that is very dangerous territory when it comes to considering anything European. It is an evolving project and no one, not even me, can predict what will happen in six months time. Every time I turn on the radio or watch television people are talking about the Greek economy collapsing in six months time and Greece leaving the euro. There is an array of colourful predictions about what will happen. While it makes for interesting listening and reading, I do not think we are in a position to make predictions because of the enormity of the problems faced. Some have pointed out that a European project involving 17 eurozone member states and 27 EU member states probably became too big too quickly. We have to be conscious of this when we try to understand its dynamic.

Realism sets in when one is in government. It set in for me, especially having spent 12 years in opposition, which is a nice place to be. It is comfortable, open-ended——

Deputy Mick Wallace: It is frustrating.

Deputy Brian Hayes: It is easy.

Deputy Joe McHugh: It is diverse.

Deputy Brian Hayes: Does the Deputy want to be on this side of the House?

Deputy Timmy Dooley: It is particularly easy in the Seanad.

Deputy Joe McHugh: My colleague, Deputy Timmy Dooley, who was on this side now looks more relaxed. I remember that in government he always looked stressed and worried, but he even smiles now and again. Being in opposition gives one that luxury. When one enters government, it is important one should realise what one can do.

Some commentators have pointed out that the Government is not doing enough in the European Union. However, we can only do what we are able to do. We have to try to put our house in order and we do not need political experts to point this out to us. We needed a general election to listen to the people on the doorsteps. I was asked, “Joe, are you mad going for election?” As Deputy Wallace said, we have inherited a poisoned chalice, a problem which it will take ten, 15 or 20 years to sort out. I was told it would be an incredible job and a mammoth task and asked how we were going to do it. I have run in three elections and it was the first in which people did not know what was going to happen. There was fear. In 1999 I ran in the local elections and people gave their opinion on what was going to happen. In 2002 I ran in the Seanad election and they talked about the future. During the recent election they feared they did not know what was going to happen because of the international dynamic — the Chinese, the American dollar and the euro. Everything has become global. The only opinion being offered was that we should clean up our mess. We are cleaning it up, but it will take time, as the Minister of State, Deputy Hayes, pointed out. In the short time we have been in office we have decided to decouple from the likes of Greece and Portugal in terms of international confidence. People are pointing to Ireland, but not, as some on the other side of the House have said, as a goody two shoes looking up to European leaders and the best boy in the class. Such a view is nonsense.

We have to get our fiscal strategy right. Obviously, there are challenges at European level, which is what the Bill is about. If passed, €440 billion will be put into a fund to stabilise an ongoing complicated and dangerous journey. Will €440 billion be enough? I do not know the answer, it may not be. Some experts think trillions of euro will be needed to deal with the matter, but that is an issue to be considered in the future.

The future realm of politics is a dangerous zone, because we could spend considerable time expending energy on discussion on what might happen down the line. If we were such great experts on predicting what would happen in future we would go into the grocery shop every day to buy lottery tickets. However, we are gaining a reputation for the work we are trying to do. This is work that needs to be done to stabilise our economy. We need to get away from the idea that in order to do something we need a consultant or an expert. For example, over a 12 or 13-year period the Department of Social Protection spent between €12 million and €13 million on consultant reports. We need to listen attentively to the people on the street, who still know there is waste and there is a job to be done. They know there is still considerable pain ahead in getting things sorted out, but they are realistic in understanding that we need to do something about it.

I am the first to admit there has been plenty of procrastination on a European fiscal management programme. Perhaps there is dithering because it is new territory and people may not know where the project is going, of which we need to be conscious. I am critical of the leadership at European level. Important ECOFIN meetings take place. The Taoiseach has been

representing us as recently as last August, when he agreed to introduce this legislation before the end of September. He is committed to that aspect of the European project. If there is to be a fiscal realignment in Europe, the reputation we are building and the consistency of our argument will ensure that we have to look after our own interests, including the 12.5% corporation tax rate.

I refer back to what I said earlier about the healthy scepticism for the European project in Donegal. Donegal is not dissimilar to other counties along the coast, on the periphery of Ireland and the periphery of Europe. The main argument during the campaign on the Lisbon treaty referendum was over how much of our fishing rights we had given away. People pointed to the number of French and Spanish boats coming into our waters. I will make the same argument in government as I made consistently in opposition. As I have told the Minister for Agriculture, Fisheries and Food, Deputy Coveney, we need to be more bolshie in re-establishing ourselves as a fishing nation. If there is to be a fiscal realignment or a fiscal adjustment and if give and take is required in different areas, it is important that we put the fisheries debate back on the agenda. I say that as a Government backbencher who feels I have a role to play as a conduit for getting the message to Government, especially one with such a large majority. We need to ensure we have the confidence to do that because over the years of protracted negotiation on the CFP, we have lost out considerably on fishing.

With respect to the crystal ball, some of the stuff is fantastical. The Sinn Féin manifesto did not want the EU and IMF money. It planned on using €15 billion of the national reserves and taking €15 billion from the Central Bank. It wanted to use that €30 billion to take us through to the end of the year. We are nearly at the end of the year — the €30 billion would have been gone and there would be no money in the National Pensions Reserve Fund, there would be no money from the EU-IMF and we could not have gone back to the market. We need to get real about what we can do. We need to look in our own backyard before we start a debate about stuff where nobody really knows what will happen.

Deputy Timmy Dooley: This debate provides us with an opportunity to have a broader discussion as the Bill is somewhat technical in nature as it gives effect to the changes agreed by the Heads of Government in June. I wish to pick up on a number of points mentioned by Deputy McHugh. It is important to try to remove some of the myth that has surrounded the transition from one Government to another. There has been an effort by some of Deputy McHugh's colleagues to suggest that somehow the Irish position in Europe had become extremely sullied and we were being seen in extremely negative terms there. That is not the case from my vantage point — I am not being party political on this. I had the benefit of visiting Brussels on Monday as part of a delegation from the Oireachtas Joint Committee on European Union Affairs. The myth that there had been a magnificent change of direction is not the case. While I do not want to rerun the general election debate——

Deputy Joe McHugh: It would be good therapy.

Deputy Timmy Dooley: ——the previous Government set about resolving the problem it was charged with in terms of how we got to the situation we were in.

Deputy Anthony Lawlor: The previous Government and the two before that.

Deputy Timmy Dooley: Notwithstanding that, it was the previous Government that negotiated and fought the general election on that memorandum of understanding and the programme developed and agreed with the troika. We put it to the people and clearly they spoke regarding our record, which we absolutely accept. Unfortunately the current Government fought the general election on a very different set of proposals, but that is history and it is

[Deputy Timmy Dooley.]

over. The Deputies opposite should acknowledge that we are taking a much more proactive approach and operating in a much more positive way than the current Government parties did in opposition. They made it very difficult at every step of the way and were largely responsible for assisting in the negative image that existed. There is a little play-out in terms of how all this gets positioned.

Deputy Joe McHugh: Revisionism.

Deputy Timmy Dooley: I am sure history will view that differently. Deputy McHugh spoke about improving the country's and Government's image by dealing with our fiscal situation — dealing with the deficit and the banking crisis. The fact remains that it is continuing with the programme we developed. We had made very significant movements on debt reduction, close to €20 billion before——

Deputy Brian Hayes: We agreed that before the general election.

Deputy Timmy Dooley: I accept that and the Government has continued to do that. The only change in its banking policy is that it calls the two main banks two pillar banks. The word “pillar” is probably the only difference that has emerged compared with what we had done. I do not believe there has been any improvement in reputation as a result of any of the policies the Government has managed to bring to the table, but that is for another day.

It is important to get Ireland back on track and to decouple Ireland from Greece and Portugal. That is being done and represents a culmination of the process we started. I recognise the Government has continued in that vein and that success is being achieved, which is to be welcomed, particularly given that Greece finds it difficult to face up to its own issues. There are much more fundamental issues in how it handles its administration and the sooner we can move away from that the better. We need to be careful that we do not over-respond to the bond market and in particular the narrowing of spreads on bonds. That happens, usually without any great reason and is based on sentiment rather than on reality. We should not over-react when there is a positive movement as undoubtedly there will be negative movements from time to time. It should not be used as a bellwether or a benchmark as to how we are achieving. We need to continue with the very strong programme that was initiated whereby we continue to face up to the difficulties particularly in the deficit and continue to resolve the banking crisis.

There are very positive aspects to this legislation and agreement from an Irish point of view. It will significantly ease the burden on the Minister for Finance and his deputy in the preparation of the budget, to which we look forward. While I recognise that there are significant reductions in the projections for growth, those projections have not reached the target. However, despite that there is now considerable headroom as a result of the interest rate reduction, which is positive.

Sadly the Government's jobs initiative, involving raiding the private pension funds and which reduced tourism-related VAT by four percentage points, has not been as successful as we had all wished. I did not agree with the fundamental policy at the time, but I wished it well when speaking in this House on the basis that if it worked it would be great. Sadly it has not and we have seen unemployment continues to rise and we have not seen any appreciable passing on of that VAT reduction. It brings us back to the central plank of some of the promises the Government made and continues to make since the general election, as it did with its programme for Government which rehearsed its pre-election promises. The Government did it again at the “pat on the back” day it had after it was 100 days in government when everything was going swimmingly and it made commitments not to make any income tax increases through

rates, tax bands or credits at the next budget. Not wanting to be trumped by the Taoiseach, the Tánaiste and Minister for Foreign Affairs told us he would protect social welfare rates. Sadly, despite the fact that considerable headroom has been provided to the Government by virtue of the interest rate reduction, the Taoiseach now seems to be weakening on that position. He said in the House yesterday that he has now discovered there were commitments in regard to tax increases in the memorandum of understanding, that it would be a matter for the ECB, the IMF and the EU and that he would have to try to alter that position. That was all in the memorandum of understanding which, as the Minister present knows, was negotiated before the general election and, therefore, before the Government was 100 days in office and before the drawing up of the programme for Government. It is disappointing and will add further to the cynicism that, on the one hand, promises were made and now the Government is weakening on that position. It is not enough to say the memorandum of understanding was a document the Government inherited. The fact is that as a result of some of the renegotiations that were made in respect of that document, the Government put its signature to it and it is now its memorandum of understanding between it and the troika. It is disingenuous to suggest it is an agreement made by somebody previously. It is important we get clarity on that.

All these measures taken at European level are important for the future of the State at a macro level but the recovery of confidence in this State will be based on the micro activity of families, individuals and citizens of this State. If citizens cannot plan in a way that assists them in managing their daily, weekly, monthly and annual budgets, it will be impossible to restore confidence in the market. We know the recovery of this State will be from the ground up. Admittedly, we must have in place the right macro policies but it will come down to individual choices on a daily and weekly basis. Unless the Government can succeed in giving confidence to the people on the ground, the macro issues will not materialise in a way that we will generate growth, which is the only way we will emerge from this crisis.

The Government has a good deal to do in terms of restoring confidence. I look forward to hearing what the Minister for Finance will say in certain statements I understand he will make later this month that will give longevity to the policy framework the Government will bring forward not only in the forthcoming budget but in future budgets. We must get clarity on individual personal finance in that regard. I hope the Minister will move away from the notion of making grand statements that are seen to appease but are not realisable. We had an instance of that on the Government's 99th day in government when the Minister, Deputy Noonan, visited the United States. He got a jolt of the green energy when he got there and decided to tell the Europeans to hell with it that we were going to burn the unsecured senior bondholders in Anglo Irish Bank. While it sounded good, the reality was that there had been no negotiations or discussions with the ECB, in particular, which, for its own good reasons, has set its face against burden-sharing with bondholders, particularly those who are classified as "senior debt". Unfortunately, that has further added to destabilising the markets and could be seen as having influenced some of the negative trends on the bond spreads since then.

The previous speaker spoke about some of the difficulties in Europe, and if I had more time — I might have an opportunity at another time — I would go into that. There are significant issues in Europe where there has been a move away from the community approach. There is now a more bilateral approach. France and Germany have taken very strong positions. Heads of State attend meetings, agree a measure and then return to their respective parliaments and countries and say something different or what the measure means for them. That is not good for the future of Europe or for putting forward a cohesive approach which will give some confidence to the international markets on which we all depend for the financing of individual states.

[Deputy Timmy Dooley.]

The Minister for Finance's comments in the US at that stage was yet another example of member states saying what suits the home audience and then going to Europe and recognising it is not doable. There needs to be more careful consideration of the matters rather than playing to the audience when, in effect, ultimately one will not be able to deliver.

Deputy Anthony Lawlor: I wish to share my time with Deputy Jim Daly.

Acting Chairman (Deputy Paudie Coffey): That is agreed.

Deputy Anthony Lawlor: I congratulate Deputy Dooley on his selective amnesia. He talked about the previous Government but I am not sure whether he meant the Fianna Fáil Government in coalition with the Green Party, the Fianna Fáil Government in coalition with the Progressive Democrats or the Fianna Fáil Government in coalition with the Progressive Democrats and the Independents. The only common denominator between all of them was Fianna Fáil. I am disappointed the Deputy brought up that point.

I have a huge interest in history and I must read up on the start of monetary union because it was at that point the possibility of the current crisis was not discussed as a future consequence of that measure. Monetary union came about as a result of a meeting between Helmut Kohl and François Mitterrand back in 1990. It was a deal done where the French sought monetary union while the Germans got political union between east and west Germany. One wonders if the bureaucrats in the EU at the time had the foresight to predict the problem that has occurred. When we devolved our currency in 1986 the consequences of that internationally were that our exports became cheaper and we could trade more in the market but people who had borrowed Irish punts lost 20% of the value of their money. Surely the bureaucrats could have foreseen potential problems and have put in place the structures that are needed now. We are dealing with basically emergency legislation that has come about as a result of a meeting in June. The EFSF is being put in place a result of that. It is a pity we cannot deal with the ESM at the same time and the reason we cannot is that it is evolving on foot of the situation in Greece. What we are dealing with now is a new situation. When I look back to the 1929 crash and the consequences of it, there was nothing like this structure in place at that time. We are now dealing with an evolving position. When the monetary union was set up there were two strong leaders in France and Germany but, sadly, there are not strong leaders in office now. Both the French and the Germans are dithering and they will not make the call that is needed for Europe to progress out of this crisis.

We are dealing with the EFSF, the ESM and the ECB and it is all around the EU. The common letter in all of it is the letter "E". "E" does not mean egotistical and nationalism. Sadly, a German Commissioner said recently that countries in serious deficit should lower their national flags. Deputy Dooley alluded to the fact that the previous Administration was very much pro-Europeans, yet a previous Minister for Finance from my constituency, when criticised for his economic policies at the time, called those critics "Pinkos".

We should take stock of where we are at now. The letter "E" stands for Europeans. Members on my side of the House are all committed Europeans. The more than 200,000 people who will spend time over the next three or four days at the National Ploughing Championships are all committed Europeans because they realise the benefit. We as a nation must make sure the policy we want to put in place is portrayed in Europe. I congratulate the Ministers for Foreign Affairs and Finance on putting across that message — that a distinctive and strong leadership is required in Europe and that decisions that must be made for the future of Europe are made. People talk about the Germans leaving the eurozone but if they do so, that will affect their economy.

I welcome the introduction of the legislation to provide for the EFSF. I assume the legislation on the ESM will be introduced shortly and I look forward to supporting that. I congratulate our Ministers on the work they have done so far on easing the burden on the country.

Deputy Jim Daly: It was great to witness Deputy Dooley's road to Damascus moment, when he accused the Minister for Finance of saying one thing when playing to the home audience and speaking another language when in Europe. Deputy Dooley has a very short memory if he has forgotten the arrival of the IMF last October and names like Dermot Ahern and Noel Dempsey.

Notwithstanding that, I share the aspiration of everyone in the country to see the IMF and the ECB leave the country and to see us regain our sovereignty. This is a battle we fought and won before and it is one we will fight again. We all look forward to that day.

Deputy Dooley also referred to the image of Ireland abroad. It is important to correct the record in this regard. Deputy Dooley seems to suggest that we are inclined to get ahead of ourselves, to look beyond our own weaknesses and to see too much that is not there. I refer Deputy Dooley, and anyone else who is wondering about our image, to a German Parliament budget committee hearing of this week. Klaus Regling, who is head of the European Financial Stability Facility, EFSF, addressed the committee. These are, in effect, our paymasters so what they say about us is worthy of note. Klaus Regling said:

The international rescue programme for Ireland, with support from the EFSF, is showing very positive results. Ireland generated a current account surplus through increased exports and recovery in her competitive position. The State's deficit is sinking faster than originally planned for. Also, the Government's restructuring of the banking sector is faster than originally required. The markets have recognised and honoured these steps with a reduction in interest rates for Ireland from 14% to 8.5% in the last two months.

We cannot underestimate how far we have come, notwithstanding the challenge that lies ahead for us.

Deputy Wallace argued for an end to austerity. That is something we would all love to see, in an ideal world. If we were not living in the real world we would support him wholeheartedly. Unfortunately, we must exist in the real world.

On Monday of this week, the *Handelsblatt*, which is the German equivalent of the *Financial Times*, reported that the Institut für Wirtschaftsforschung, Ifo, which is the German equivalent of the Economic and Social Research Institute, ESRI, had warned about excessive lending by Germany and the continued fear of the markets as to where Germany's generosity will bottom out. The Ifo suggested that Greece will probably have to leave the eurozone and that there is too much uncertainty with regard to Portugal. Speaking about Ireland the report said:

Ireland has, however, shown that through a realistic and strong programme of reforms it is possible to eliminate a current account deficit. The other countries should learn from Ireland. After a period of loose budgeting guidelines in the eurozone only through a programme of hard reforms can a realistic programme of devaluation be pushed through.

The Ifo held up the measures Ireland is taking as an example of the right steps. It is important to recognise the opinions of others, especially our paymasters.

The argument for default, which has frequently been made recently, is tied in with the move to the European Stability Mechanism, ESM. Sinn Féin and others speak about burning bondholders. Default as an aspiration is ridiculous. We cannot begin from a point where we wish to default and set out to do so. A philosopher examining any system, finance or otherwise, has to

[Deputy Jim Daly.]

begin from a beginning. The beginning principle of our finance system is that pay what we owe. This must be set in stone. Only from here can we continue to work on and be part of a community based finance system.

The ESM is an exceptional model for Ireland and suits the current Irish situation. The challenge is that while the reduced interest rates are favourable an individual country has the ability to derail the interest rates by defaulting and causing the cost of borrowing to go up. That challenge lies ahead of us. However, I welcome this development and support the legislation.

Deputy Thomas Pringle: I welcome the opportunity to contribute to the debate on the European Financial Stability Facility and Euro Area Loan Facility (Amendment) Bill 2011. The Bill arises out of a European Council decision of 24 June and a European summit of 21 July which agreed to increase the EFSF from €278 billion to allow for a loan facility of up to €440 billion to be provided to member states. It also included the lowering of the interest rates, which has been much lauded by Members on the Government side of the House as a success for the Irish negotiating stance. The reduction in interest rates was, in fact, a response to the deepening crisis throughout the eurozone. The Government is being disingenuous in claiming responsibility for it, when the rates were merely overtaken by events.

It is surreal to stand here in September and debate legislation that will copperfasten changes that were announced in June and strengthened in July, when the crisis has deepened over the last couple of months and has moved on rapidly since then. We saw the downgrade of Italian debt in the last couple of days. The two largest French banks have been downgraded. Everyone is openly talking about a Greek restructuring, or default, and the possibility of Greece even being forced out of the euro. There is no mechanism for forcing any member state out of the euro. There is not even a mechanism for a state to leave the euro. That has not even been worked on.

This is what makes this debate so strange and is, perhaps, why most of the debate has not focused on the EFSF. Events have moved on so quickly since June. Events continually overtake each other. I am reminded of the British Prime Minister who, when asked why he had lost an election replied, "Events, dear boy, events". Events are overtaking what we are doing here. We are not in control.

The situation is made even more stark by the continued obsession of the Government with forcing deeper austerity on our people. Other Deputies have said that people need some sort of clarity so that confidence can be returned. As we continue down this road and as the crisis in Europe deepens further, leading inevitably to a Greek restructuring and the effect that will have, the EFSF will make no difference at all.

I was interested to hear the Taoiseach flatly refuse to answer Deputy Ross this morning when he asked how much more of our independence or sovereignty he was willing to cede to our, so called, European paymasters in Germany and France. That is the key question that the Government must answer. We must have a debate on this issue in the coming months. The ESM provides an opportunity for that debate. The Government has already agreed, and Europe has pushed for this treaty change to be brought in by the simplified mechanism, under the Lisbon treaty. I believe this treaty change is too extensive. It cedes too much of our sovereignty to Europe and gives away our national sovereignty. Therefore, we must have a full public debate on it and a referendum where the people can have their say. If the people are so much in favour of this change and want it to happen, as the Government repeatedly tells us they do, they should have their say and be allowed to vote on the ESM. The Government would then have the mandate which it says it has already. Last February, the people voted for change. What they got was more of the same. We must move on to that debate, because

events in Europe are fast overtaking any discussion we are having on the European Financial Stability Mechanism.

Deputies on the Government side say we can only do what we can. This is true, but we must talk about a Europe of equals and of partners. We do not need to cede more and more sovereignty to Europe and give Angela Merkel and Nicolas Sarkozy more and more rights and control over our sovereignty and our future. When Greek restructuring occurs, arguments will be made in favour of handing even more fiscal responsibility to Europe and a Commissioner for fiscal matters who can overlook errant member states and force policy changes on them. That is a ceding of sovereignty and that is the debate we should be having in the House and throughout the country. The Government should have the courage of its convictions. Instead of refusing to answer questions in the House and deflecting them onto other issues, it should be telling us what the Commission intends to do. It should let the people have their say and their vote on it and see if that is the way we want to go.

We should be talking about a Europe of equal members and equal respect and a Europe that can deal with these financial problems rather than a Europe where Germany and France are leading the charge and forcing austerity on the so-called peripheral countries and forcing us into destroying our domestic economies in order that we can ultimately save the German and French banks. Even that is not working at this stage because the French banks have been downgraded and German banks are in need of capitalisation. The IMF stated yesterday that Europe has to grasp the nettle and recapitalise their own banks. We are moving beyond the austerity packages we have in Ireland, but the Government does not seem to be having that debate with Europe. The Government is intent on ensuring we are seen to be the best boys in the class. Members on the Government side of the House might not like to hear that, but that is its policy. If we are seen as the best boys in the class, we can be held up and seen as shining lights.

Our bond yields have been reduced from 14% to 8.5%. That still leaves us nowhere near the ability to go to the so-called markets to fund the State. Events will take place over the next few weeks and months that will push up those yields even further again. We will be no closer to having any control on that. In the meantime, we have a jobs initiative that has clearly failed, we have continued austerity, and a budget will be brought forward that will take another €4 billion out of the local economy. People are faced with more uncertainty, even more debt, an inability to work their way out of it, and a sapping of confidence, yet in a few months we will still be faced with a Greek restructuring and the possible break-up of the euro.

The Government needs to open up the debate, put the ESM Bill before the House and let it be passed, and then put the question to the people in the form of a referendum. The people should be allowed to decide whether they want to go down this road. If the people want greater fiscal control to be handed to Brussels and the European Commission, then that is their democratic wish, but the Government should let them have their say.

Acting Chairman (Deputy Paudie Coffey): Deputy Dara Murphy wishes to share time with Deputy Kevin Humphreys. Is that agreed? Agreed.

Deputy Dara Murphy: Thank you. I welcome the opportunity to speak on this Bill. There is a pattern developing in the Opposition. We saw it before the summer, when there was almost a hope that our interest rates would not be reduced in order that we would be listening to statements about how the Government got it wrong. Interest rates have been reduced through the good work of our Government. Equally, our corporation tax rate remains in place, which was also the subject of a prophecy of doom. The new buzzword in this term is our sovereignty, which apparently is under ever-increasing threat.

[Deputy Dara Murphy.]

Some questions were raised about the ambition of this Government. The ambition of our Government is to get people back to work and paying taxes, and with that income to start reinvesting in our public services and the people of our country. To arrive at that point, we need to go down a journey that has been predetermined for us by an agreement made by the last Government and this sovereign State.

I want to take a moment to address some of the terms being used today, such as bailout, austerity, paymasters and best boys in the class. The bailout is effectively a loan, where the international community has agreed to lend our country money to pay our way forward over the next few years. It is entirely reasonable that as this country demonstrates through good government that we can repay our loans in due course, the cost of that borrowing should be reduced. However, the bailout is effectively a loan. Our paymasters are the people who are giving us the loans. These are the people who see faith in the Irish people and in the Irish economy and are willing to allow us to have the opportunity to pay for our public services.

The most important word is austerity. I studied economics in UCC, although not to any particular PhD level, and austerity is effectively the ability to balance our books. It applies to every household and to every business, and over time in the international community it must apply to individual states. No matter what happens in the world around us, our economy must arrive at a point where we are austere. It is being used as a negative term, but the reality is that we must bring in what we pay out to sustain our economic development. The objective is to increase revenue through having people back at work in order that we can invest in our public services.

Someone said to me recently that Ireland should not be described as the tail of the European dog, but rather as a small individual dog among 27 European dogs that are working together for all the people of Europe. As we prove that we can be different from other countries that are experiencing economic difficulty, we can give an optimistic view to the international community, not just of our own island economy but of the European movement and the European economy in general. It is time the Opposition took into account that the European movement and the European Union has served our people extremely well in the past and that the money flowing into our economy at the moment is coming predominantly from European sources.

I welcome this Bill today. It is time for Europe to endeavour to get ahead of the curve, but I certainly feel that there should be an optimistic outlook that Ireland can be a domino that will push back against some of the negative dominoes that have been falling. The yield on Ireland's bonds have been falling recently, as have our interest rates. There is a great sense that Ireland is becoming a country where foreign investment is welcome and that people can trade in our country and see a positive outcome. I welcome the Bill and I hope it passes Second Stage.

Deputy Kevin Humphreys: I welcome the Bill and I welcome the Minister back to the Chamber. The various elements of the Bill dealing with the EFSF, as far as I can see, allow for the recapitalisation of the financial institutions, but they also provide a longer maturity date for debt. I believe we can use this to address the €31 billion in notes in Anglo Irish Bank, and I would like the Minister to expand further on that element in the Bill.

Like the Minister of State, Deputy Hayes, I welcome this Bill very strongly. It is good news for Ireland and I believe it is one further small step on the way to recovery. Since being elected to the House, I have heard Members state repeatedly that this Government would not get a reduction in interest rates. The Government has secured a 2% reduction in the interest rate paid on European Financial Stability Facility funding and loans from the European Financial

Stabilisation Mechanism are now provided at cost. I have not heard anyone compliment the Ministers on the work they have done in this regard. In the previous session they were told they would not achieve these objectives without sacrificing our corporation tax rate. Despite this, they have, through negotiation with our partners in Europe, delivered these outcomes.

Deputy Boyd Barrett referred to stimulus packages. If my memory serves, many Opposition Deputies voted against the stimulus package the Government introduced in the previous session. I remind the Deputies in question that stimulus packages cost money, of which we have very little, not least because no one is willing to lend to us. We must manage our affairs and get our deficit in order or face the prospect of enduring the same problems as those experienced by people in Argentina some years ago.

The Minister must continue with the work he is doing by reducing the debt burden. The Bill is a small step towards returning the nation to prosperity. The country is still in receivership, having been placed in that position by the previous Administration. Every day, Ministers are taking small steps to return Ireland to growth. I commend the Bill to the House.

Deputy Brendan Smith: I join with my colleagues in the Fianna Fáil Party in expressing support for the Bill. I note with interest that we are discussing this important legislation on a particular anniversary, namely, 21 September, exactly two months to the day since the 21 July eurozone summit at which Heads of Government and State and Finance Ministers agreed provisions aimed at strengthening the European Union's capacity to defend and protect the euro by bolstering and expanding the European Financial Stability Facility established in May 2010. As Deputies will recall, the EFSF was originally established by the Ecofin Council to safeguard financial security in the eurozone by raising funds in capital markets to finance loans for euro area member states.

In addition to measures to prevent contagion and improve the eurozone's crisis management, agreement was reached on a second buy-out package for Greece and improved rates and terms on current bailout packages for Portugal, Greece and Ireland. Not only was the 21 July announcement important for the eurozone and wider 27 member European Union but it was long overdue for Ireland. Everyone knew the interest rates being imposed on Ireland were penal and unnecessary and before the Government assumed office work commenced on achieving lower rates.

I was impressed to hear the Polish Finance Minister, Mr. Jan Vincent-Rostowski, make this very point during a recent interview on RTE's "This Week" radio programme. Mr. Vincent-Rostowski specifically described the 6% rate being charged on funds made available to Ireland and others as "penal". To his credit, he and the Polish Government said as much nine months ago. Fortunately, the Polish Government used its term as holder of the EU Presidency to strongly advance the case for reducing these interest rates. It could be argued that the Polish Government invested much more diplomatic effort and energy in reducing the interest rates than the Taoiseach did. It is incredible that the Taoiseach has gone an unprecedented six months without having any significant bilateral discussion with a eurozone colleague at a time of major crisis in Europe and further afield.

In addition to describing the interest rates previously applied to Ireland as "penal", the Polish Finance Minister stated in his interview that he considered the European Union's "bouncing" of Ireland into the European Financial Stability Facility last November to be a mistake which need not have happened. This is an interesting take on our position from an EU partner and one that strongly suggests that the standing in which Ireland was held among our European partners was not as low or as poor as the Taoiseach, Tánaiste and some Ministers continue misleadingly to claim.

[Deputy Brendan Smith.]

I will refer to a few European issues on which I have some experience. Deputy Joe McHugh spoke eloquently of the difficulties facing the fisheries sector and its economic potential. In the short time I served as a Minister in the Department Agriculture, Fisheries and Food, the former Minister of State, Mr. Tony Killeen, and I achieved very good outcomes in regard to quota and total allowable catches. I recall that in December 2008 when France held the EU Presidency it was particularly determined to abolish what are known as the Hague preferences, which are of major importance to Ireland for securing top-ups in species. We successfully fought a battle to retain the Hague preferences. Moreover, we obtained for Ireland increases in quota and total allowable catches for the various species in each of the years we served in the Department. As Deputy McHugh will be aware, only last December we secured a 67% catch for boarfish, a new species being developed and one in which the Killybegs Fishermen's Organisation has invested considerably in co-operation with the Marine Institute and Department. Ireland has by far the highest allowable catch of this species in the European Union.

On the agricultural side, Ireland, on both an official and a political level, was always to the forefront in working with like-minded member states on the issues of the day. This may have meant working with a small group of countries consisting of France, Germany and three or four other member states on a particular issue or working in a group of 12 or 13 member states which shared similar views on specific issues. On all such occasions, Ireland was to the forefront and I, in my capacity of Minister, chaired many of these groups and worked with like-minded member states on specific issues such as milk quota or World Trade Organisation talks. It is patently wrong to suggest that Ireland did not participate to the full at political or official level in the deliberations of the European Union.

On 1 May 2004, during Ireland's Presidency of the EU, ten countries acceded to the Union while two further countries acceded subsequently. In 1990, when there was scant determination among its European partners to assist its reunification process, Ireland, which held the Presidency at the time, was at the forefront in supporting Germany in its efforts to reunite the country. These are only a few of the issues with which Irish Presidencies under Fianna Fáil Party Governments were involved. It ill behoves Ministers to continue misleading members of the public on the participation of previous Governments at European Union level.

Returning to the announcement made on this day two months ago, it is more than regrettable — it is irresponsible — that foot dragging and uncertainty at European level was allowed to delay the full implementation of the decisions taken at the summit. It is yet another example of inaction by European leaders, a continuing inaction that has created uncertainty on world markets and resulted in widespread commentary about the very existence of the euro. As my colleague, Mr. Pat The Cope Gallagher, MEP, pointed out recently in a debate on this issue in the European Parliament in Strasbourg, we now demand, at the very minimum, a co-ordinated initiative across the European Union to implement the decisions of 21 July to help restore confidence to the markets. Any of us who reads or listens to commentary on this issue will be well aware that confidence is badly needed.

By passing this Bill, which amends the European Financial Stability Facility Act 2010, legislation which was brought before the House by the late Brian Lenihan, we are playing our part in that process. I compliment the Minister and his officials on introducing the legislation. Nonetheless, while we all welcome that we are now, hopefully, in the final stages of turning the 21 July announcement into action, it is regrettable that delays at EU level have held up the process for this long. I understand President Barroso sought assurances last August from EU Heads of Government and State that they would accelerate national parliamentary procedures to ratify the revised EFSF framework agreement by the end of September. In allowing such a long timeframe, the EU institutions have failed to convey or underline the seriousness

and urgency we should give to the implementation of the 21 July decision. This legislation is essential not just for Ireland's situation but also in trying to re-establish some credibility for the EU and eurozone decision-making process.

Speaking of credibility and decision making, I echo the call made by my colleague, the Fianna Fáil finance spokesperson, Deputy Michael McGrath, when he said the Government should clear up the confusion about the value to Ireland of the reduction in the interest rate and the impact it will have on the 2012 budget. We now have two announcements from the EU on our interest rates: the one we are debating here, arising from the eurozone summit of 21 July to reduce the interest rate on the EFSF funds, and last week's proposal by the European Commission to reduce the interest rate charged to Ireland on funds under the EFSM. As my colleague, Deputy McGrath, has observed, different figures have been proposed for how much money the interest rate reductions on the EFSF and EFSM funds will save Ireland in 2012 and over the remainder of the drawdown period. Different figures were given by the Taoiseach and the Minister for Finance, Deputy Noonan, and by the head of the NTMA, Mr. Corrigan, so we need clarification on those issues.

The Government needs to make clear how the saving on interest payments fits into the overall budget arithmetic. People are preparing for a difficult budget, but they deserve to have the fullest possible information on how difficult that budget is likely to be. It is also important that the Government starts to flesh out the potential costs and consequences to the Irish taxpayers and economy of its decision to explicitly commit this country to engaging in serious discussions on the common consolidated corporate tax base, CCCTB, as part of this deal. The Minister, Deputy Noonan, said quite recently that there would be no change to our corporation tax. That is the message that must be hammered home at all stages. In my limited experience of Government trade missions to the United States, the one question one was always asked was whether Ireland was fully committed to the retention of the current rate of corporation tax. At a time when, thankfully, we are the number one destination in the world for foreign direct investment, it is important there is no uncertainty with regard to our determination to retain our corporation tax rate.

The forecasts of modest economic growth in the EU made only some months back are now being revised downwards, unfortunately. Against this background, the passage of this Bill by the end of the month is essential, and my party supports the Government in its efforts.

One thing that is often forgotten about in the overall commentary on the eurozone and the importance of stability in Europe is the fact that we are a trading country that is dependent on exports. We export 80% of what we produce in Ireland, which is double the European Union average, and there is the difficulty inherent in the fact that our major trading partner has a different currency from us. All of these things make life difficult for us as a country, and it is to our credit that in 2010, despite the observations of some Members of the House, we had the highest level of exports ever, reaching a value of €161 billion. I hope that will be surpassed this year.

Deputy Liam Twomey: I wish to share my time with Deputy Paschal Donohoe.

Acting Chairman: Is that agreed? Agreed.

Deputy Liam Twomey: I too support this legislation. This country is fighting to get its sovereignty back, but the reality is that the future of Europe requires greater economic integration. We know the political reality that greater integration with a reduction in sovereignty may not be acceptable to the people. It would also require a new European Union treaty, which makes the prospect of greater economic integration extremely difficult. However, from an economic point of view it is a necessity. The most likely approach to this would be through partnership

[Deputy Liam Twomey.]

with our EU and eurozone colleagues, but we may need to take the lead in accelerating this prospect to protect our economic future.

There is major criticism of the present EU policy for dealing with the euro crisis. Europe stands accused of acting too slowly and in a piecemeal fashion. In other words, it seems to respond to each facet of the crisis as it happens rather than responding to the overall crisis. This is the criticism that has been levied about all countries in the eurozone over recent months. It is a deliberate policy that takes into account the political, economic and regional differences within the 17 eurozone countries and the broader 27 countries of the EU. This has always been the way that Europe has done its business: through negotiation rather than conflict. It does take time and concessions must be made along the way. However, there is now a belief that this policy instrument is no longer suitable, and we may need a new economic integration policy that can respond not just to the present crisis but also, rapidly, to future crises, and that takes into account the economic and political concerns not just of the eurozone but of the greater European Union.

Much of the debate that goes on at the moment is very simplistic — the sort that was once described as kindergarten economics. People talk about burning bondholders, not realising the damage this would do to the most vulnerable people within society. The other thing that is discussed is what the European bureaucrats are going to do about this. This comes from the same people who talk about loss of sovereignty. They seem to have completely missed the point that it is up to the parliaments of Europe, who represent the citizens of Europe, to come up with decisions that affect Europe. Many members of the Opposition, rather than throwing out the simple, clichéd remarks we have been hearing over recent weeks, should be talking about how we can move Europe forward and protect our future within it. We should be making the decisions and taking the lead. I would prefer to see us talk about this type of integration and about balanced budgets in the future in order that we do not end up in a similar situation to the one we are in now. We should talk about how to deal with financial responsibility and how governments take responsibility and react when things go wrong. We should consider how we can sustain our future in a way that does not discriminate against any country within the Union from an economic point of view. That is the sort of approach we should be considering.

Why do we strongly defend the setting of our own tax rates? This is important when we are adjusting how our economy works. It does not necessarily affect the other countries, but how it affects our own economy is important. Why are we so strong on corporation tax? In some respects, corporation tax is a means of protecting our competitiveness. We are an island nation on the periphery of Europe and we need to consider what improves our competitiveness in relation to the large central economies of the European Union. We should defend that role strongly. That is understood by many of the other countries who say we should not do this.

I find it difficult to understand elements of the Opposition who claim they represent the most vulnerable in our society but have a burning desire to harm them with some of the policy decisions they propose. All sectors of society, including the most deprived, voted for this Government in the hope that we would give them the best possible opportunities for the future. I hope we will pursue the policies that protect all sectors of society, and this will have an impact on the policies we take to Europe. I would like this House, as the Parliament that represents the people, to consider our relationship with Europe and Europe's relationship with each of the countries within it.

Deputy Paschal Donohoe: Anyone who intends to vote against this Bill or advocates opposition to participation in a mechanism such as this has a duty to answer one simple question: where would they find the €15 billion that is needed this year to fund the difference between

what we take in as tax and what we are spending? That is €15 billion that has nothing to do with the cost of recapitalising banks but is needed to fund the public services on which this State depends, particularly for those vulnerable citizens mentioned by Deputy Twomey in his contribution. Anyone who is against our participation in a mechanism such as this must answer that one simple question, which this Government is capable of answering. Where would they find the €15 billion for this year, for next year and for the year after that? That is the crux of the challenge this State is facing. We cannot borrow from anyone else in the world at a rate we can afford, so we are dealing with the lender of last resort. If people are advocating that the State does not deal with the lender of last resort, they must explain who will lend that money to us at a rate we can afford.

The political reality facing leaders throughout Europe is that while citizens who are inside bailout plans or external aid programmes do not want to be in them, an increasing number of people do not want to pay for them. This issue is now being raised in countries such as Germany, Finland, Holland and Austria which are asking why they should fund programmes like this one while, at the very time, people participating in the mechanism are saying, understandably, given the cost involved and the social difficulty arising, they do not want to be part of it. Major tension is developing around that point which will lead to some of the challenges referred to by Deputy Twomey. The key point is that while the politics of being inside a bailout plan or external aid programme are terrible the economics of dealing with a default are far worse.

In his contribution Deputy Smith alluded, as was fair, to the delay in coming up with plans to deal with all of this, and the fact that within a day of any strategy being announced, criticism is levied by the financial markets. Two points must be made about that. First, the sovereign crisis with which people are dealing is one of a kind in Europe. There never has been a situation where a group of countries which have come together to form a monetary union has had to deal with a sovereign debt crisis of a country within that union. People are facing a brand new challenge. The textbook, theory and history that led up to this point are largely redundant when one is dealing with the complications and consequences of being inside a monetary union nobody knows how to get out of, even if they so wished. Second, those who are most vocal about the delay in dealing with the crisis are the people in banks, financial institutions and markets who lent money to countries like Ireland at the same rate with which they were lending to Germany. They certainly do not have a monopoly of wisdom in making those criticisms, making allegations or pointing out issues regarding this deal.

This State is now accessing funding at a rate that is cheaper than that given to most of the countries which are funding this plan. This will create tension and raise questions regarding the feasibility of such plans in the future. That is why we must use this plan in the way it is being tackled at present, namely, as a breathing space or buffer zone which provides insulation for us to get our house in order so that we may be able to chart our way again in the future as a sovereign State.

Deputy Shane Ross: I take Deputy Donohoe's point about those who oppose this Bill having an obligation to state from where the necessary money will come, which is a fair debating point. It does not mean one cannot be critical either of what has been going on or of the bones of this Bill. However, perhaps the Opposition, like all Oppositions, should make suitable suggestions — not a popular thing to do — about where there should be cuts in public expenditure or increases in taxation in order to bridge the gap of €15 billion.

I wish to address this Bill and the extraordinary lack of urgency, alluded to by Deputy Pringle. The Minister will know this was agreed initially in June, ratified in July and has now come before the Dáil in September. One assumes it will be passed shortly by the Seanad and

[Deputy Shane Ross.]

will then become part of our law. However, it will be delayed by a large number of problems further away in Europe, particularly by the fall of a government in eastern Europe, and therefore will not be ratified in that quarter for a certain period.

It seems to me there is an extraordinary lack of urgency both about what is happening in Europe and the attack on this problem. I mentioned this on Leaders' Questions today. I would have thought it would be embarrassing for the leaders of Europe, the Commission and Heads of Government to come under such attack from external and impartial independent sources such as the IMF as they have recently done. Without any doubt, they have been accused of being bunglers and should take much more dramatic steps than those they are taking. The expression used by the chief economist yesterday, namely, that they should get going and act in a much faster way is criticism of a major sort on the part of the IMF to a body that has apparently been posturing with regard to taking action about its problems.

It is not only the fact that this particular piece of legislation will not be passed by all the member states for many months but also that a series of so-called suggestions was suggested which has not got us anywhere. I would be interested to hear the Minister's comments on the reaction to Mr. Geithner at the weekend. The result of the meeting he attended in Poland was, to outsiders, desperately disappointing because no decisions were taken. It seems that Europe is paralysed in its response to the debt problem in a way which could be fatal for certain currencies and the sovereign debts of certain nations. It is very hard for observers to believe in the credibility of the two principal leaders in Europe when they have met so often and so often emerged from meetings with sticking plaster solutions. They meet specifically to satisfy the markets and in an effort to reassure them that the two great powers are in charge, are doing something about the debt problem, will move everybody else into order and Europe will move ahead as a single entity. The reality, of course, is that these two people who are leading Europe in its supposed crusade for a way out of this problem are paralysed politically and are working to very precise political agendas. One is thankful that their agenda is not one which the Government, or our Minister for Finance, must necessarily dance to — they do not have the same electoral timetable.

The *realpolitik* is that when President Sarkozy and Chancellor Merkel meet, apparently to produce solutions, they produce nothing other than a few sticking plasters such as this one. They emerge from these meetings and suggest that all is well but on each occasion in June, July and September, the markets have turned on them, unconvinced by what they have had to say. That is not a satisfactory way out of what is a very deep problem. When both the Treasury Secretary of the United States and the IMF claim that the problem is not being tackled and that the leaders should get on their bikes and do something about it we should wake up and take notice. It appears that we must wait for elections in France and Germany before it can be resolved in any meaningful way or even that there be any resolution or determination to resolve it.

I question the credibility of the President of France in giving any leadership on this issue. As every Member present knows, France is fatally exposed to the Greek banks. Two of the three principal French banks were re-rated and downgraded last week by the ratings agencies simply because of that exposure. It means that they are in the same sort of boat as are many of the other banks in Europe. Therefore, the unthinkable must be thought. For Mr. Sarkozy to be presented as giving some kind of stable leadership is just not credible and the markets have recognised that. These two leaders and their meetings to sort out the problem are the worst thing that could have happened. I believe Alan Dukes said as much on a radio programme. They should be stopped from meeting because it damages the efforts being made by people of goodwill in the Commission and elsewhere. It damages the efforts of nations running

good, strong economies when someone from a country with an economy which is weak and vulnerable to the same attacks as those being endured by Italy, Spain, Portugal, Ireland and Greece poses as the person who is going to solve the problem. That individual is not going to be successful. We should remove President Sarkozy from the pitch, in so far as is possible, and tell him to solve the problems in France rather than informing us how we should solve ours. The main difficulty relates to the agendas to which these people dance.

The EFSF is fatally flawed to some extent. It represents an effort to intervene in the debt markets. Essentially, it involves establishing a fund to be used to engage in the buy-back of bonds in these markets. That is a completely artificial operation. I gained experience in this area during my time as a stockbroker and when I was involved with investment trusts. I have witnessed what happens when one engages in a buy-back. I have approved buy-backs and I am aware that they only work in a very temporary way. If they are not accompanied by fundamental attacks on the problem, they will only last a few minutes or a few months. Whereas it is obviously the policy to increase the €440 billion by a great deal, the markets see that figure as a target. That is all. It is a sum of money, an artificial way to prop up an economy without necessarily attacking the fundamental problems by which that economy is beset.

We have lost a huge amount of valuable time as a result of the two principal leaders in Europe stating the funding available to the EFSF is going to be increased, that the facility's powers will be expanded, that it will have greater scope to intervene in markets and that this will solve the problem for now. It is not going to solve it. It may provide temporary relief, but the only action that will convince the markets is the leaders of the two main nations in Europe stopping jumping to the tune of the domestic political agendas in their countries and stating they are going to try to save the euro in a meaningful way. That includes tackling the problems relating to debts, deficits and other matters in their own countries.

I would be interested to hear the Minister's comments on Mr. Geithner's suggestion at the meeting in Poland that the fund should be leveraged up. That would be a dangerous development. Leveraging means borrowing. I understand Mr. Geithner to be suggesting we should go into the markets, obtain a facility which is five times the size of the facility we already possess and then show this to these markets and state "This is our firepower". Again, that would be filling a larger hole in the dyke. I am not sure whether the Minister should necessarily regard Mr. Geithner's suggestion as a solution. When the amount to which the latter refers proves to be insufficient, are we supposed to seek even more money? The markets will attack any weakness they perceive.

Eurobonds are put forward by many of the weaker states as being one of the solutions to this intractable problem. Is it true that the weak states are in favour of their introduction and that the strong states are opposed to them? These bonds are seen by the weak states as a way of supporting their economies. The strong states, particularly Germany, are against them because they do not wish to underwrite European debt in its entirety.

Deputy Kieran O'Donnell: I am delighted to contribute to the debate on this Bill. I congratulate the Minister and his staff on their efforts in respect of it.

The IMF reports which have emerged indicate that what is occurring is a European problem. When one considers this matter, one comes to realise the major issue that arises is the recapitalisation of the banks in Germany, France and Spain, in particular. The Germans and the French previously espoused a policy which suggested we should recapitalise our banks. They are not adopting such a policy themselves. They need to draw a line under the problems relating to the banking system in order to restore confidence. An architecture which provides confidence in the banking system to the effect that, regardless of what happens, Europe can withstand any eventualities must be put in place. The international markets do not believe this

[Deputy Kieran O'Donnell.]

is the case. If one considers the level of recapitalisation required by the banks as a percentage of GDP, it is obvious that Germany and Spain are well below Ireland in this regard. Other European countries, particularly Germany and France, asked us to recapitalise our banks. The European Commission was clearly in favour of NAMA, which represents another form of recapitalisation because it removed risky assets from the balance sheets of the Irish banks and improved their capital ratios.

Deputy Ross was correct when he referred to domestic issues in the countries in question. I do not believe Germany wants to leave the euro because it has too much to lose. When the euro was introduced, Germany achieved an effective devaluation of its currency. It also eliminated risk in inter-trading between eurozone countries. Germany benefited enormously from joining the euro. The Germans are intrinsically European and believe in the euro project. However, they and others need to deal with their banking systems in order to provide confidence for the markets. If they do so, this might restore the possibility of inter-bank lending. The IMF has drawn attention to this matter, but it has been spoken about in general terms. Germany, France and Spain must either recapitalise their banks or put in place a guarantee that they will cover losses in these banks.

Ireland is an exporting nation and, as such, is dependent on growth. Both global and European growth rates are determining factors for us in restoring the economy to health. Our objective should be to extricate ourselves from the EU-IMF deal as quickly as possible in order to regain our financial independence and sovereignty. How can we achieve this in a way which is sustainable and brings about the proper structural changes required? Yesterday the IMF stated that for 2012 Ireland's growth rate, 1.5%, will be above the eurozone average, 1.1%. That is the first sign of this happening since 2007. The rate to which I refer is sustainable, whereas that which obtained in 2007 was effectively built on foundations of sand in the property market.

There are positive and encouraging signs for us. However, the IMF and the other members of the troika will be obliged to make strategic decisions of their own. If there is going to be a slowdown in the European and global economies and if they want to protect their investment, they should consider allowing the Government to use some of the money we have been given to fund proper jobs initiatives and stimulate domestic growth. I have no doubt discussions will take place in this regard. The troika should be asked to consider the suggestion I have made.

Is it possible, in the European context, to have monetary union in the absence of fiscal union? I accept that considering the matter in this way is not entirely practical. When the Stability and Growth Pact was established, a target of 3% of GDP was set as being the maximum level which general government deficits could be allowed to reach. Ireland never breached that ceiling during the years of the Celtic tiger, but we still found ourselves embroiled in a banking crisis which probably began in 2007. A proper mechanism needs to be in place within Europe. Countries like Ireland need to retain control over tax policy and how we implement individual policies. Sustainable proposals need to be made by Europe. Much of this country's economy depended on the growth of the property sector. That should never have happened. It is often overlooked that we never breached the 3% general government deficit limit. We found ourselves in this horrendous situation nevertheless.

There are some encouraging signs for Ireland. Our growth rate will be above the EU average in 2012. The IMF has said it expects Ireland to meet the budget deficit target it has set — 8.6% of GDP — by 2012. We are improving our competitiveness. For us, it is key that Europe gets to grips with its situation. There is now a banking crisis in Europe as well. Other European countries, particularly Germany and France, need to adopt the policies they asked us to adopt. These discussions will have to take place.

As Deputy Ross said, Mr. Sarkozy and Mrs. Merkel will have to deal with this in a way that benefits the overall European project. If this nettle is not grasped, we will limp from crisis to crisis. Germany has kicked the can down the road, in some ways, whereas we have dealt with the issue and continue to do so. Germany and France cannot continue to use Ireland as an example of a country that is dealing with these issues and getting the results. They have to deal with the situation in a way that draws a line of confidence under their banking systems, separately from the EFSF and the measures in this legislation. Ireland needs Europe to be stabilised. We need the foundation of a stable Europe.

Export-driven growth is important for Ireland. If the world economy or the European economy shrinks, that will affect our exports. I ask the troika to consider allowing Ireland to put job initiatives in place to stimulate domestic demand and credit. There needs to be a twin-track approach. Not only do we want exports to move ahead, we also want domestic demand to increase. We are at a watershed. Critical decisions will have to be made by Germany and France in a way that benefits everyone. The measures that are being adopted at the moment are of short-term benefit to the European project. They are not of benefit in terms of long sustainability. That is the critical issue.

We must look at the positive aspects of this question. The IMF is projecting that in 2012, Ireland will have a higher growth rate than Germany and France. We are getting things right. As a small and open economy, Ireland is affected by external factors. We have recapitalised our own banks at enormous cost to the Irish taxpayer, and thereby stabilised the banking system here. Germany, France and Spain need to show leadership and consistency in the policies they espouse. They need to step up and put in place measures to recapitalise their own banks by way of guaranteeing losses or investment in the banks. We can stabilise Europe overall. The international markets will make the decision. The banking systems in the respective main countries in Europe will withstand whatever eventualities that arise.

Deputy Stephen Donnelly: This Bill, taken on its own, is worthy of support. It will bring about a significant increase in the lending capacity of Europe. It will give Ireland a significant interest rate reduction and a much-needed decrease in our annual payments on our debt. It will give the fund the ability to intervene in the primary and secondary bond markets. I agree with Deputy Ross that it is a sticking plaster, albeit a very useful one. The Bill on its own is worthy of support.

Over the last two days, some Ministers and Deputies have claimed a great deal of credit for these benefits. I do not know how much credit they deserve. Perhaps they deserve the credit they claim. Looking at the negotiations from the outside, it seems that when the Government went to Europe to look for interest rate reductions and the latitude to deal with some of the bondholders, the answer was “No”. It seems that these concessions were correctly taken in an opportunistic manner, which is understandable. Essentially, they came about because the Greek economy is imploding. I hope the Minister and his team of officials helped to achieve some of these concessions. Credit is absolutely due to them for everything they secured.

My concern with the Bill is that it moves us further down the wrong path in the context of the evolving economic crisis in Ireland, Europe, the US and around the world. It seems to reinforce many of the mistakes that have already been made at European level. The European solution seems to have had four main planks so far. The first involves forcing European citizens to pay the losses and forgone profits of investors in banks — the infamous unguaranteed senior bondholders. The second plank seems to involve using more of the money of the same citizens to over-capitalise all the banks, including the failed banks in Ireland and throughout Europe. No European bank has been allowed to fail, not even those that should have been. The third plank involves the banks lending vast sums of money to the same citizens, through their govern-

[Deputy Stephen Donnelly.]

ments, to pay back the losses and profits of bondholders and to over-capitalise the banks. The fourth plank seems to involve enforcing very severe austerity. It is hoped that the combination of the four planks will somehow stimulate sufficient GDP *per capita* growth to allow us grow our way out of problems like our debt and our unemployment rate. That plan is not working, as we know.

I would like to take a look at what has happened in Ireland so far. It is estimated that when the dust has settled, the Irish people will have covered approximately €100 billion of other people's losses. I am sure many Deputies read a recent report suggesting that the unguaranteed senior Anglo Irish Bank bonds are set to become some of the most profitable such bonds on earth. It is particularly galling that the Europeans are forcing us to repay the full amounts on these bonds to speculators who are sitting on vast sums of money. They have absolutely no moral right to those profits. It is something we are being forced to do.

Research that was undertaken by Deutsche Bank last December combined personal, corporate and national debt. When Ireland is compared with the rest of Europe in that context, our level of combined debt as a percentage of GDP is approximately twice the level of next nearest country and approximately two and a half times bigger than the average. Much of the conversation has related to the national debt, whether we can service it, be it 100% or 110% of GDP, and the fact that other countries are dealing with it. When one examines the total quantum of debt with which Ireland is dealing, it turns out we are completely on our own. No other country is near us. That is something else that is going on. We know that the over-capitalised banks are not lending. There are figures to suggest that very few appeals are being made under the process that has been put in place. We can all give examples of people who have made inquiries on behalf of companies that seem to be in good shape but have been told not to bother applying. In other cases, banks have said they will not lend unless they can take the family home as collateral against the loan.

Debate adjourned.

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

Ceisteanna — Questions

Priority Questions

Defence Forces Strength

1. **Deputy Dara Calleary** asked the Minister for Defence the current strength of each of the Defence Forces; if any reports have been prepared on potential retirement in each force between now and February 2012; and if he will make a statement on the matter. [25203/11]

Minister for Defence (Deputy Alan Shatter): I am advised by the military authorities that the strength of the Permanent Defence Force as of 31 August 2011, the latest date for which figures are available, was 9,513 comprising 7,722 Army, 786 Air Corps and 1,005 Naval Service personnel.

The approved employment control framework for the Permanent Defence Force is based on a figure of 10,000 all ranks, appropriately configured across the Army, Naval Service and Air Corps. In 2011, the defence organisation, like all areas of the public service, is operating on a

reduced budget. The programme for Government also sets out a target for further fiscal consolidation over the period to 2015.

Overall numbers in the Permanent Defence Force, including numbers serving at various ranks, will be subject to ongoing control and monthly monitoring. This is to ensure compliance within the overall parameters and controls set by Government for each sector. The employment control framework, ECF, also sets out that it will be necessary to underpin the re-organisation with the required amendments to regulations and administrative instructions. In this regard the strength ceiling set out in the ECF has been incorporated into a revised Defence Force regulation, CS4. The military authorities are finalising a re-organisation based on this revised regulation.

It is not possible to estimate the number of members of the Permanent Defence Force who may seek to retire between now and the end of February 2012. The matter is being kept under review to ensure the impact on public services of any retirements is minimised.

Deputy Dara Calleary: I beg the Leas-Cheann Comhairle's indulgence to refer to another defence issue. I commend the Minister on the manner in which he swiftly acted and commissioned a report into the deaths of the Army personnel, Corporal Fintan Heneghan, Private Mannix Armstrong and Private Thomas Walsh. Information was provided to the Minister early in his term of office, and he commissioned a report and has brought a 22 year fight for justice to an end. The Minister deserves great credit for the manner in which he handled that. It is a shame it took so long. I understand there may be issues within the report that must be considered for future deployment, and at some appropriate time subject to the agreement of the Whips, there might be an opportunity to make statements on it in the House. I commend the Minister.

On this CS4 regulation, surely it is difficult to finalise the re-organisation of the Defence Forces without having any knowledge of what the numbers will be in February next. In the manner in which the Garda Commissioner has gone about preparing some work that we discussed yesterday, is there not a structure within the Defence Forces that can identify what the overall position of those 9,500 personnel will be in February next?

There are rumours in Clonmel, Mullingar and Cavan this week and there are rumours circulating within the Army community that their barracks are to be closed. The Mullingar issue is to be the subject of a topical issue debate following these questions, but is there some sort of plan, similar to what is going on in the Garda, to anticipate what the reduction will be and what the services will be on 1 March next year?

Deputy Alan Shatter: I thank Deputy Calleary for his comments on the comprehensive report, published by the Department and prepared by Mr. Frank Callinan SC, into the tragic deaths in 1989 of the three soldiers mentioned. I certainly agree that it is appropriate that we would debate that report at some point in this House, and the Whips can make the appropriate arrangements. I hope the comprehensive inquiry conducted by Mr. Callinan SC, the terms of reference that we gave him and his conclusions on those terms of reference bring, in so far as this can ever occur, some sense of closure to the families who for a long time were seeking to ascertain the full background to the tragic deaths of their loved ones. I spent some time with the families on the morning before the report was published and I am personally aware of the grief still caused to them by that incident.

On the question Deputy Calleary raised, there is an ongoing review with the Defence establishment of how to make the maximum use of the resources available. I have had discussions with the Chief of Staff, Lieutenant General Seán McCann, in this regard. There are operational issues that fall within his remit and on which there are decisions to be made by him. For my

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part, I am anxious we maintain the strength of the Defence Forces at or around 9,500. I hope I can achieve that in the context of the internal discussions within Government on financial allocations for next year. As indicated in the response to the question, the approved employment control framework for the Permanent Defence Force is based on a figure of 10,000, but the resources, as we have them this year, create a difficulty in that regard, although I hope there will be some possibility for some recruitment this year. I am anxious to maintain the age profile within the Defence Forces and it is important that new personnel are introduced into the force each year. It is not yet clear what retirements will occur either by the end of this year or by the end of February, and I do not want to give the House figures that may be misleading. I do not have accurate figures in that regard at present.

There is a continuing assessment being undertaken on the manner in which the Defence Forces are structurally configured in the context of the existing barracks. No final decisions have been made in that regard. That issue in the case of Mullingar is raised today, as Deputy Calleary mentioned, on the topical issues debate and will be addressed. No final decisions have been made yet on any particular barracks by Government but we must look at how we maximise the use of the resources. As Minister for Defence, my objective in maximising the use of resource is to ensure we have what I believe to be the number of members of the Defence Forces required to facilitate them meeting all their obligations, both to the civil power and internationally. I am anxious to ensure the preservation of buildings does not create an expense that could be better utilised to maintain members of the force, and that balance will have to be struck.

Defence Forces Personnel

2. **Deputy Jonathan O'Brien** asked the Minister for Defence the numbers of personnel who have been medically discharged from the Defence Forces each year for the past three years; and if he will make a statement on the matter. [25202/11]

Deputy Alan Shatter: The military authorities have reported that the numbers of personnel discharged from the Permanent Defence Force on medical grounds in each year since and including 2008 are as follows: in 2008 some 19 enlisted personnel were discharged; in 2009, two officers and 42 enlisted personnel were discharged; in 2010, one officer and 33 enlisted personnel were discharged; and to date in 2011, one officer and 24 personnel were discharged. The figures I have provided for enlisted personnel also include any recruits or cadets that may have been medically discharged during each of the years.

The maintenance of a cadre of personnel capable of meeting the physical demands of a career in the Defence Forces is a key human resources requirement. The medical classification of all personnel is kept under review and where it is confirmed as being unfit for service with the Defence Forces, action is initiated towards retirement, relinquishment of commission or discharge, as the case may be.

In the context of the roles assigned by Government to the Defence Forces, military medical services and facilities exist to maintain the health of Defence Forces members and to support them in their operational and overseas activities. In this regard the focus of the military medical services is on primary care, occupational medicine, acute trauma management, preventative medical programmes and field medical training.

Serving members of the Permanent Defence Force, PDF, are provided with free medical treatment within military medical facilities by Defence Forces medical officers. While medical facilities are available within the Defence Forces, the Defence Forces are dependent on public health care facilities for the provision of higher-level hospital inpatient services for its members.

Costs incurred in accessing such external medical services are met from the Department of Defence Vote. The services of civilian general practitioners are engaged to provide primary care when medical officers are not available.

Deputy Jonathan O'Brien: I tabled this question because several people have come to me with concerns about how people are medically discharged. I refer to one example. Recently, I met a man who has 11 years of service in the Naval Service. He was diagnosed with Crohn's disease in June 2009. In that year he had 140 days of sick leave which resulted in his medical grade being reclassified. The report stated that he had a chronic medical condition requiring regular medical supervision and that he was unfit for seagoing duties. In September 2010 his medical grade was again reclassified to state that he was below standard for a contract extension. Nevertheless, since 1 January 2010 up to last week he has only been sick for two days in the past 19 months. He is not on any medicine and he has not seen a doctor or anything for the past 19 months but he cannot get an extension to his contract. In February 2011 the appeal board turned down his request for an extension. It confirmed his medical grade as being unfit for seagoing duties. He is still active in the Naval Service. His contract is up at the end of October and he is now facing a situation whereby he must leave the Naval Service although he believes himself medically fit.

An Leas-Cheann Comhairle: Could you frame a question please Deputy?

Deputy Jonathan O'Brien: I realise there is no independent medical board to which he can appeal because the appeal board is convened by the Naval Service. How many other similar cases are there? This man has experience in the Naval Service. He is keen to continue serving and has made a life choice to dedicate his life to the Defence Forces. Unfortunately, he fell sick in 2009 but since 2010 he has had only had two sick days and he is not under any medical care at the moment but he cannot get an extension.

Deputy Alan Shatter: I am sure the Deputy will appreciate that I cannot comment on individual cases. I am not familiar with the case to which the Deputy is referring. When a decision is made with regard to someone's capacity or fitness to continue within the Defence Forces there is a provision that an appeal may be made to the medical director with regard to decisions made. I do not know the reason why in the case of the individual named the contract has not been extended. Ultimately, whether to grant a contract extension is a decision to be made within the Defence Forces and there may be operational or other reasons for this of which we are not aware. If the Deputy provides me with the name of the individual and any other relevant information I can have the matter examined. Beyond that I cannot help the Deputy on the issue.

Deputy Jonathan O'Brien: I thank the Minister and I will pass on the information. As regards operational issues, in his latest report of June 2010 the potential for promotion for the person concerned was deemed above average as was his overall performance and there is no operational reason he cannot remain.

Deputy Alan Shatter: If the Deputy passes on the details to me I will have an inquiry made into the matter. Having said that I cannot make any promises and I do not wish to give unrealistic expectations. There may be good reasons the decision was made.

Naval Service Operations

3. **Deputy Dara Calleary** asked the Minister for Defence the number of fisheries related

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arrests and seizures carried out by the Irish Navy during 2009, 2010 and to date in 2011; if he will provide the figures by home country; and if he will make a statement on the matter. [25204/11]

Deputy Alan Shatter: The Naval Service has powers to unilaterally intervene at sea. Under the Sea-Fisheries and Maritime Jurisdiction Act 2006, the Naval Service is empowered to board and inspect vessels and their cargos and, when necessary, to formally detain vessels and direct them to port. Fishing vessels detained by the Naval Service at sea are handed over at a port to An Garda Síochána for arrest. The Naval Service assists the Sea-Fisheries Protection Authority, SFPA, in promoting compliance with and deterring contraventions of the Common Fisheries Policy. The SFPA liaises regularly with the Naval Service and *inter alia* the Fisheries Monitoring Centre, FMC, and the Air Corps.

In order to achieve strict compliance with quota and other conservation legislation under the Common Fisheries Policy, Naval Service targeted boardings and inspections are agreed between the SFPA and the Naval Service. Boardings are targeted based on the risk analysis carried out by the FMC. The criteria examined for the risk analysis include the fishing vessel's date of last offence, the date of last gear inspection, the number of days fishing in Irish waters, the species targeted and the method of fishing.

In 2009, the Naval Service carried out 1,841 boardings at sea of vessels of various nationalities with 15 fishing vessels detained. In 2010, the Naval Service carried out 1,684 boardings with eight fishing vessels detained. Statistics up to the end of August for this year show the Naval Service has carried out 1,100 boardings and has detained 11 vessels. Further details of vessels detained and their country of origin are contained the following tabular statement.

Fishing Vessels Detained by Irish Naval Service — 2009, 2010 and 2011

Nationality	2009	2010	2011 to date	Total
Irish	4	3	4	11
Spanish	1	3	4	8
UK	5	2	2	9
French	5	0	0	5
Belgian	0	0	1	1
Total	15	8	11	34

Deputy Dara Calleary: I praise the Naval Service for its work this summer and the number of rescues carried out at sea. I have a suspicion that the tabular information will feature one country in particular. This discussion arises from a discussion held in the House involving Deputy Harrington prior to the recess. Given that there were 1,100 operations and boardings to the end of this month and given the close relationship between the Sea-Fisheries Protection Authority, SFPA, and the Naval Service, is there any element of cost recovery on the part of the Naval Service from either the SFPA or the Department of Agriculture, Fisheries and Food? Without the Naval Service input into this area the work of the SFPA would be more or less useless.

Deputy Alan Shatter: Naturally the Naval Service has a particular role to assist the civil powers and the role that the Naval Service plays is important. As far as I am aware there is no costing whereby the Naval Service seeks to recover what could be designated as an expense incurred by it in these activities. This is part of the role the Naval Service plays in serving the State and it carries out important work in this area. I share with the Deputy my admiration for

the work it undertakes. We have many dedicated members of the Naval Service who carry out this work.

The Deputy has made a supposition with regard to fishing vessels detained by the Naval Service. If he examines the tabular statement given covering 2009 and 2010 as a full year and to date in 2011, the Deputy might be surprised to discover that top of the list are Irish naval vessels, 11 of which were detained, second are UK naval vessels of which there were nine and third are Spanish naval vessels.

Deputy Dara Calleary: I presume the Minister is referring to fishing vessels not naval vessels.

Deputy Alan Shatter: I should say fishing vessels not naval vessels. We have not yet detained a submarine or a cruiser coming from any particular location. There are eight Spanish fishing vessels on the list, nine were from the United Kingdom, five were French and one was Belgian. During the period between 2009 and 2011 up to the end of August, there were a total of 34 separate vessels listed.

Official Engagements

4. **Deputy Clare Daly** asked the Minister for Defence his plans to visit Irish troops serving in Lebanon; and if he will use the opportunity to visit Gaza and extend Irish solidarity to the oppressed Palestinian people. [25255/11]

Deputy Alan Shatter: I am pleased to inform the House that I will make my first visit to Irish troops serving overseas when I will accompany President McAleese on her official visit to Lebanon next month. The programme for the proposed visit which is being arranged by the Department of Foreign Affairs and Trade will include a visit to Camp Shamrock, the headquarters of the 104th Irish Battalion deployed with the United Nations Interim Force in Lebanon, otherwise known as UNIFIL. I am looking forward to accompanying the President on her visit to the camp and meeting Irish personnel, many of whom I met prior to their departure to Lebanon. The personnel have been deployed to UNIFIL in southern Lebanon since June this year and we will witness at first hand the dedication and professionalism of our military personnel serving with the mission.

A visit to Gaza is not included in the itinerary for the presidential visit.

Deputy Clare Daly: I am glad the Minister is to visit the troops in Lebanon, although I am not sure of the timescale for the visit. The purpose of the question was to make the point that, given that the Minister would be in the region, it would it be an ideal opportunity to lead from the front and extend solidarity with the people of Gaza by attempting to incorporate a visit there? I would like the Minister to comment on this point. Earlier in the year a vessel on which Irish citizens were travelling was sabotaged by Israel in attempting to bring aid to Gaza. It remains the case that 66% of the people in Gaza are food insecure, that 80% rely on foreign aid and that 300,000 people are living on less than \$1 a day. These figures have probably worsened dramatically since the start of the blockade of Gaza. Does the Minister not consider that in his role as Head of State of the Defence Forces he should use the opportunity presented by the visit to the region to attempt to make a visit to Gaza to extend solidarity? Will he respond specifically to this part of the question?

Deputy Alan Shatter: I thank the Deputy for her suggestion I am Head of State, but I have not yet been elevated to that particular post and do not anticipate ever seeking it or being elevated to it.

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The visit has been specifically arranged to visit and talk to the troops in Camp Shamrock and to get a sense of the situation in the region in the context of the very important work they are doing. I note what the Deputy said about Gaza. The Palmer report published by the United Nations indicates that in the circumstances the Israeli naval blockade of the Gaza Strip is legal. It is, of course, a policy of the Government to encourage both Israel and the Palestinians to engage in comprehensive and constructive negotiations with a view to reaching a peace settlement which will facilitate an independent Palestine and an independent Israeli state in peace and security side by side. Unfortunately, the Deputy has a somewhat simplistic view of the complexities of the issues involved in regard to Gaza. I have very particular concerns about the impact on the population in Gaza of the regime which has taken over in Gaza. Hamas has subjected elements of the population to extraordinary restrictions, is responsible for a number of murders of Palestinians and for making it impossible for President Abbas to visit Gaza for fear of his own personal safety. Of course, while the peace process has been substantially stalled for some time, it is certainly not assisted by the reported rocket attacks that take place from Gaza into the State of Israel. The issues are a good deal more complex than the Deputy may wish to accept, but it is a particular concern of the Government that the peace process be reactivated and dialogue recommence with a view to facilitating an end to what is a very tragic and continuing conflict.

Deputy Clare Daly: Whatever is the Minister's official role, he has an important role to play in this situation. It is totally remiss of him not to take the opportunity when he is in the region to attempt to visit Gaza. If he is suggesting his schedule is so tight that he can only fit in a visit to Lebanon, that is one issue. However, he should consider my suggestion and if he plans to visit anywhere else, Gaza should be top of his list. I do not believe I have a simplistic view. The Minister's own view is partisan. Perhaps he might develop a better understanding of the situation and the plight of ordinary people if he were to take the trouble to take the not too large a step of paying a visit to view the situation in Gaza at first hand. He might then be better informed and able to come back and brief the House.

Deputy Alan Shatter: The Deputy is obviously unaware that I visited Gaza some three months after the last conflict which took place between Hamas and Israel, that I saw the nature of the difficulties in Gaza and that I am intimately aware of the complexity of the problem. It is a great pity in addressing the issues in the region she sees it all completely in black and white and is not prepared to engage in a manner which might genuinely contribute to the advancement of the peace process.

Deputy Clare Daly: The Minister was not in his current role at the time.

Other Questions

Overseas Missions

5. **Deputy Barry Cowen** asked the Minister for Defence the progress made on the current mission in the Lebanon since the arrival of troops there; the number of Irish troops currently on location there; and if he will make a statement on the matter. [25055/11]

Deputy Alan Shatter: Ireland has participated in the United Nations Interim Force in Lebanon, UNIFIL, since its establishment in 1978. UNIFIL's mandate has been extended by the UN Security Council on an annual basis. On 30 August the Security Council extended the

current mandate of UNIFIL until 31 August 2012. UNIFIL continues to play a critical role in helping to promote peace and stability in southern Lebanon. Following a request from the United Nations, Dáil Éireann approved the deployment of a contingent of Permanent Defence Force personnel to UNIFIL on 21 April.

An advance party of 47 personnel of the 104th Infantry Battalion, together with a work party of 42 personnel, deployed to southern Lebanon on 30 May. The work party has since been repatriated. The deployment of the main body of the 104th Infantry Battalion was completed on 27 June. Currently, a total of 454 Irish personnel are serving with UNIFIL, including nine personnel at the force headquarters in Naqoura.

The Irish battalion is based in sector west of UNIFIL's area of operations in an area designated by the force commander, centred on the major towns of Tibnin and Bint Jubyal and the Blue Line which separates Lebanon and Israel. On arrival in Lebanon, the Irish battalion took over UN Post 6-5, renamed Camp Shamrock in Tibnin, followed by two forward UN posts, namely, UN Posts 6-50 and 6-52, and declared full operational capability on 27 July. The battalion now has responsibility for an area of operations measuring approx 140 sq km and which incorporates 11.3 kms of the Blue Line.

The Defence Forces have advised that the security situation in the Irish battalion area of operations is assessed as "calm" and the situation in the UNIFIL area of operations remains calm but unpredictable. The overall threat, from a UNIFIL perspective, for UNIFIL military personnel is assessed as "medium". There is no direct threat to UNIFIL personnel in the area of operations. However, the threat from improvised explosive devices, IEDs, is assessed as "high" along the coastal route to Beirut, in particular following attacks on Italian and French UNIFIL convoys on 27 May and 26 July, respectively, in the vicinity of Sidon.

Additional information not given on the floor of the House.

The Defence Forces battalion has been tasked primarily with patrolling, reconnaissance and ground-holding, while operating in close co-ordination and co-operation with the Lebanese armed forces in sector west. It is expected that the Finnish contingent will deploy with the Irish battalion by mid-2012. The Irish contingent will reduce once the Finnish forces deploy. Personnel of the 104th Infantry Battalion are scheduled to rotate in November.

The Defence Forces are playing a real and substantive role in helping to stabilise southern Lebanon and making a vital and important contribution to the success of the UNIFIL mission, as they have done throughout the world on so many occasions in the past.

Deputy Dara Calleary: People may be genuinely surprised to realise there are 454 personnel serving in Lebanon. We should continue to publicise this fact and praise the work they have done there. I noticed in the local media during the summer that locally based soldiers were writing articles about their work in Lebanon and it struck me that we should increase awareness of this. The 454 personnel all came from certain schools. Perhaps the Defence Forces might engage in some form of communications exercise with local schools, without giving too much away, to build knowledge of the work done by the Defence Forces in Lebanon. We have had a relationship with Lebanon since the 1970s but not enough work has been done during that time to build on the relationship.

On another issue, if our operations in Lebanon are being reviewed as part of the CS4 reorganisation, to which the Minister referred, will we still be in a position to maintain this level of deployment in Lebanon next year?

Deputy Alan Shatter: I agree with the Deputy. We should be proud of what our forces do in Lebanon, as well as of the small contingents of members of the Defence Forces located in

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other parts of the world that are engaged in peacekeeping and peace support activities. It would be a good idea that there would be greater knowledge within the wider community of what is happening in Lebanon. The welcome visit by President McAleese will bring a focus to bear in this regard. Unfortunately, the reality in this media age is that good works of this nature being done often only get a media focus when an event of some kind takes place. Very often it is an event that gives rise to casualties or concerns as opposed to the fact we have troops on the ground and the area is calm and they are substantially contributing to maintaining that calm. I was engaged in discussions with the Chief of Staff with regard to some humanitarian works in which the troops will be engaged to the benefit of the local community, which has been a tradition of the Irish force there.

In response to the query regarding Ireland's continuing engagement, as Minister for Defence I am committed to Ireland's continued engagement in missions of this nature. They are crucial to showing we have an ongoing commitment to peacekeeping and that the Defence Forces have a valuable level of experience they can contribute to such missions. This is one of the crucial reasons for one of my objectives, which is to try to maintain numbers at approximately 9,500 personnel, thereby retaining the capability and operational capacity to engage in this way on the international stage.

6. **Deputy Jonathan O'Brien** asked the Minister for Defence the position regarding requests for deployment of the Defence Forces, including expert personnel, overseas; his plans in relation to future Defence Forces overseas missions; and if he will make a statement on the matter. [25088/11]

Deputy Alan Shatter: Ireland has offered, through the United Nations standby arrangements system, UNSAS, to provide up to 850 military personnel for overseas service at any one time. This figure equates to approximately 10% of Ireland's standing Army, excluding reserves, and demonstrates Ireland's commitment to the cause of international peace. This is the maximum sustainable commitment that Ireland can make to overseas peacekeeping operations.

Ireland is contributing 524 Defence Forces personnel to 11 different missions throughout the world. The main overseas missions in which Defence Forces personnel are deployed are the UNIFIL mission, as mentioned, with 454 personnel, the NATO-led international security presence, KFOR, in Kosovo with 12 personnel, the EU training mission, EUTM, in Somalia with seven personnel, the EU-led operation ALTHEA in Bosnia and Herzegovina with seven personnel, and the NATO-led international security assistance force, ISAF, in Afghanistan with seven personnel. As I mentioned earlier, personnel of the 104th Infantry Battalion completed their deployment to UNIFIL on 27 June 2011. The Defence Forces deployment to UNIFIL will be for one year initially, subject to renewal of the mandate and a satisfactory review of the mission. Ireland's participation in the mission is expected to continue for three to four years.

Ireland receives requests from time to time for participation in various missions and these are considered case by case. When considering any particular request, the existence of realistic objectives and a clear mandate which has the potential to contribute to a political solution, consideration of how the mission relates to the priorities of Irish foreign policy, and the degree of risk involved are among the factors considered. Apart from the recent deployment of a battalion to UNIFIL and the appointment of Colonel Michael Beary last month to the post of mission commander in Somalia, no other deployments are planned or envisaged at this time.

Deputy Jonathan O'Brien: I thank the Minister for his response. I note from the figures supplied that of the 850 military personnel, only 524 have been deployed overseas. Conse-

quently, it is fair to state the capability and capacity still exists. I ask the Minister to reaffirm his support for the triple lock mechanism in respect of overseas missions.

Deputy Alan Shatter: The Deputy asks me that question whenever Question Time is on defence matters.

Deputy Jonathan O'Brien: It is not that I do not trust the Minister but is just——

Deputy Alan Shatter: The position has not changed from the first time I answered the question on the first occasion on which I took defence questions.

Deputy Jonathan O'Brien: I will ask the question again the next time.

National Emergency Plan

7. **Deputy Denis Naughten** asked the Minister for Defence the date on which the last meeting of the task force on emergency planning was held; the agenda for that meeting; when same is planned to hold a further meeting; and if he will make a statement on the matter. [25000/11]

Deputy Alan Shatter: The Government task force on emergency planning, which I chair, meets regularly, most recently on 30 June 2011. The next meeting is scheduled for 29 September 2011, which is next week. The task force was established following the 11 September attacks in 2001 and 70 meetings have been held to date. The role of the task force is to support co-ordination of emergency planning across Departments and agencies, to provide a forum for keeping emergency planning high on the agenda of all Departments and to examine any cross-cutting issues. Representation at the task force can be at ministerial level or more usually at senior official level.

While the details of matters discussed at meetings of the task force are confidential, I can confirm it examines current risks and supports co-ordination arrangements for emergency planning across the Government. At the last meeting, the task force received a comprehensive and valuable presentation from the Office of Public Works on flood forecasting and warning systems. There were also presentations from the Department of Communications, Energy and Natural Resources and from the office of emergency planning. At each meeting I have chaired, there normally has been one or more presentations on issues that could give rise to concerns or give rise to the need for an emergency response. It is a mechanism to ensure such issues are addressed on a cross-departmental basis and there is a possibility for dialogue and consideration of potential gaps that must be addressed. In addition, each meeting of the task force has a standing agenda item, which is referred to as an assessment of the current security threat and which is provided by An Garda Síochána and the Defence Forces. Wearing my hat as both Minister for Justice and Equality and Minister for Defence, it is a useful mechanism for cross-departmental briefings on issues that may be a matter of concern.

Deputy Denis Naughten: I thank the Minister for his response. The most recent meeting pertained to flood risk and advanced warning, and a presentation was given by the Office of Public Works. The previous meeting pertained to an update concerning the severe weather experienced last Christmas. It is clear there was a lack of leadership with regard to the severe weather experienced last Christmas. It took the outgoing Government a considerable length of time to initiate emergency planning and to decide who would be responsible for it. Has consideration being given to allowing the Defence Forces to lead that agency no matter what the crisis, whether it be flooding or some other severe weather issue? The Defence Forces have the skill set to carry out the requisite co-ordination. Moreover, has the lack of co-ordination last December between local authorities, the HSE and the Defence Forces been resolved? Are

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clear protocols in place to ensure the Army is not obliged to wait almost for a gold-plated invitation before it can provide the civil authorities with the assistance they so urgently need?

Deputy Alan Shatter: A number of recommendations were made to the task force arising from the weather events that took place last year and early this year and these are being taken on board. They are cross-departmental recommendations in the sense that they do not specifically apply to the Defence Forces. They require different Departments and local authorities to approach matters in a particular way. I do not believe it would be appropriate for the Department of Defence to take over matters because some of the skill sets in these areas are within that Department while others reside within other Departments. The emergency planning approach in Ireland to date has developed on the basis of what is known as the lead Department principle. This means that each Department is responsible for planning for and responding to those emergencies which will fall within its remit. In this context, there are certain emergencies, for example, in which the Department of the Environment, Community and Local Government is the lead Department. It would be my job as chairman of the taskforce to ensure that matters are duly co-ordinated and other assistance required from other Departments is provided.

The lead Department would be involved in making decisions and the taskforce, in a sense, is a backup to it. The lead Minister on environmental issues is the Minister, Deputy Hogan, not me. The taskforce would, if there was a major emergency derived from weather or another difficulty, meet and ensure the necessary co-operation took place.

I do not want to comment on difficulties that arose during the lifetime of the previous Government. I am doing what I can as chairman of the taskforce to ensure that we have the maximum co-ordination and co-operation. I think, in fairness, it also has to be acknowledged that occasionally weather events can occur that are a great deal more severe than may have originally been anticipated.

It is always easy to blame Governments for not predicting the weather completely correctly or predicting the consequences of a weather event. It is important that the recommendations made are implemented. I would emphasise that in the context of other weather events such as the fires we experienced during the summer months. Again, we were assured they were dealt with speedily. There was co-operation between the relevant local authorities and the Defence Forces.

Deputy Denis Naughten: I thank the Minister for his response. Can he assure the House the next severe emergency will not be dependent on whether it snows in County Meath or Kilkenny and there will be some type of independent arbiter? The situation which arose last Christmas in my constituency should not occur again. Families were marooned for three weeks and the emergency planning strategy was not put in place because the Minister concerned happened to be on a sun holiday in the Mediterranean and did not believe it was an issue.

Can the Minister assure the House that such a situation will not arise again? Can he also assure the House that emergency vehicles and 4x4 ambulances will be made available in communities that do not have a local hospital, such as my constituency? Isolated rural communities are hugely dependent on the ambulance service. Emergency planning did not live up to its responsibilities last winter.

Deputy Alan Shatter: I can only say to the Deputy that I believe it is important that we properly plan and that we have in place the systems necessary to respond when emergencies arise, but we also have to remember that on occasion emergencies occur that may not have been anticipated and it is necessary to move personnel or vehicles to the location where an

event occurs. There may be some timeframe involved or not. They should never be any timeframe which requires two or three weeks to elapse before there is an adequate response to an emergency.

Defence Forces Recruitment

8. **Deputy David Stanton** asked the Minister for Defence his plans for general service recruitment to the Defence Forces for the remainder of 2011 and in 2012; and if he will make a statement on the matter. [25086/11]

Deputy Alan Shatter: The Deputy will be aware of the restrictions on recruitment to the public service generally arising from the necessity to restore balance to the public finances. In the context of this challenge, the Government intends to maintain the operational efficiency of the Defence Forces to the greatest extent possible, as I mentioned earlier.

To this end, targeted recruitment was carried out in 2010 and to date in 2011. The military authorities have advised that to date in 2011 a total of 290 general service recruits have been enlisted. Given the particular circumstances of the Defence Forces it is my intention that targeted recruitment will continue within the resource envelope allocated to defence for 2012. As previously mentioned, there is a possibility that there will be some additional recruitment this year. Definitive decisions on that have yet to be made.

Deputy David Stanton: Does the Minister have any information on how many members of the Defence Forces will retire before the end of the year or in February, which seems to be the deadline? If so, is it possible to replace them? What is the policy of the Minister on members of the Defence Forces who are acting up or are in acting positions due to a lack of recruitment and promotion?

Deputy Alan Shatter: I reiterate it is not clear yet how many may retire during the course of this year. I can assure the Deputy that, in so far as retirements do take place, we will ensure that the necessary officers may be appointed to replace anyone who may retire at officer level. In so far as anyone may retire at private level or other levels within the Defence Forces, obviously this is an operational matter for discussion between me and the Chief of Staff.

As stated earlier, I am absolutely committed to maintaining both the capabilities of the Defence Forces and its operational capacity. This is a matter kept under continuing review. It is one of the reasons we are giving consideration to possibly having some additional recruitment before the end of this year.

Deputy David Stanton: Is there any information on those who are acting up because positions have not been filled? People are working in such roles because of the lack of recruitment. Has the Minister given any consideration to making any positions permanent or promoting people to permanent positions?

Deputy Alan Shatter: In that context, we are of course trying to ensure that, within the defence establishment, we keep within our financial envelope this year and within the restrictions that we have to operate within. There will be some further appointments made before the end of the year where currently there are gaps, but I cannot guarantee to the Deputy that all the gaps will necessarily be filled. There would be certain areas, obviously, that would be prioritised.

Deputy Dara Calleary: In terms of the Minister's plans for recruitment will he focus on any particular branch of the forces, such as the Army, navy or air corps?

Deputy Alan Shatter: In the context of recruitment, it is likely to cover the area of the Naval Service and the Army at this stage. The exact numbers have to be clarified and agreed. I am happy to keep the Deputy informed when decisions are made without the necessity of the Deputy tabling a Dáil question on the matter. I will do the same to facilitate Deputy O'Brien, who is spokesperson for Sinn Féin.

It is important — I want to emphasise this — that we recognise in straitened circumstances there is a limit to the manner in which we can deal with resources. With regard to recruitment, within the Department of Defence we have been very careful to stay within our resources and to produce efficiencies where necessary. That is why we may have some small leeway to recruit some additional people before the end of the year in circumstances where we are cognisant of retirements taking place.

Defence Forces Deployment

9. **Deputy Jonathan O'Brien** asked the Minister for Defence if he will provide an update in the EUTM Somalia, the EU mission to contribute to the training of Somali security forces and the involvement of Defence Forces or any other personnel from this State; the aims of this project; the level of oversight and if this has changed due to the present famine conditions in the horn of Africa; and if he will make a statement on the matter. [25089/11]

Deputy Alan Shatter: The EU training mission, or EUTM as it is known, in Somalia — there is an abbreviated version of every mission that people are engaged in — to train the security forces of the Somali Transitional Federal Government was launched on 7 April 2010 in implementation of UN Security Council resolutions 1872, 2009 and 1910, 2010. These resolutions urge the international community and organisations to provide technical assistance for the training of the Somali Security Forces.

The mandate of the mission is to train 2,000 selected Somali recruits in two intakes in the Bihanga camp, which is 300 km south west of Kampala in Uganda. Following Government approval, five members of the Defence Forces, two officers and three NCOs deployed to EUTM in Somalia in April 2010, for a period of 12 months to assist in the training of potential Somali non-commissioned officers, NCOs.

In June 2011, the Government approved continued participation in the mission for a further period of one year beyond August 2011, subject to an appropriate decision of the Council of the European Union authorising the extension of the mission. On 28 July 2011, the Council of the European Union adopted a decision extending the mission for a year.

The original mandate of the mission was to train 2,000 recruits in two intakes in Uganda. The second intake completed their training in July 2011. The mission has trained 1,776 personnel in total. The European External Action Service, EEAS, has recently completed its fourth mission assessment and noted that the reintegration and return to Mogadishu of the first intake of trained soldiers is complete and that planning is in train for the return to Mogadishu of the second intake of recruits.

Ireland's participation in Somalia is part of a larger effort to support, together with our EU partners, the creation of functioning, stable institutions there, without which there is little prospect of political progress in that troubled country. The devastating impact of the current famine in the country serves to underscore the need to make rapid progress toward achieving a representative and effective government. The adoption on 6 September of the roadmap for ending transition in Somalia represents a welcome step towards that goal.

Oversight of the mission is exercised in accordance with the relevant provisions of the Treaty on European Union.

Additional information not given on the floor of the House.

The mission plan for the refocused mission has recently been finalised and was presented to the Political and Security Committee, PSC, on 13 September. Future training will focus on developing Somali command and control, specialised capabilities and Somali self-training expertise.

Colonel Michael Beary of the Defence Forces was appointed mission commander with effect from 9 August, succeeding Colonel Ricardo Gonzalez Elul of the Spanish armed forces. As mission commander, Colonel Beary is responsible for managing all aspects of the mission. He has a key role in interacting with Uganda as host nation, the United States, the United Nations and the African Union Mission in Somalia, AMISOM. He is also responsible for briefing the PSC in Brussels and Defence and Foreign Ministers at the EU Foreign Affairs Council meetings.

Ireland continues to contribute three personnel to a joint training team with the Maltese armed forces which is providing training in Bihanga Camp. Colonel Beary and two other Irish personnel are based in mission headquarters in Kampala. One other Defence Forces officer is based in the mission headquarters support cell in Brussels.

Deputy Jonathan O'Brien: Regarding the ongoing humanitarian situation in Somalia, what training is being undertaken? Does it just relate to military operations or are we also giving assistance in terms of training in carrying out civil duties, including restoring political stability? Are we providing any training on the humanitarian aspects or is it solely military training?

Deputy Alan Shatter: The Government has been following and responding to the increasingly difficult situation in Somalia and the Horn of Africa region for many months and allocated more than €9 million in emergency assistance. On a *per capita* basis, Ireland's contribution is one of the most significant responses to the crisis. Funding from Ireland has been used directly by the United Nations, the Red Cross and NGOs such as Concern and Trócaire to provide vital food, supplies, shelter, basic health care and clean water for thousands of people in some of the worst affected areas of the region. Thanks to this assistance, we believe the lives of hundreds of people are being saved every day across Somalia, Kenya and Ethiopia. In addition to the financial help, the Department of Foreign Affairs and Trade, through Irish Aid, has carried out two airlifts of humanitarian supplies from its prepositioned stockpiles in Dubai. Looking ahead, the Government is in ongoing contact with our partners in the region. We are actively examining options for the provision of further support and will do what we can to be of assistance. The problems of the region will not be adequately solved without political settlements and an end to the violence taking place on a regular basis and which, together with famine, is substantially contributing to the appalling plight of the tens of thousands of refugees dependent on aid in the region.

Deputy Jonathan O'Brien: Are we also training the troops in how to respond to the humanitarian crisis, apart from the aid we are giving?

Deputy Alan Shatter: We are essentially training troops who, we hope, based on the ethos and principles we bring to the mission, will have a degree of insight in carrying out their duties when they return to Mogadishu. It is hoped this will prove to be a valuable contribution in achieving a degree of stability, but, of course, no one can guarantee this.

Defence Forces Reserve

10. **Deputy David Stanton** asked the Minister for Defence further to Parliamentary Question No. 322 of 5 April 2011, when he expects the value for money review of the Reserve Defence

[Deputy David Stanton.]

Forces to be completed; if the steering committee has agreed on a timeframe for completion of this review; and if he will make a statement on the matter. [25087/11]

Deputy Alan Shatter: As the Deputy is aware, a value for money review of the Reserve Defence Force commenced in February 2010. Significant progress has been made on the review and in the normal course of events I would have expected it to have been completed and that we would be commencing the implementation of the review findings.

The Government is fully engaged in making the difficult corrections necessary to consolidate the public finances. In this regard, a comprehensive review of expenditure is under way. All Departments are working with the Department of Public Expenditure and Reform in identifying potential expenditure cuts. The Department of Defence is no exception to this process and there has been a broad review across all defence expenditure. This priority has drawn on the team undertaking the value for money review of the Reserve Defence Force which has resulted in the need to extend the time required to collate and analyse value for money data and prepare draft findings. More importantly, specific recommendations relating to the Reserve Defence Force cannot be presented in isolation from the broader review of the defence Vote. Accordingly, finalisation of the value for money review will take account of the outcome of the comprehensive review of expenditure process. The steering committee will meet in the coming weeks to consider the progress made to date and agree the timeframe for the completion of the review, taking account of the comprehensive review of expenditure process under way.

Deputy David Stanton: Does the Minister agree that it has been a long time — some 18 months — since it commenced its work? When does he expect a report to finally issue? I ask him to outline his overall plans for the Reserve Defence Force? Does he agree that for decades the force has not had an objective or meaningful role beyond training? Will the forthcoming White Paper on defence contain a meaningful role it? Is it his intention that it should continue in existence? Is he aware that some people suggest we do not need a Reserve Defence Force anymore, while others suggest it should be used as in other countries and serve overseas? When is the White Paper on defence due to be published?

Deputy Alan Shatter: I am keenly aware of the concerns expressed by some of the members of the Reserve Defence Force. I attended the annual meeting and used my time to engage with members of the force and discuss their concerns. I am, of course, aware of the importance of maintaining the Reserve Defence Force and its role will be one of the issues to be addressed in the White Paper. I believe I would have told the House at an early stage that before we published a White Paper it was my intention to publish a Green Paper to afford an opportunity for public debate and input by Members of the House into the contents of the White Paper. I am conscious that the previous White Paper essentially laid down a prescription for the Defence Forces for more than a decade. I am conscious, therefore, of the timeframe that may apply to a new White Paper and I am anxious that Members and the general public have an opportunity to feed into the process. The White Paper will address issues relating to the Reserve Defence Force, but the Green Paper initially will do so also. It will afford members of the Reserve Defence Force the opportunity to feed into the deliberative process. I do not want to prejudge the future role of the Reserve Defence Force in the context of what I hope will prove to be a constructive public discussion and discussion in this House on the Green Paper when finalised which I hope will happen, if not before the end of this year, very early next year.

Deputy David Stanton: I welcome the announcement that a Green Paper will be published relatively soon. What is the effective strength of the Reserve Defence Force? Has any recruit-

ment taken place in the past 12 months? What are the plans for further recruitment in the next 12 months?

Deputy Alan Shatter: I have a figure in my head for the current strength of the Reserve Defence Force, but I do not have the exact figure in the file. I do not want to give a figure to the Deputy without ensuring it is correct. I propose to furnish it to him later. There may be a difference between the formal number of members of the Reserve Defence Force and those who are actively engaged in training with it. There is a distinction in the figures, but I will certainly furnish the up-to-date figures to the Deputy.

Defence Forces Review

11. **Deputy Bernard J. Durkan** asked the Minister for Defence if he accepts the need to maintain the strength, standard of equipment and readiness of the Defence Forces at all times notwithstanding financial curtailments arising from the EU-IMF bailout and having particular regard to the reliance on the Defence Forces in cases of emergency, natural disasters or terrorist activity; and if he will make a statement on the matter. [25043/11]

Deputy Alan Shatter: I am advised that at this time the Defence Forces retain the capacity to undertake the tasks laid down by the Government both at home and overseas, as clearly evidenced by the numbers currently overseas, as detailed in response to earlier questions.

As I seem to be saying repetitively this afternoon, the Government is undertaking a comprehensive review of expenditure and my Department has submitted a report as part of that process. The report sets out in clear terms the options available to the Government with regard to defence funding. The outcome of the comprehensive review of expenditure will determine the future resource envelope available to the Department of Defence. The Deputy will appreciate that as this is an ongoing deliberative process, I am not at liberty to discuss the detail of my Department's submission at this time.

I note the Deputy's point about the wide range of roles assigned to the Defence Forces. In many states military capabilities are retained solely for national defence contingencies or overseas missions. In Ireland the Permanent Defence Force is also utilised on an ongoing basis to provide a broad range of security and other services. The outputs of the defence organisation form an integral part of a multidimensional defence, security and support framework. This framework encompasses the outputs of other organisations such as my other Department, the Department of Justice and Equality, the Department of Foreign Affairs and Trade and An Garda Síochána. This approach maximises the utility the State accrues from the Defence Forces.

The defence organisation has a proven track record of successful reform and modernisation. For more than a decade reform has been driven internally, following a series of external reviews in the 1990s. This modernisation agenda has resulted in all elements of the defence organisation downsizing. In contrast to the general trend in the public service, defence expenditure decreased in real terms in the period from 2002. This period also saw a rebalancing of defence expenditure with investment in new equipment and infrastructure, which is of substantial importance to ensure the Defence Forces are fully able to meet all of their obligations and commitments.

Deputy Bernard J. Durkan: I thank the Minister for his comprehensive reply. He has indicated there have been repeated questions from Members in this respect. Does he accept that in times of economic difficulty there was always a tendency for the Defence Forces to become victims of financial constraints? Given the reliance on them in the past 12 months, in particular, does the Minister agree that it is imperative that we ensure we retain the maximum level of

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equipment and personnel in order to provide the civil authorities with the necessary backup, as required, whether in assisting the fire fighting service in flood relief work or in attending to any of the many and varied duties they have been called upon to carry out?

Deputy Alan Shatter: I hope the Deputy will not take anything more from my responding “Yes” to what he said. I agree with what he said. It is important we maintain the capabilities of the Defence Forces, the numbers for which are close to 9,500, to reflect the numbers in the 1970s. It is important to ensure we can meet our international obligations and that the Defence Forces can adequately respond to assist the civil power, where necessary, in the context of the broad range of activities in which they engage such as those mentioned by Deputy Naughten, including assisting in dealing with the impact of climatic conditions that create unexpected emergencies. The Defence Forces play a role, for example, in security matters in Portlaoise Prison. They also perform a broad range of roles domestically, not all of which the public would necessarily be aware of. My challenge in the years ahead will be to sustain their capabilities within the reduced resource envelope generally available to the Government. I agree with Deputy Durkan’s statement that it is important that we do so. It is my task to try to achieve this and I would appreciate support from all Members of the House in being successful in that task.

Deputy Bernard J. Durkan: I thank the Minister for his extended reply. I welcome his commitment to ensure the Defence Forces are kept at maximum strength and have the maximum level of required equipment. He can be assured of the support of Members of the House, particularly those of us who come from a constituency with a military tradition. If he requires the assistance of Members across the House during the course of any discussions that might take place on budgetary matters, I ask that he call on us.

Deputy Dara Calleary: We are not normally that shy.

Deputy Bernard J. Durkan: He will find us most willing.

An Leas-Cheann Comhairle: I will allow Deputy Stanton to ask a brief question.

Deputy David Stanton: Will the Minister comment on the strength and state of readiness of the Naval Service which performs many of its functions over the horizon in increasingly difficult and dangerous conditions? Will he comment on the extension of the maritime economic zone and the extra responsibilities being given to the Naval Service, in particular, and the need for it to have the best of resources because it operates in very dangerous conditions?

Deputy Alan Shatter: As I said on 31 August, there are 1,005 personnel within the Naval Service. I would have mentioned in a reply to Deputy Calleary that, in the context of possible additional recruitment this year, I envisaged that a portion would apply to the Naval Service. I am conscious of its obligations and extended jurisdiction or remit. It is important that we bear this in mind in addressing the issue of the number of personnel available to it to carry out its duties.

Overseas Missions

12. **Deputy Bernard J. Durkan** asked the Minister for Defence the discussions he has had with EU-UN colleagues in the matter of ongoing or further deployment of the Defence Forces overseas; and if he will make a statement on the matter. [25044/11]

Deputy Alan Shatter: As stated earlier, Ireland is contributing 524 Defence Forces personnel to 11 missions throughout the world. The main overseas missions, in which Defence Forces personnel are deployed, are the United Nations Interim Force in Lebanon, UNIFIL, with 454 personnel, and the NATO-led international security presence, KFOR, in Kosovo, with 12 personnel. Other personnel are serving as monitors and observers with the United Nations and the Organisation for Security and Co-operation in Europe, OSCE. Personnel are also deployed at the organisational headquarters of the European Union, the OSCE and NATO.

Ireland recently participated in the Nordic Battlegroup which was on stand-by from 1 January to 30 June. The other countries contributing to the battlegroup were Sweden, acting as the framework nation, Finland, Norway and Estonia. Our contribution was a reconnaissance company, together with staff posts at both the operational and force headquarters amounting to approximately 150 personnel.

Ireland is committed to participation in the Austro-German-led battlegroup which will be on stand-by for the second six months of 2012. Other contributors to that battlegroup are Austria, Germany, the Czech Republic, Croatia and the Former Yugoslav Republic of Macedonia. Ireland's contribution to the battlegroup will again be a reconnaissance company.

The total of 524 Defence Forces personnel serving overseas represents a significant contribution to international peacekeeping operations and the obligations Ireland has assumed through its membership of the United Nations. The recent deployment to UNIFIL has significantly increased the number of troops serving overseas, compared to the numbers serving in more recent times.

For the information of the House, I will be attending an informal meeting of EU Ministers for Defence which will be held in Wroclaw, Poland both tomorrow and Friday. For part of the day tomorrow I will also be attending a meeting of European Justice Ministers which is taking place in Brussels. On leaving Poland I will return to Brussels for the completion of that meeting. At this meeting I will have the opportunity to have discussions with the other EU Ministers for Defence and the operation and mission commanders of the main EU operations, including Colonel Michael Beary of the Irish Defence Forces. As mentioned earlier, Colonel Beary became mission commander of EUTM Somalia on 9 August — the European Union's mission to train Somali security forces in Uganda. Seven members of the Defence Forces are serving with this mission. The fact that Colonel Beary was named as mission commander is a clear illustration of the high esteem with which the Defence Forces are held at United Nations level. In advance of him being so appointed, I was engaged in discussions on the appointment being made at the request of the United Nations.

In addition, the Department constantly reviews the deployment of Defence Forces personnel overseas. However, following the deployment to UNIFIL and given the current straitened financial circumstances, it is not anticipated that there will be any major similar deployments in the foreseeable future.

Deputy Bernard J. Durkan: I thank the Minister for his comprehensive reply. We can join him in congratulating the Defence Forces, particularly given the high esteem in which they are held and the manner in which they discharge their duties worldwide. Notwithstanding the straitened economic circumstances in which we find ourselves, would it be helpful, given their experience, to, at least, keep open the prospect of meeting other deployment requirements that might arise from time to time, lest in the current economic climate the Defence Forces would not be as available as they otherwise would be? I know that is a Government decision and I respect that. However, I ask the Minister to keep in mind the necessity in order to have well-equipped and sharp Defence Forces and to have them on regular duty of that nature.

Deputy Alan Shatter: I assure the Deputy that is the case. I mentioned earlier that we have up to 850 members of the Defence Forces who could be deployed abroad. I was merely making the case that as we have in excess of 450 in Lebanon, we do not have the capacity to send a similar large number abroad. Clearly, if we receive a request from the United Nations to participate in other missions or to deploy small numbers of members of the Defence Forces in circumstances where there is a real contribution to be made to peacekeeping or peace enforcement, the Government retains an open mind on such deployments and does not rule them out as a possibility.

Deputy Nicky McFadden: I agree with Deputy Durkan that the Defence Forces are the victim of their own compliance. I am from a garrison town and my grandfather was a sergeant major in the Army. I know there is great concern about the number of non-commissioned officers who are above the age of 40. We must ensure that members of the Defence Forces are not too old to travel overseas.

According to the White Paper, the complement of the Defence Forces should be 10,500. It is now down to 9,500. I have serious concerns that the number will be reduced further. I would like the Minister to comment on this.

Deputy Alan Shatter: I am anxious to ensure, in the difficult financial circumstances in which we find ourselves, that the Defence Forces retain their operational capabilities to contribute to international peacekeeping missions and to participate in providing assistance to the civil power when that is necessary, such as during the type of climatic emergencies we saw in the past 12 months. It is part of my objective to ensure, in so far as is possible, that we maintain levels of personnel in or about the current numbers. I am anxious to ensure we do not go below the 9,500 figure that is the position at present. In that context, an overall review is being undertaken as to how we can utilise resources most efficiently for the benefit of the Defence Forces to ensure no funding is wasted which results in no value for the expenditure, how we might ensure the Defence Forces operate with the maximum efficiency, and how best we might use the training received by members of the Defence Forces. That is part of the overall financial review being conducted in which we are looking at all aspects of Defence Forces expenditure. We may have choices between spending money on the maintenance of buildings and reducing numbers within the Defence Forces or between retaining numbers and making decisions that require other efficiencies. These are all matters under consideration at present. No final decisions have been made by Cabinet but they are under active consideration.

I share the Deputy's concern that numbers should not fall below 9,500. I welcome her concern and those of Deputies Durkan and Stanton, who expressed similar views. I am not trying to make a party political point. I think Deputies Calleary and O'Brien are probably of a similar view.

Deputy Denis Naughten: The Minister might record my name among them.

Deputy Alan Shatter: And Deputy Naughten, whom I did not intend to leave off the list.

Deputy Dara Calleary: Nothing gets past Deputy Naughten.

Deputy Nicky McFadden: The Minister did not answer my question about the age of non-commissioned officers.

Deputy Alan Shatter: I referred previously to the fact that more than 200 Defence Forces personnel were recruited during the course of this year. It is vital to ensure a degree of age balance. There is intake into the Defence Forces, bearing in mind the number of retirements

that occur. A definitive decision has not been taken nor the numbers finalised, but I think it likely that there will be some additional recruitment to the Defence Forces before the end of this year.

Written Answers follow Adjournment.

Message from Select Committee

An Leas-Cheann Comhairle: The Select Sub-committee on Public Expenditure and Reform has completed its consideration of the following Supplementary Estimate for public services for the year ending 31 December 2011: Vote 42 — Department of Public Expenditure and Reform.

Topical Issue Matters

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Sean Fleming — the plans to downgrade Portlaoise hospital to change the emergency department to a medical assessment unit only, which is appropriate to a model 2 local hospital, the fact that there are to be no intensive care units in model 2 hospitals, and if the Minister and the HSE will reverse this decision given that Portlaoise is one of the busiest emergency departments in the country; (2) Deputy Catherine Murphy — the notification by the HSE that it will not fund the operation of the only centre specialising in domestic violence in Kildare, Teach Tearmainn. The new purpose-built centre was funded by the HSE and caters for the whole of County Kildare which is now the fourth most populated county, with 209,000 people. There is a particularly young demographic. This decision comes at a time when refugees generally are experiencing a huge increase in the demand for their services. To have a building that could provide a measure of safety to women and children and not be in beneficial use can surely not be justified as a good use of the millions it cost to build; (3) Deputy James Bannon — the need for the Minister for Education and Skills to give urgent consideration to designating Longford as the headquarters of the County Longford and County Westmeath amalgamated VECs, in light of its prime location and the significant capital investment by the Department of Education and Skills in VEC infrastructure in Longford over the past two years; (4) Deputy Michael Healy-Rae — up to 200 Garda stations could face closure after this year's budget as the Government looks to cut funding. The Garda Commissioner, Mr. Martin Callinan, has asked chief superintendents throughout the country to draw up a list of stations that could be closed as the force prepares for Government cuts to its budget. It is thought that the stations most likely to be closed are those manned by a single officer in rural areas. County Donegal is expected see a significant number of closures, with up to 24 stations being earmarked due to the number of small and part-time Garda stations there. There are 240 one-man Garda stations nationwide out of a total of just over 700 stations. The proposed closures come at a time when Garda Síochána ranks are on the verge of a significant drop-off. Membership within the force is facing a large fall as the rate of retirement increases combined with the suspension of Garda recruitment. Garda numbers have already fallen by 500 to about 14,000, and an estimated 1,200 members have 30 years of service and are entitled to take early retirement immediately. A recent report by RTE's "Prime Time" has warned that 8% of Garda stations will be left without a permanent garda if all those who are eligible to retire do so by next February. The report also went on to say that in excess of 10% of stations could be left with no permanent sergeants and that some Garda stations and specialist units face potential losses at every rank. Almost 1,200 gardaí, 8% of all ranks, can leave before next February. If they do not leave, their pensions will be reduced and gratuities taxed. If this were to happen, 39 stations would not have a permanent sergeant while 51 would not have a permanent Garda presence making closures inevitable. Thirty three out of the 44 chief superintendents can retire early at any time

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which could lead to a significant lack of seniority within the force. Closing stations could be a politically sensitive move by the Government which is under pressure from the electorate owing to cuts in public spending since it took office; (5) Deputy Nicky McFadden — the emergency department in Midlands Regional Hospital, Mullingar; (6) Deputy Joe McHugh — the closure this autumn of the *Irish Post* newspaper, which has maintained a link between this island and its 19,000 Irish readers in Britain, and which has maintained links between the various Irish groups in Britain; (7) Deputy Robert Troy — the future of Columb Barracks, Mullingar; (8) Deputy Dan Neville — the increase by 4% to 11,966 of presentations to hospital due to deliberate self-harm nationally; (9) Deputy Michael McNamara — health care issues in Raheen Hospital, County Clare; (10) Deputy Pádraig Mac Lochlainn — the impact on community safety of the proposed closure of more than 200 Garda stations, particularly in smaller rural communities such as those in County Donegal which may lose up to 24 Garda stations according to media reports; (11) Deputy Patrick O'Donovan — the need for the HSE to re-examine the decision to close respite beds in St. Ita's Community Hospital, Newcastle West and St. Camillus's Hospital, Limerick; (12) Deputy Pearse Doherty — to discuss the impact on community safety of the proposed closure of more than 200 Garda stations, particularly in smaller rural communities such as those in County Donegal which may lose up to 24 Garda stations according to media reports; (13) Deputy Jim Daly — the need to reform the rates system to encourage new SMEs; (14) Deputy Brendan Griffin — the need for individual jobs plans for all regions in the country; (15) Deputy Jerry Buttimer — the roll-out of real time passenger information for bus users outside of Dublin; (16) Deputy Billy Kelleher — to ask the Minister for Health to make a statement on the four hour stoppage taking place today at the Mid-Western Regional Hospital, Limerick by members of the Irish Nurses and Midwives Organisation and their call on the Minister to address their concerns about bed closures, budget cuts and a moratorium on staff recruitment; (17) Deputy Dara Calleary — to ask the Minister for Health what measures are being taken to ensure the recent decision by HSE west to write off €6 million owed to it by insurance companies due to the failure of consultants to fill out claims forms properly does not occur again; (18) Deputy Willie O'Dea — to ask the Minister for Jobs, Enterprise and Innovation what steps are being taken to tackle the major problems arising from the lack of credit available to small and medium-sized enterprises; (19) Deputy Timmy Dooley — the need to outline the Government's position at the UN on the recognition of a Palestinian state; and (20) Deputy Clare Daly — the matter arising from the revelations last night on "Prime Time" on RTE regarding the likelihood of severe job losses in Aviva insurance.

The matters raised by Deputies Jim Daly, Brendan Griffin, Michael McNamara and Robert Troy have been selected for discussion.

Topical Issue Debate

Local Authority Rates

Deputy Jim Daly: The importance of growth in the economy to complement the success we have made since becoming a programme member is underlined every day. It is important that the Government and the Oireachtas do everything possible to encourage and stimulate that growth. No sector is better poised to assist us in that area than the small and medium enterprise, SME, sector. If all 250,000 of them had the assistance to create one new job each, our dole queues would be halved overnight. It is important we support this sector, and that is why I raise this matter.

I wish to illustrate some of the obstacles created by the current rates system. A constituent who has a unit for lease has secured a new tenant. The new tenant has agreed to take on the lease of the unit which has been idle for the past six to nine months. Unfortunately, there is a rates arrears hangover attached to the unit and this transfers automatically to the new tenant, irrespective of the new tenant's history or of the new tenant's future. This anomaly causes serious obstacles to generating growth in our economy by allowing people to take up new leases. Landing a new tenant with a rates bill inherited from a previous tenant is outrageous.

Other constituents who wish to expand their business approached me during the week. They have a fabrics and soft furnishings business. They want to expand and have found an old car showroom which is suitable. They went to the local authority, because the rates on the premises are €1,700 per month, and asked the local authority to do a deal whereby they could pay 50% the first year, 75% the second year and 100% the third year, which seems reasonable in the current times. The local authority replied in writing that it has no discretion in this area. It is full rates or nothing. Unfortunately, the reality for Cork County Council is that, in this case, it will be nothing. The unit will be left empty because of the inflexibility of the rates system.

I lament a major lost opportunity in our recent jobs initiative where we should have grappled with this thorny issue because of the urgency and immediacy afforded to it. As a former county mayor, I am well aware of the importance of rates to every council. I am not criticising local authorities. In Cork County Council, for example, rates were worth €100 million a year. I also appreciate the challenges posed by the difficult and draconian legislation undermining the gathering of rates by each authority.

I earnestly request the Minister to act immediately, notwithstanding the current and planned reviews of rates, and give county and city managers discretion in the application of rates to new businesses willing to occupy vacant premises. This can be done by ministerial directive and does not require the long protracted legislative process, because time is of the essence and jobs are being lost. While headlines will always focus on the very tragic big job losses, the small loss and lost opportunities which make no headlines and appear on no record are just as much of a concern to me as a Member of the Oireachtas. I also ask the Minister to introduce emergency legislation to amend the existing Act that transfers the onus of rates, which are effectively a property tax on a building, from one errant tenant to a new prospective tenant who will create employment, generate revenue for the local economy and the rate collector — the local authority — and to speed up the current review of the rates system with a view to introducing a commercial rate that reflects the reality for SMEs in Ireland today, not the dark ages to which they belong.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Willie Penrose): I thank the Deputy for raising this important matter for debate, which I am taking on behalf of the Minister.

Rates income is a very important contribution to the cost of services provided by local authorities such as roads, water, public lighting, development control, parks and open spaces. The continued provision of these services is essential to creating and maintaining the local environment in which business can operate and prosper. Local authorities are under a statutory obligation to levy rates on any property used for commercial purposes in accordance with the details entered in the valuation lists prepared by the independent Commissioner of Valuation under the Valuation Act 2001. The levying and collection of rates are matters for each individual local authority. The annual rate on valuation which is applied to the valuation of each property, determined by the Valuation Office, to obtain the amount payable in rates is decided by the elected members of each local authority in the annual budget, and its determination is a reserved function of a local authority.

[Deputy Willie Penrose.]

The factors that influence the decision on the annual rate on valuation include the level of services to be provided by the local authority and the income available to fund these services. Therefore, elected members adopt the annual rate on valuation they consider necessary to provide the range of services for the communities, including businesses, in their area. In this regard, all rates collected locally are spent exclusively on providing services within that area. This is local democracy in action.

The Government is acutely aware of the pressures on small and medium-sized businesses and the challenging economic environment in which many property and business owners are operating at the moment. In this context, the Government is focused on reducing the costs of doing business to support competitiveness and employment in the economy and to protect the interests of communities. Local authorities have responded positively to requests to exercise restraint in setting commercial rates. Annual rates on valuation have been reduced by an average of 0.6% in 2010 and by a similar level in 2011. The Minister for the Environment, Community and Local Government will continue to keep all matters relating to rates under regular consideration. However, I have no immediate plans to reform the rating system.

That said, the Commissioner of Valuation, who has sole responsibility for all valuation matters, is conducting a programme of revaluation of all commercial and industrial properties throughout the State. This will produce more consistent and up-to-date valuations for rating purposes and will assist in making the rating system fairer and more equitable for ratepayers.

Deputy Jim Daly: I thank the Minister of State for his response. It is obviously not the response I wanted, and we need to look at that. The Oireachtas has a responsibility to move with the times, and to get a blanket clarification from the Minister that there are no plans to reform the system will not send a message to the business community that we are supporting the SME sector.

Empty units throughout the country are of no use whatsoever in terms of revenue to local authorities. Revenue should do what every other sector is doing, such as the hotel sector, which is suffering inordinately owing to rates, by offering course discounts and reviews and offering to do business with people. That is how markets react and how economies thrive and survive.

I urge the Minister of State to take on board my suggestion that county and city managers be given discretion, especially when it comes to vacant premises. Ultimately, it will lead to an increase in their revenue. I am not trying to deny any local authority its revenue.

The other argument made is that if we give a break to new businesses, we are discriminating against existing businesses that are paying the full fee, but all the phone and television companies do that. Many companies provide introductory offers for the first six months or the first 12 months. The existing customers are paying the full rate, but it does not disenfranchise them. There is an onus on us to take this much more seriously.

Deputy Willie Penrose: As I stated in my introductory remarks, the Government is acutely aware of the pressures on small and medium-sized businesses at the present time. The Minister of State, Deputy Perry, is dealing with various competitiveness and cost issues that will certainly incorporate some of things raised by Deputy Daly. The Deputy's point about vacant properties is well made.

Local authorities have taken a number of initiatives to promote and support enterprise, economic development and employment generally, including in particular the establishment of business support units or equivalent arrangements in each county and city council. Local authority cost bases have been reduced and continue to be rigorously examined rigorously to maximise efficiencies which, in turn, impact positively on business. We will continue to impress

upon local authorities the need to continue measures to enhance efficiency with a view to minimising rates and charges for business.

As I outlined previously, the Commissioner of Valuation is conducting a programme of revaluation of all commercial and industrial properties throughout the State. Following completion of the revaluation programme, there will be a much closer and uniform relationship between the rental values of property and their commercial rates liability. This relationship will thereafter be maintained by means of recurring revaluations provided for in the Valuation Act. This will lead to more consistent and up-to-date valuations for rating purposes and will assist in making the rating system fairer and more equitable for ratepayers.

I recognise that these are difficult economic times for many businesses. While it is not my intention to reform the commercial rates system at this time, I will continue to keep the approach to rates by local authorities under active review. I remain determined that every avenue will be pursued to optimise efficiency and curtail costs in the local government sector.

Jobs Initiative

Deputy Brendan Griffin: I am very grateful for the opportunity to speak on the need for individual jobs plans for all regions of the country. The recent announcement on the loss of almost 600 jobs at TalkTalk in Waterford was a devastating blow to the south east, and the Minister for Jobs, Enterprise and Innovation and the Government have responded decisively by announcing the formulation of the south-east employment action plan. Once complete, this plan will act as a roadmap for tackling unemployment in that region, as it is clear from the statistics that there is a grave problem in the south east.

Given that there are almost 500,000 people on the live register nationwide, there is a clear need for jobs plans specific to every region of the State, focusing on the respective strengths and opportunities of each region. I also envisage such plans identifying particular difficulties for existing large employers and key sectors in each region, with recommendations on how to ease such difficulties before they become irresolvable and threaten existing employment. Perhaps the south-east plan, when complete, could be used as a template in the formulation of a plan for each region. We need correct national policy to help create an environment for job creation and sustainability. While I acknowledge that the Minister has taken numerous measures in this regard, we must also focus on the unemployment problem on a regional basis in tandem with the national policy effort.

For example, looking at the south west, where I am a Deputy for Kerry South, many constituents have identified to me sectors and projects that need to be prioritised by the Government as having real employment prospects. Almost 17,000 people are on the live register in County Kerry alone. A targeted plan that would identify key priority projects could lead to a considerable reduction in this figure. I wish to refer briefly to some examples that have been mentioned to me in County Kerry. There should be a determined focus on promoting winter tourism in County Kerry, similar to the Scottish Tourist Board's drive, which could extend the tourism season and its benefits to a year round basis, creating hundreds of extra jobs. A cut in the rate of VAT on beer kegs and tax reliefs for expenditure on customers' taxis for rural publicans would help revive a labour intensive sector of the economy that has been in decline for some time. If every rural pub in County Kerry took on one extra employee, that would create hundreds of jobs. I refer to kegs only because one cannot buy kegs in an off-licence, and the off-licence sector is eating into the labour intensive on-sales industry. Fishermen in Dingle tell me that 50 jobs at sea would be created in Dingle alone by the return of spurdog fishing, and a continued drive to attract foreign vessels to process their catches in Dingle could create many more jobs. The development of a world class links golf course at Inch could create a large

[Deputy Brendan Griffin.]

number of full time jobs in an area with poor job prospects at present. The identification of Kerry as a priority county for the reduction of commercial rates, given that Kerry County Council's multiplier is by far the highest in the country, would help employment in the county. Surely GPCE and Shannon LNG would feature prominently in such a plan for the south west, as would emphasis on agrifoods and renewable energy.

While it is not possible to elaborate fully in only four minutes on the many other job creation opportunities available in County Kerry, I have cited these examples to show that every other county and region has similar projects and possibilities which need to be helped along and brought to fruition. I am sure every Deputy could cite countless similar examples of areas in which real jobs could be created.

On possible events, it has been suggested to me that major global sports events such as the Tour de France and the Ryder Cup should be targeted by the Government with a view to having them return to Ireland. Having hosted these events before, we could do so again. They provide an excellent opportunity to showcase the country internationally and generate substantial revenue immediately. Moreover, they would fit into a jobs plan for any region.

A massive task lies ahead. Not only must we get those on the live register back to work, but we must create thousands of jobs to allow the return of those who have been forced to leave Ireland in search of work. A multi-agency, focused effort which takes the best suggestions and ideas from the grassroots is badly lacking. I hope this matter will be given serious consideration by the Government.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry):

As the Minister, Deputy Richard Bruton, is leading a trade mission to the United States to widen the export footprint of Irish exporters by exploring new opportunities in the fast growing south-east states of Georgia, North Carolina and Florida, I am pleased to debate with Deputy Griffin on this matter.

My Department is focused on two key approaches aimed at creating jobs throughout Ireland. First, building on the recent jobs initiative, the Minister is preparing a long-term jobs strategy designed to set out a clear plan for the economy in the next ten to 20 years. The plan should be completed in the coming months. Second, in the shorter term, the focus of the Minister, Deputy Bruton, the Minister of State, Deputy Sean Sherlock, and me is on three key issues, namely, reducing costs for business, improving access to credit and supporting the research and development and innovation agendas to support a strong indigenous engine of growth.

The Department is engaged in an exercise on long-term economic planning to consider from where future jobs will come. We are examining the strengths of Ireland, including our regional strengths, to identify where clustering opportunities can be created or further developed. It is important to play to the strengths and address any weaknesses across regions in the areas of job creation and retention. While a particular focus on a region is needed from time to time, as we have seen in recent months and years, a clear national focus is also needed.

On 10 May the Government launched a range of measures under the jobs initiative to improve the competitiveness of the economy and reduce costs for business. These measures will support the maintenance of existing jobs and the creation of new employment. The initiative also included a number of measures to boost the domestic economy, including a reduction of VAT; the halving of the lower rate of employer's PRSI; expenditure on more employment intensive capital projects; additional funding for energy efficiency schemes which will support jobs in the construction sector; and the development of proposals for a partial credit guarantee scheme to improve access to finance for small and medium-sized enterprises and for a micro-finance start-up fund which will be important for new start-up companies.

We are also pursuing other actions to reduce the costs of doing business across a range of areas. For example, reform of the joint labour committee, JLC, system and amalgamation of the industrial relations mechanisms will help to reduce costs for businesses. We have already produced savings for businesses of €187 million from reducing administrative burdens. As chairman of the high level group on business regulation, I am continuing to pursue practical solutions to 20 red tape issues in addition to the 48 issues already identified by business and processed. The advisory group on small business which I also chair and which was established in June will also play a key role in identifying the issues that need to be addressed to support small business and realise the job potential of the sector. These include the issues raised by the Deputy.

Access to finance and credit is critical and has been identified as a major issue for small businesses in recent years. As the Department outlined to a joint Oireachtas committee meeting last week, the Government has taken measures to restructure and recapitalise the banking system to ensure it provides for substantial new lending in the economy. The Department of Finance, the Central Bank and the Credit Review Office are rigorously monitoring the banks' activities to ensure this takes place. Separately, the Department is actively working on the introduction of the temporary partial credit guarantee scheme which was announced by the Government in May. Details of the scheme which is in the design stage will be announced before the end of October.

Another component of addressing the finance needs of industry is the micro-finance start-up fund. Securing access to working capital is critical for start-up businesses. The aim is to formalise proposals for the Government's consideration in the context of budget 2012 which will benefit the 250,000 small businesses employing more than 800,000 people in the domestic economy. A further measure to improve cash-flow for small and medium-sized enterprises is the requirement, from 1 July last, for the Health Service Executive and other public sector bodies to pay their suppliers within two weeks of receipt of a valid invoice.

There has been significant investment in research, development and innovation for the collective gain of the country. The benefit of such investment is that Irish based, research and development performing companies have shown a level of growth in trade and exports during the downturn that demonstrates the value of productive, high calibre research and innovation activity.

An Ceann Comhairle: The time available to the Minister of State has elapsed.

Deputy John Perry: To respond specifically to Deputy Griffin, the Department is conscious that small businesses form the backbone of the economy and we seek to bring value to them in every region and town.

Deputy Brendan Griffin: I acknowledge the great work the Department has done in recent months to try to restore economic competitiveness and reduce costs for small business. We need to create an environment in which small businesses, the backbone of the economy as the Minister of State noted, can prosper and create employment. In addition to developing policy at national level, the enterprise agencies must focus on providing assistance for the regions. Last week I suggested to departmental officials attending a meeting of the Joint Committee on Jobs, Social Protection and Education that they emulate the plan being drawn up for the south-east region in all regions. This would be beneficial to all regions as each has different strengths, weaknesses and faces different opportunities and threats. We must seek to generate employment by playing to the strengths of each individual region. This approach should go hand in hand with the overall national approach. While national policy is moving in the right direction in seeking to create a proper overall environment for business, it can only go so far and a focus

[Deputy Brendan Griffin.]

on the priorities in each region is required. I hope this will be achieved through the formulation of specific, targeted regional jobs plans. I ask the Department to consider this proposal.

Deputy John Perry: The Minister, Deputy Bruton, is visiting the United States this week. Last week I visited Australia with representatives of 48 Irish based companies. Enterprise Ireland supported companies will record the highest ever level of exports this year, while foreign direct investment has reached an all time high. While we occasionally lose companies, new job announcements are being made continuously. This morning I visited a company which started with a workforce of 15 in 1999 and will recruit an extra 150 people in the next three years on top of its existing workforce of 1,200.

The role of the IDA is to attract foreign direct investment. The environment has become more complex and challenging than it was in the past and the market for such investment has become highly competitive. Ireland has 250,000 small companies. If 50,000 of these companies each created one job, it would be a major success. The focus of the Government is to create an environment for small businesses to flourish. We have produced ten reasons to set up a business and work with third level colleges, encouraged enterprise and made a massive investment in the banks which are now duty-bound to invest in viable small companies to retain jobs. The Minister and his officials in the Department have a plan which will give encouragement to small companies which form the backbone of the economy. The company I visited today which had 15 employees in 1996 now has 1,200 staff. From small acorns large oak trees grow. The job of the Government is to get Ireland working again. The main focus of the Department is to reduce regulation, encourage enterprise, support business people and ensure there is a regional and county balance. Villages and towns are also important because it is in these that jobs are created. I am pleased to address the concerns raised by the Deputy and thank him for doing so.

Hospital Services

Deputy Michael McNamara: I thank the Ceann Comhairle for providing me with an opportunity to address the House on the issue of health care at Raheen Hospital, County Clare. I regret that the Health Service Executive remains a bureaucracy which is completely out of control and utterly unaccountable to democratically elected representatives at all levels. I greatly commend the Minister for Health for his moves earlier this year to have the entire board of the HSE resign and then appoint a new board. However, this signal clearly has not permeated down to the HSE representatives in the mid-west region, as borne out by recent developments in County Clare and particularly in Raheen hospital.

On Saturday, 10 September, staff at Raheen hospital were informed by e-mail that the number of respite beds would be reduced from 28 to 23. There was no discussion in advance and no inquiries about the impact this might have on care. Furthermore, they were informed that this would take effect from the following Monday morning. Patients who thought they would have a bed on Monday morning learned on Monday morning that this was not the case. This is completely unacceptable. As somebody who lives near Raheen hospital, I was aware there were difficulties there because the staff had outlined these to me. I made numerous inquiries to the HSE about what was happening but I got no information. This is not about me; it displays a contempt for the people who voted for me and for those who voted for Deputies Carey, Dooley and Breen in Clare, because they also made inquiries and similarly received no information, as did local councillors, yet the HSE persists in the circus of organising meetings and bringing in all the elected representatives to their lovely boardroom in Limerick where they ply us with generalities but give us no specific information.

The HSE was set up by the last Government and it has ballooned into a bureaucracy. It now falls upon this Government to deal with it, and I urge the Minister to do so. Furthermore, the HSE was set up to provide health care led by professionals rather than by politicians. This is simply not the case. Professionals are not being listened to in the HSE. Instead, it is being run by bureaucrats who display nothing but contempt for this House, the people who sit in it and local government.

This is borne out by what has happened to psychiatric services in Clare. I am greatly encouraged by the comments of the Minister of State, Deputy Lynch, over the weekend that money would hopefully be ring-fenced for psychiatric services, because the 200 psychiatric nurses who were working in County Clare three years ago have now been reduced to less than 150. There are now rumours that psychiatric units in Tipperary, particularly in Clonmel hospital, are due to close and that all north Tipperary patients will be sent to Ennis. Initially, staff in Ennis were informed they would receive 14 new nursing posts to cope with the demand; now they are expected to receive only five. The psychiatric day care centre in my town was closed on 26 August. It had been manned five days a week up to May 2011 and two days a week since then. Some of the patients who attended that day care centre were not even informed that it was to close. That is simply unacceptable in 2011. Some of those psychiatric patients showed up on the Monday morning at the day care centre to find it closed. A little bit of communication with elected representatives, or with the population, would go a long way.

Minister of State at the Department of Health (Deputy Kathleen Lynch): I agree with the Deputy on the issue of psychiatric services. To discontinue a service without informing the people who rely on it is not right and should not happen. I hope it will not happen under the new regime we are trying to establish. The days when psychiatric services were part and parcel of the overall Vote and budget for acute hospitals are coming to an end. I hope we will be able to disentangle the funding and establish a far more robust system of psychiatric services. I am aware there is major resistance to the closing of particular units — I am not talking about day centres — but we must move from the bedside to the fireside. People with mental health issues must be treated in the community in a humane and respectful fashion. They should not turn up at centres to find them closed. I agree with the Deputy in that regard.

The Deputy asked about Raheen hospital. The Government is committed to supporting people to live with dignity and independence in their own homes and communities for as long as possible. Where this not feasible, the health service supports access to high quality long-term residential care where this is appropriate. We continue to develop and improve health services in all regions of the country to meet this objective and to ensure quality and patient safety.

The HSE has sole operational responsibility for the delivery of health and social services, including those at facilities such as Raheen Community Nursing Unit in County Clare. The community nursing unit is located in a rural area in south-east Clare. The unit has a total capacity of 28 beds. It can accommodate 14 long-term residents, with 12 places allocated as short-term care or assessment beds and two places dedicated to palliative care.

The HSE in the mid-west had spent €20 million more than its allocated budget at the end of June 2011. One of the measures implemented to deal with this issue is a reduction in the use of agency staff and overtime across all health and hospital facilities and services in the mid-west. This has had an impact on the number of residents that can be safely accommodated. Consequently, the HSE has reduced the number of beds in Limerick, County Clare and north Tipperary by 65. The reductions, mainly in short-stay beds, are as follows: 15 beds at St. Camillus Hospital, Limerick; 17 beds at St. Ita's Hospital, Newcastlewest; 22 beds at the Community Hospital of the Assumption, Thurles; six beds at Dean Maxwell Home, Roscrea; and five beds

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at Raheen CNU. It must be noted that 23 of these beds are currently vacant. A reduction of nine beds had originally been envisaged in County Clare; however, through a successful redeployment of nursing staff, this figure was reduced to five beds at Raheen. The reduction will be managed with minimum disruption to residents. I accept the Deputy's point about the planning that goes into respite and long-stay beds. Clearly, this is a cause of major disruption.

The Deputies will appreciate that all developments must be addressed in the light of current economic and budgetary pressures. Any decisions taken by the HSE must have regard to this and to the current moratorium on the recruitment of nursing and non-nursing staff.

Additional information not given on the floor of the House.

The HSE has been asked to make a rigorous examination of how existing funding might be reallocated to ensure maximum service provision. In particular, we need to ensure that the highest standard of care will continue to be provided to all residents in a safe and secure environment. The employment control framework gives effect to Government priorities on employment policy in the public sector and provides that there will be a net reduction in employment of approximately 1,500 annually to 2014. The framework is designed to maintain tight control on the cost of providing public services while at the same time allowing the service flexibility to manage staffing resources so as to protect front-line services as far as possible. The framework also provides for adaptation to changing service needs. It allows for some growth in certain grades and posts which are exempt from the moratorium on recruitment in order to deliver on key priority services. These exemptions include certain therapy grades, medical consultants and a limited number of nursing posts. The Croke Park agreement also allows the HSE to redeploy staff based on service need. In July 2011, the HSE introduced a recruitment pause to assist it in addressing its serious budgetary overrun. Notwithstanding this pause, exceptions are still being made where this is deemed necessary to address critical service risks.

The Department of Health is currently reviewing the provision of public residential care in the light of the need to meet national standards and regulations, local demographic pressures and the differential between public and private provision. The review will serve as a platform for discussion and will inform the development of an overall strategy on how the HSE should continue to provide this service in future in view of current budgetary and other pressures. The review must be also seen in the light of the wider health reform programme to which the Government is committed and the position of social care services in a future health service. I should make it clear, however, that, the HSE must maintain appropriate staffing levels to meet the needs of residents. Providing high quality and safe care will have to remain at the heart of any considerations.

Deputy Michael McNamara: I am somewhat encouraged to hear that it had been envisaged that the number of beds in County Clare would be reduced by nine and that this was changed to five. However, I am reliably informed by the professional nursing staff at Raheen hospital that they are now a couple of nurses short of the number required to deal safely with the 23 beds that remain, yet other health facilities in County Clare remain over-staffed, and the HSE, in its infinite bureaucracy, does not seem to be able to move nurses from one hospital to another. The problem of a lack of information is not confined to Raheen. The Friends of Ennistymon Hospital group has €500,000 ready to invest in the hospital, but Senator Conway, a former Fine Gael councillor, has been unable to obtain information from the HSE about its long-term plans for the hospital. We have exactly what we want on a political level — public private partnership — but people who are willing to put their money where their mouths are

and invest in local care are being stymied by a secretive bureaucracy. The only information I received about Raheen hospital was a message on my voicemail to say that a press release would be going out that night but the contents could not be shared with me. I cannot think of a greater example of contempt — not for me, but for the people who vote for me or bother to vote at all.

I call upon the Minister of State to address this issue. I for one have lost confidence in the ability of the HSE to manage our hospitals. I note the programme for Government provides that the ownership and management of hospitals will be transferred to boards whose members are selected from among local people with an interest in and genuine commitment to the area. It seems the bureaucrats of the HSE do not have a commitment to anything other than pushing pens. If I sound frustrated, it is because I am. This is not something I suffer from alone; it is shared by all Deputies from County Clare and, I suspect, the great majority of Deputies in the House. I urge the Minister of State, therefore, to move ahead as speedily as possible with the transfer of the running of hospitals from the HSE to boards, as provided for in the programme for Government.

Deputy Kathleen Lynch: The frustration is very obvious. The movement of the organisation to a board type structure and the running of different community-based units and smaller hospitals may ensure budgets are adhered to and priorities are dealt with at that level. However, shortage of staff in one area and an excess in others will not be dealt with by boards. That is clearly a matter which must be managed centrally. That is what the Croke Park agreement is about. We see this not only in County Clare but in many areas of the country. We see a disproportionate number of staff in certain allocated areas and must get down to dealing with that task.

In the psychiatric area we will lose even more staff nurses from the system but one hopes that in the future a different skill set will give us the type of service we want. I thank the Deputy.

Army Barracks

Deputy Robert Troy: I thank the Ceann Comhairle for selecting this item for topical debate today. It is the most topical and talked about issue in my constituency since senior Army personnel visited Columb Barracks on Monday and dropped a bombshell with the news that our barracks is to close in early December. I was surprised that my constituency colleague, Deputy James Bannon, yesterday withdrew his parliamentary questions to the Minister for Defence, Deputy Alan Shatter. Might this indicate the barracks is indeed to close in December? Was the Deputy embarrassed by the reply of the Minister?

This is not my first time to raise the issue. I raised it directly with the Minister on 24 May, at which stage I was accused of scaremongering by members of the Government parties. At the time I invited the Minister to visit the Army barracks to see the facilities at first hand and the good work Army personnel are carrying out. That invitation stands, to the Minister of State, Deputy Paul Kehoe, and to the Minister, Deputy Alan Shatter. The previous three Ministers for Defence, the former Deputy, Tony Killeen, and Deputies Willie O'Dea and Brendan Smith, visited the barracks and gave commitments regarding its future.

The people of Mullingar are anxious and worried and want the Government to be upfront and honest with them. Last night Rebecca O'Callaghan started a Facebook campaign to keep Columb Barracks open. Within one hour more than 1,000 people had signed it and today in excess of 2,000 had joined. If the Minister of State looks at the page he will see clearly the level of feelings expressed.

[Deputy Robert Troy.]

The Army barracks can trace its history back almost 200 years when it was purchased by the British War Department. Today it is the home of the fourth field artillery regiment and also acts as a headquarters of the Reserve Defence Force and the 54th regiment. The driving range is used by members of An Garda Síochána. Columb Barracks is the last remaining artillery barracks in Ireland and, given its location in the geographical centre of the country, is of strategic importance. It acts as a staging post for all our overseas and UN-based operations. More than 200 serving personnel are based in the barracks along with more than 20 highly skilled civilian staff. Currently a large number of personnel from the barracks are representing their country in Lebanon. It is bad to think that when these men and women are doing their work abroad, this Government is threatening to close their home.

These men and women continue to display the fine tradition of overseas peacekeeping work. We are very proud of our Army personnel, from both Columb Barracks, Mullingar and Cus-tume Barracks, Athlone. There are also two active groups in Mullingar which represent retired soldiers and are doing great community work. Many serving members of the Defence Forces are heavily involved within the community. Only recently they organised a sponsored climb of Croagh Patrick for Living Links, in which I took part.

The income generated from pay, pensions and ancillary purchases is worth in the region of €8 million to the local economy. To close this barracks, with the withdrawal of this level of revenue from the local economy, would be devastating to many families and to small businesses and their staff who are fighting a hard battle to stay afloat with no support from this Government. This is not an issue for the EU-IMF as there is no financial gain to be made in closing this barracks, a point well articulated by my constituency colleague and Cabinet member, the Minister of State, Willie Penrose, in *The Irish Times* today and in local media, the *Westmeath Topic* and Midlands Radio 3. Army personnel will be paid relocation fees and there will be capital costs to extend further barracks to accommodate additional personnel. We will be unable to sell the barracks so any possible gain would be outweighed.

I know that the Minister of State, Deputy Penrose, will raise this issue at Cabinet as he has always been supportive of the barracks. I hope the Minister of State, Deputy Kehoe, will listen to him and to what the people of Mullingar have to say. I finish with the words of Deputy Penrose, spoken before he became a Minister of State. In May 2009 he stated: “We will not allow the barracks to close in any term, whether short, medium or long”.

Minister of State at the Department of Defence (Deputy Paul Kehoe): I can confirm to Deputy Troy that as of now no decision has been made by the Government in regard to the future of Columb Barracks, Mullingar, or any other military installation in the country. However various commissions, reports and studies dating back to the 1990s identified barrack closures as a fundamental requirement towards improving military effectiveness and efficiency. Since then there have been a number of consolidation programmes which have seen the number of barracks occupied by the Permanent Defence Force reduced from 34 to 23.

Notwithstanding the progress made to date, the dispersal of Defence Forces personnel over an extended number of locations continues to be a major impediment to essential collective training and to releasing personnel for operational duties. As is the case with all Departments, the Department of Defence has been actively reviewing all areas of expenditure for which it is responsible to ensure the maximum benefit in the public interest from the use of its resources. This is a key element in the context of the comprehensive review of expenditure in which the Government is engaged. My Department has submitted its report as part of that process. This report sets out in clear terms the options available to Government with regard to defence

funding. The outcome of the comprehensive review of expenditure will determine the future resource envelope available for defence.

I wish to ensure that all decisions made and resources utilised are focused on maximising the capabilities of the Defence Forces and ensuring their continued operational excellence. I am also anxious to ensure, in so far as is possible, that the Government is not compelled by fiscal and budgetary constraints to effect any substantial reduction in the current number of personnel in the Defence Forces. In the circumstances, I cannot give any specific commitment that there will not be further programmes of barracks consolidation.

Deputy Robert Troy: It is absolute waffle to state that, as of now, the Government cannot give any commitment. Where is the openness, honesty and transparency the Government promised the people? The people of Mullingar have been out of their minds with worry for the past two nights. Senior Army personnel visited this barracks on Monday and told people it would be closing in December. Who is fooling whom? We want and need answers.

The Minister of State noted that his Department has submitted its report as part of the process. Is Columb Barracks, Mullingar, included in the report? The Minister of State must be honest with the people and let them know where they stand. He should not hide behind the phrase “as of now”. We do not want that. We want to know exactly what is happening. People’s livelihoods are at stake here. People who are settled and living in Mullingar do not know where to send their children but must think about relocating and what the future holds for them. Let us be honest. The Minister of State must come up front and tell the truth.

Deputy Paul Kehoe: I thank Deputy Troy. As I outlined in my reply, I sit at the Cabinet table. I can confirm that the Cabinet has not made a decision——

Deputy Robert Troy: As of now.

Deputy Paul Kehoe: ——on this or any other issue relating to the Defence Forces. It is great that members of senior management have visited Columb Barracks in Mullingar. It is their job to do so. I do not doubt that senior personnel within the Defence Forces visit the barracks on a regular basis because they have a responsibility to do so in order to observe what is happening there. They do not inform those at the barracks on a regular basis that it is going to be closed. Those responsible for making decisions in respect of matters such as this are the Minister for Defence and the Government. The Deputy’s efforts to pre-empt a decision which has been neither discussed nor made by the Cabinet amount to scaremongering.

Deputy Robert Troy: I did not pre-empt anything. I asked the Minister of State to come clean and be honest.

Deputy Paul Kehoe: As is the case with all other Departments, a review of expenditure is taking place in the Department of Defence. This matter has not come before the Cabinet. When a decision is made in respect of this or any other issue relating to the Defence Forces, I have no doubt the Deputy will be made aware of it and that information on why certain choices were made will be provided. I assure him that, as matters stand, a decision has not been made in respect of the closure of any barracks in the country.

Deputy Robert Troy: When will it be made?

Deputy Paul Kehoe: The Deputy will be given plenty of notice prior to a decision being made.

Deputy Robert Troy: The people of Mullingar want to know now.

Deputy Paul Kehoe: Attempts should not be made to pre-empt Cabinet decisions. If the Deputy speaks to senior members of his party who served in government, I am sure they will provide him with information on what happens at Cabinet and on how decisions are made.

**European Financial Stability Facility and Euro Area Loan Facility (Amendment) Bill 2011:
Second Stage (Resumed)**

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

An Ceann Comhairle: Deputy Donnelly was in possession and has five minutes remaining.

Deputy Stephen Donnelly: I thank the Ceann Comhairle. I am going to vote against the Bill but not because I do not understand the benefits it offers. The interest rate reductions are significant and welcome and the Government estimates that we will save approximately €1 billion on debt repayments. This is extremely welcome. Potentially, the lending terms are going to be lengthened, which is also welcome. However, I am going to vote against the Bill because it further solidifies the wrong approach that is being taken in Europe. Essentially, the basis of that approach is to solve debt by taking on further debt, ensure that bondholders are repaid and an insistence to the effect that no banks should be closed down. In addition, Europe is insisting on austerity in the absence of any default or devaluations. It is also going to lend governments vast amounts of moneys to bankroll what is happening and is hoping that no one will default.

How are matters working out for Ireland so far? We have approximately €100 billion of other people's debts which we will be obliged to pay off. Our banks appear to be over-capitalised but they are not lending. Critically, as has become apparent in the past two weeks, they do not appear to be passing on money to mortgage holders. When they came before the Joint Committee on Finance, Public Expenditure and Reform, representatives from Bank of Ireland had to be asked six times whether they are passing on the money to which I refer before they confirmed that they are not doing so. The banks do not appear to be lending and seem, rather, to be taking very aggressive action against people whose mortgages are in a distressed state. The unemployment rate in Ireland is continuing to rise and our GDP growth is tipping along at, it is to be hoped, slightly above zero.

How is what is being done working for Europe? We all know that Greece is on the point of collapse and there is talk of it exiting the euro. Greece is almost certainly going to default and there is a run on the French banks at present. There is also the potential for a run on the German banks. The entire system is under extreme stress.

The report issued by the IMF yesterday predicts that global growth will be significantly lower than had been expected just six months ago. Of course, this will pose a major problem for Ireland because we are betting the house on the export-led sector. That sector comprises 15% of our economy and we need to develop it further. However, the IMF has stated that the global markets into which the sector sells are going to be far weaker than expected. That is a massive problem. As a result of the fact that European banks have not been allowed to fail, we have reached a position whereby the liabilities contained in those banks are three to four times greater than the GDP of Europe. To put this in perspective, the liabilities of the American banks are exactly the same as the GDP of the US. Our banks are, compared to their American counterparts, overleveraged by a factor of three to four.

The current approach is not solving the problem. It is not working and it is not going to work. Anyone who has a mortgage or a serious personal debt or who runs a business will know that it is not possible to solve the problem of debt by taking on more debt. This does not work and many eminent economists and commentators in Ireland and elsewhere have been saying

as much for a long period. The chief economist recently stated that Europe needs to “get its act together”. Recent analysis of the position by J. P. Morgan states, “austerity with no FX devaluation [in other words, in the absence of the printing of money] is doomed to failure”. The same analysis points out that the IMF’s handbook published in December 2010 states, “What is happening in Greece is a textbook response to austerity without an FX adjustment and easy monetary policy”. In other words, austerity on its own — which is the prescription for Greece and Ireland — is not working and will not work.

There are two solutions which Europe must consider implementing. I trust the Minister has some influence at the European Council of Finance Ministers, of which he is a member. The first of the two solutions to which I refer is quantitative easing. In the past two rounds of quantitative easing, the US printed €2.1 trillion dollars. That has helped. The Germans are understandably afraid of inflation. The US rate of inflation currently stands at 3.8%. The UK has injected £200 billion into its economy during its rounds of quantitative easing. If this were scaled up, it would be the equivalent of Europe printing €1.4 trillion. Inflation in the UK stands at 4.5%. I put it to the Minister that what is required is a combination of serious quantitative easing — in the region of €1 trillion to €2 trillion — and real debt write-downs, as actively advocated by Deputy Mathews. I understand that this will be difficult to obtain and that our European partners see them as major concessions. However, there is a strong case to be made to the effect that, without them, we will continue to fail and the European Union will fall. I urge the Minister to bring these possible solutions to the attention of his colleagues in Europe.

An Ceann Comhairle: I call Deputy Heather Humphreys who, I understand, is sharing time with Deputy Harris.

Deputy Heather Humphreys: I welcome the opportunity to contribute to the debate on the Bill, which I support. People must remember that we are travelling a long and difficult road to recovery. The banks lent recklessly and the previous Government squandered taxpayers’ hard-earned money and we are now paying the price. The medicine is very unpalatable and bitter and, unfortunately, there is no sugar in the cupboard to make it sweet.

I listened to some of the contributions of previous speakers and I am of the view that it is important that, as a nation, we should reiterate our objectives. Our first and main objective must be to regain control of our national finances and, ultimately, of our fiscal destiny and economic sovereignty. To achieve this, we must work in co-operation with our European partners in order that we might benefit from the best possible deal. We needed the support of the IMF and the European Union in order that ATM machines remained in operation and that the country did not grind to a halt.

Our global credibility as a nation was greatly damaged in recent years. Thankfully, however, as a result of the great work of the Taoiseach and the Minister for Finance, our credibility in Europe and elsewhere is growing every day. I, too, take this opportunity to compliment the Taoiseach and the Minister, Deputy Noonan, on the very effective way in which they won further concessions in interest rates during the past week. I am confident they will achieve further concessions.

It must be remembered that apart from the recent direct financial support we have received from Europe, we have enjoyed many positives as a result of our membership of the European Union. As a whole, Ireland has particularly benefited in the areas of farming and infrastructure. Our membership of and engagement with the EU has brought about many benefits for women in Irish society, especially in the workplace. The Bill will allow European member states to avail of cheaper funds. Given our current level of borrowings, it is important that we support any opportunity to reduce our interest rates and extend maturity dates. We are spending €15

[Deputy Heather Humphreys.]

billion more each year than we are taking in. This cannot continue. Any pain-free solution that does not necessitate cost savings in another area has to be welcomed and availed of. This is an opportunity to put the past behind us and move forward. It is one of the benefits of being part of a co-operative in which varying levels of strength can be drawn upon at different times. An inherent danger in this structure is that if stronger economies encounter difficulties, it could weaken the process. Nevertheless, it is only through co-operation and working in unison, with the strong supporting the weak, that we will ultimately achieve success.

Deputy Simon Harris: I welcome the opportunity to speak to this legislation on Second Stage. The title of the Bill before the House — European Financial Stability Facility and Euro Area Loan Facility (Amendment) Bill 2011 — is wordy and lengthy. Many will be scratching their heads as they wonder exactly what it is. There is no doubt that this important legislation will be of direct benefit to Ireland and ultimately the people. When it is enacted into law, it will provide the legal framework for a reduction in our borrowing costs from the European Financial Stability Facility. This is, undoubtedly, a welcome development in our nation's difficult journey back towards restoring its economic sovereignty which was squandered when the last Administration went on a spending binge and failed to regulate the country's banks correctly.

As a country, we have put clear water between ourselves and other countries experiencing economic difficulties. On the domestic front, reductions in VAT and PRSI have helped some sectors of the economy to retain jobs and stabilise their own business. I see this in my constituency of Wicklow. Our exports are continuing to soar. At this week's ploughing championships we heard plenty of positive stories about the success and development of Irish agriculture. Internationally, we are achieving lower interest rates on our various loan programmes. Our work towards restructuring the payment schedule for other debts is continuing.

The last Government stated categorically that not one full stop in the bailout agreement could be altered. We have exposed that myth in all its glory and revealed the truth. As a result of successful negotiations on the part of the Minister for Finance and the Taoiseach, we have seen interest rate reductions such as that enacted in this legislation. In addition, the Government has delivered on the restoration of the minimum wage, secured agreement from the troika on the VAT and PRSI changes in the jobs initiative and halted plans for a phase 2 of the NAMA initiative.

I sat in this House as a newly elected Deputy when some Members from the previous Government almost rubbed their hands together with glee at the prospect that this Government would not deliver. We had to listen to ridiculous questions about how many times certain people had been telephoned, not to mention where various meetings and conversations had taken place and with whom. Rather than rushing over to the European Union and coming back with a piecemeal solution that would have delivered much less for this country, the Minister for Finance, the Taoiseach and the wider Cabinet have steadily, slowly and consistently built improvements for the country, while restoring its international credibility.

It is important to emphasise that this legislation is not an answer to all of Europe's economic ills. As a country, we have diligently pursued measures to rebuild the economy and restore the economic sovereignty squandered by the previous Government. It is unfortunate that Europe as a whole has not been so forthcoming in addressing head-on the economic crisis that engulfs it. A quick teleconference here, or bilateral meeting there, will not succeed in rectifying the European economic problem. Importantly, finger wagging by other nations towards this country and others is neither acceptable nor helpful. The reported comments of a senior European Commissioner, to the effect that we should fly our nation's flag at half mast, were repulsive

and insulting. The individual who delivered them has a short memory of how the international community helped his own nation to rebuild.

The people have nothing to be ashamed of. A small handful of individuals who resided in this Chamber perhaps do. The European Union is a partnership built on mutual respect. We are there to work together in our common interest and the common interest of all citizens. Nobody has a monopoly of wisdom or solutions. Europe needs to embrace this crisis head-on, rather than wagging fingers. The Government is committed to getting on with the job. I commend the Minister for the job he has done to date. That commitment needs to be matched at European level. It seems Europe is still running to catch up. It is time for it to face this crisis head-on. I look forward to supporting this legislation.

Deputy Mattie McGrath: I am delighted to have an opportunity to speak during the Second Stage debate on this Bill. In May 2010 the member states in the euro area agreed to create the European Financial Stability Facility to provide financial support for states that encountered difficulties as a result of the exceptional circumstances of recent times. Those circumstances are beyond the control of member states, in some circumstances. This can be questioned in our own case. The EFSF was incorporated on 7 June 2010 for the purposes of providing stability and support for euro area member states in the form of guaranteed loans of up to €400 billion, with a limited period of time. That is what we were told or promised. I do not know when we will arrive at that stage.

I compliment that Minister for Finance, the Taoiseach and the Government on what they have achieved in relation to our so-called bailout money. I refer to the renegotiation of the interest rates, etc. I wish them well with the further negotiations on which they have embarked. It is not easy. Every little helps. I am very concerned about the sheer amount of money involved and the rate at which it will have to be repaid.

The recklessness of the banks is at the kernel of the problem. They followed Anglo Irish Bank into breakfast and dinner meetings. They behaved recklessly by firing out countless billions of euro as if there was no tomorrow. Many senior officials in these banks — I am not talking about the ordinary clerks at the desks — were getting bonuses on the basis of the amount of money they could fire out. We are all familiar on a daily or weekly basis with the appalling vista of people coming to our clinics who have no possibility of meeting their repayments at any stage. The stress tests that should have been done simply were not done. A little word, “greed”, got in the way. Some of those who decided to sign up for these loans, despite having no possibility of ever repaying them, were foolish.

Like the Deputy from Wicklow — I refer to Deputy Donnelly, rather than the Deputy who spoke before me — I do not think austerity alone will get us out of this mess. Anybody who is in business will know that if businesses are squeezed and squeezed, they will close their gates. That is the problem we face. Ireland Inc. is a business that has to be kept above water. It is obvious that we need to get our house in order in many areas of public expenditure. That process is continuing apace. However, we should be cautious about continuing to take money from people in each budget.

I supported some of the recent budgets, but I did not support more of them. I was not working *à la carte* — I was concerned that ordinary business people and taxpayers were not getting a fair crack of the whip. We know what will happen if they get any relief. They are being squeezed out of existence and frightened into saving. I suppose anybody who saves is a wise person. People are afraid to spend money. We know what the effects of this are. I do not believe the Revenue Commissioners understand what is happening. They have not made a proper assessment of the drying up of the tax base. The self-employed are just not earning the money. Problems are caused by this lack of turnover.

[Deputy Mattie McGrath.]

It has already been pointed out that the United States and the United Kingdom have printed vast amounts of money to try to boost their economies. We have had nothing but austerity and belt-tightening. We are being lectured by the French and German leaders. They keep meeting as the heads of their respective countries. Every time they meet they create a sense of expectation before leaving it go for a few weeks and coming up with nothing. When this sends the markets into turmoil, they decide to have another teleconference or telephone discussion. Their efforts to adapt to the real crisis that needs to be grappled with are poor.

I know the Minister, Deputy Noonan, is a straight-talking man. I recall how he dealt with one of his colleagues at a recent meeting of the Joint Committee on Finance, Public Expenditure and Reform. Some might say we are off the wall over here, but we are not. We are a proud and sovereign people. While our sovereignty is challenged, how dare any European Commissioner tell us to fly our flag at half mast? We do that on occasions of tragic loss in the county and we do not do it in response to the bully-boy tactics of some of these people who allowed their countries' banks to be reckless in the extreme. They are trying to save their banks but, eventually, the whole European project could be in danger. We might never see this EFSF introduced because we have seen what happened to some countries last night. It might never come to it because the project might not be around. It is time these officials copped-on. Rather than lecturing us, they should allow senior bondholders be punished. They must be punished in some way for the reckless mistakes they made. When the Irish banks did not have the money to lend anymore — when they were cleaned out — they allowed their banks to spend recklessly also. As far as I am concerned, that is where the real problems occurred in this country.

I have two requests for the Minister at this time leading into the budget. Would he, if he can at all, ease the austerity because it is crippling families, individuals and small and bigger businesses as it goes along? The whole system is being choked. I also ask him, as he will be aware I feel strongly about it, to cut out the baggage and cut the amount of red tape imposed on business persons, and to support them to allow them to survive. I saw earlier where a junior Minister mentioned ten reasons to be in business and ten reasons to support business. We should have all the agencies tell someone who comes to meet them the ten reasons they want him or her in business and the reasons they must support him or her, not all the reasons businesses are given from agencies such as NERA coming with brief cases and ID numbers, by appointment or without appointment, and telling them why they should not be, and are not capable of being, in business. I am afraid we will kill the entrepreneurship of Irish business people, the only people who will help to get us out of this.

We have seen our export figures. I was at the ploughing championships yesterday and it is wonderful to see the farming sector in such a buoyant mood following a number of very bad years — 2008, 2009 and part of 2010. There is hope in that. We got too carried away in this country with bricks and mortar and the Celtic tiger, and we forgot about farming. The Minister, Deputy Noonan, comes from an agricultural constituency. We forgot about it mainly, and that is the rock on which we perished, but now we are respecting and understanding it. Those involved are all self-employed. They need to be supported. We need to focus the considerable number of officials in the Department of Agriculture, Fisheries and Food on a supportive role. I accept there must be such provisions as health and safety, standards and traceability. I am not saying that we cut out any of those, but we must cut out the legions of officials who are stifling the self-employed on their farms. It is wonderful to see the young people now getting involved and supporting them, rather than what they had been doing.

The Taoiseach, who I hope to meet in my county tonight and tomorrow for two good news stories, must stand up to the bully-boys and bully-girls of Europe. He must stand up and the Minister must too, and they must be seen to do this as well for the proud people in Ireland.

We are a proud people and know we have made mistakes. I accept I was a member of a party that made reckless mistakes, but it was punished by the electorate which is now bewildered. I want to see them told to stop lecturing us, stop finger-pointing at us, stop squeezing us, and stop talking about the bailout and all the money it involved. One must remember that the first €17 billion of it was coming out of our own pension funds and it was never an €89 billion bailout. I had words at the time with the former Minister for Finance, the late Deputy Brian Lenihan. It was a trick-of-the-loop job. They should stop being dishonest with themselves and with us and the people. People, thankfully, now have a fair modicum of education and they know what is going on.

They should deal with the issues, be prepared to burn their own senior bondholders and be prepared to accept that they made significant mistakes before the project topples over. My worry is that if it topples over, we would not know where to go or what way to turn. Therein lies the worry for our vibrant export trade, which the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, is abroad today trying to enhance. That will go up in smoke if this collapses because we will not have any security or proper level playing ground, and that is where the problem is. Chancellor Merkel and President Sarkozy need to listen and be realists here, not rub their hands at press conferences. They need to do something meaningful and make some tangible moves that will give some kind certainty to the markets so there are not these announcements on a daily basis from the rating agencies, which have become all-powerful in coming out today against one country and tomorrow against another country. The French banks are in a serious situation, and probably in as serious a situation as we are in — we know how serious is the situation in our banks.

I wish the Minister well, but I hope, as I stated, that he and the Taoiseach stand up to these officials and reassert, if nothing else, our pride in this country and our sense of honour, and not be lectured to fly our tricolour at half mast for reasons other than we like to do so.

Deputy Arthur Spring: As a person who advocated against Ireland joining the euro at the time on many fronts such as our autonomy over interest rates and our ability to print money, it is surreal to be here today. If one was to look at the clever move made by Sweden and the United Kingdom at the time, it seems to have been the prudent thing to do on many fronts.

Unfortunately, when one joins a political atmosphere one must deal with legacy issues. The mess that our country is in is predominantly due to a legacy issue left by the non-Government parties of today. I hasten to add that if some of the non-Government parties had got power, we would be in a far bigger mess than we are in today. It is not merely a European problem; it is also a national problem with which we must deal.

Punitive measures were implemented as a result of the lack of ability to self-govern and the fiscal policy of the country had run us into ruin. To put it into context, we are borrowing €375 million per week to keep the country alive. There was some talk of allowing us merely use the pension reserve fund, and that would have brought us to a point where we were completely subjected to whatever rate at which the markets want to lend to us, if they would lend money to us at all. We now would be out of money and we would have no friends within the European zone.

The part most people do not understand is that it costs €52 billion to run this country per annum and there is €34 billion coming in. One need not be a rocket scientist to work out that this results in a deficit of €18 billion. There is no such thing as a printing press in the Central Bank where one may go to print money and give some of it to the rich and less of it to the poor. This is the kind of nonsense put forward by people from different organisations that will not complete the circle. It is simple to stand back and state we have a problem but we do not have solutions.

[Deputy Arthur Spring.]

On everything that we are doing, it is not something merely for the Minister for Finance and the Minister for Public Expenditure and Reform, Deputy Howlin, who has played a massive role with the troika as well. I remind some of my Fine Gael colleagues that they need to look at this as the entire country having a problem at present and a mindset of trying to get us out of it is essential.

It is a step in the right direction. We will save between €8 billion and €9 billion over the period of ten to 15 years. We will get an extension of our loans. However, it is not the all-finishing, bells and whistles solution that we are looking for. This is not a destination; this is a journey. Every step of the way, we will have to navigate as well as we can in order to keep friends on board but also keep the country afloat. Austerity is not the solution. I am also on record in the Joint Committee on Finance, Public Expenditure and Reform as stating, as the Minister is quite aware, that there must be something more done. If there is a little bit of burden-sharing that would be good, but it is looking now like quantitative easing on an enormous scale must happen when one looks at the Italians with their debt of €1.9 trillion. For the Italians, most of that debt is held by its citizens themselves through banks.

There is an idea that there are bondholders out there who are living in the Alps or some place, with no names. The bondholders are us. They are the Deputies on the Opposition benches and the Deputies on these benches. We are the pension holders. Deputy Joe Higgins might nod his head, but his pension when he leaves this place, if he does leave it, will ultimately be paid from funds that are invested in bonds and every other diverse system throughout the world. Until people own up to where we are at, one will not come up with a cohesive approach towards a solution on this.

It is encouraging to see that we have allies. I am on an OSCE Parliamentary Assembly committee, and the social democratic grouping within that met. It gave me a platform to explain exactly where Ireland was at. One of the things that shocked me was that the Germans asked that if the position was so bad in Ireland, why were we not on the streets like the Greeks? I replied that we have had a revolution of a kind. We had an election in February and one party was decimated and two of the other parties appointed to Government in 2007 no longer exist.

We are gaining credibility and friends and solutions, but this is not what we seek in the long term. More should be done, but that will only happen with the help of the European Financial Stability Facility and the mechanisms to be put in place thereafter. This issue is complex and a

5 o'clock great deal has been thrashed out by the finance committees and various organisations involved. I am aware the Minister is trying his best and that what I call the wartime Cabinet of the Minister, Deputy Noonan; the Minister for Public Expenditure and Reform, Deputy Howlin; the Taoiseach and the Tánaiste is doing everything it can. I wish there was a simple solution, but there is not. For now, I am content to support this measure. More people should consider solutions rather than identifying the problems. It is a legacy issue and I wish we could solve it more quickly.

Deputy Clare Daly: I am amazed by the previous speaker who referred to austerity as not being the solution. Naturally, it is not, but it is the only recipe in town for the Government, of which Deputy Spring's party is part. He is not an idle bystander, rather he is part of that process.

It is an absolute scandal that an issue of such seriousness is being discussed in this manner. This matter should be put before the people in a referendum such is the seriousness of the issues raised. Instead we will have a ridiculous referendum on judges' pay which could have been dealt with by simple legislation. Such a vitally important issue as this is not only not being put to a referendum, but the House is not being enabled to amend or change it in any way. As

bad as that is and although the Government has allowed that situation to unfold, the fact that the so-called Opposition parties have allowed a situation to occur where they are not even prepared to provide speakers on the matter makes it even worse. They are aided in this by the role of the media which have been remarkably silent on the issue, given the important matters at stake. It is no wonder the Government is getting away with so much in this regard.

Fundamentally, the Bill will have a vital impact on the future economic direction of the country from several aspects, some of which have been dealt with during the course of the discussion. Financially, the Bill will facilitate our voting to provide irrevocably and unconditionally €11 billion in 2013 to be paid into this fund. This sum is almost equal to three years of devastating cutbacks and tax hikes to which the people have been subjected and which are destroying the lives and livelihoods of many. This €11 billion could have been usefully expended on putting people back to work, putting special needs assistants, SNAs, to work, addressing the horrific situation highlighted on “Prime Time” last night, reversing some of the cutbacks in hospitals, repairing the water network and so on. This has hardly been mentioned in the discussion. As we are aware, that figure is simply the beginning.

We are here because of a deal struck last year which had to be amended in June because the pot was not big enough and because of the deteriorating situation. In Greece the level of funds which had to be provided rose from €440 billion to €780 billion. It is timely to remember the fanfare that greeted the deal at the time. We were led to believe that would be it, the crisis would be over and finally the European Union had a handle on the economic problems. However, as everyone is aware, within one week Italy and Spain also ended up in trouble. Until then they had been calculating on the basis of dealing with Ireland, Greece and Portugal which are responsible for only 8% of eurozone debt. Once Spain and Italy were added, it was a question of there being no limits. In this sense, this deal is akin to signing a blank cheque. We have no idea how much funding the State will have to provide. In many ways it is like being asked to shoot oneself and pay for the gun while one is at it.

Deputy Spring seemed to suggest we have great allies in Europe who are doing us a favour in assisting us out of a troubled spot, but what are they doing for us? They are putting up money, much of which we must put up for ourselves, at remarkably high interest rates. Then if we wish to access this money, we must pay over the odds in the borrowing terms and interest rates demanded. Not only that, the price demanded in terms of austerity is worse. This is an absolute recipe for disaster.

We have already to put up with a situation where those in government are constantly bleating about it not being their fault, that it was Fianna Fáil’s fault or that it was the fault of the EU-IMF deal and there was nothing they could do about it. If the Bill is passed, they will use the line that it is because of the European Financial Stability Facility and that there is nothing they can do in that regard. We should consider what the Government would propose to unleash should an economy seek access to these funds. Let us consider the detail of what is taking place in Greece: it does not make for pleasant reading. Some 35,000 state jobs are up for the chop immediately, with 100,000 due to be axed by next year. This is against a backdrop of an economy in which industrial production has shrunk by 12%. The Greek Government is imposing a property tax at 50 cent per square metre on people whose wages have already been slashed. To get over the problem of people’s inability to pay, it seeks to attach this property tax to their electricity bills. It expects the bill to be paid in two instalments by a people among whom 175,000 householders have already had their electricity supply cut off by the state electricity company because of inability to pay.

The Greek Government, the European Establishment and the Irish Government must get real about what is going on. It is simply not possible to impose that level of austerity. Already

[Deputy Clare Daly.]

in Greece unions have stated they will not impose or implement the new property tax or cut off people who cannot pay their bills. Yesterday we witnessed 30,000 students protesting in Athens over education cuts. It is clear the government there will not get away with it because it is simply another example of making ordinary people pay for a crisis not of their creation. It is another example of trying to impose austerity which in all of history has only resulted in making conditions worse. It has not worked here and it has never worked anywhere else.

Important lessons should be drawn from the debt crisis in Latin America during the 1980s, a time known as the lost decade. That situation was somewhat similar to what the EU hierarchy is attempting to impose. There were brutal austerity measures imposed by the IMF at the time. This caused immense hardship for the peoples of that continent. Wages as a percentage of GDP in Latin America during that decade fell strikingly. Latin America's share of world production was slashed. GDP growth on the continent decreased. The net result was that public debt trebled during that time. Defaults took place between 1982 and 1984 in five countries: Argentina, Brazil, Ecuador, Mexico and Peru twice. The lesson is clear and everyone knows it: austerity does not work or generate economic growth. It makes the situation worse not only for those who are at the receiving end of it, but also for the economy in an overall sense because it cuts across growth. One key lesson from that phase of history which can be generalised and should be taken into account in this and other places is that debts that cannot be repaid will not be repaid.

The scenario that the Government has opened up with the fund will not solve that problem. Writing a blank cheque that no one has the money to guarantee is nothing but a con job. Let us consider the position of the European Union. We have historically low rates of interest. What will happen to the debt if there is some form of recovery and if interest rates begin to rise again, along with inflation? Clearly, that will have an immediate knock-on effect.

This measure represents one of the most serious attacks on our economic development. It is not being done to help us or the peoples of Greece, Italy, Spain or any of the other countries affected. It is being done to bail out the banks and those at the top of society, those who caused the problems in the first place and have benefited from it also. It is clear this approach will not work. It is an horrific indictment on the Government which cannot hide behind the actions of the previous Government. The Government is moving the Bill and it will be its votes that will pass it. It is very regrettable and exposes the shallow nature of the so-called Opposition in this House that they could not even be bothered to debate these issues seriously.

Deputy Jerry Buttimer: I welcome the Minister and the Bill. The one point on which I agree with Deputy Clare Daly is that this is about economic development. We can pretend and live in the utopian world in which the Deputy lives or we can live in the real world, which many of us do. The reality is that Europe and the world is in a financial crisis which requires action and leadership, not grandstanding on a soap box or on television to gain headlines. It is about the men, women, children and families we represent. I challenge the Members opposed to this Bill to come into the real world and to stop hiding and opposing, and to put forward proper, legitimate alternatives if they feel the Government is not listening to them.

The reality is that there is no free lunch and no *à la carte* approach. We cannot just pick and choose. There is a sense the entire country is awaiting what happens in Europe, be it in Greece, Italy or Ireland. I welcome the commitment of the Government. I say to Deputy Daly that the politics of protest and getting gangs of people out onto the streets, and having them shouting and roaring is fine in that it lets off steam and emotion. However, the people I meet every day want more than that. These are not millionaires, property developers and speculators; they are an gnáth duine — the ordinary person. Members should stop painting property developers as

being pariahs. Some of them are proactive at creating jobs and we need them to get our economy back to work again, yet the mantra peddled by some is “Put them all on an island and let it drift out into the Atlantic”.

Thanks to the leadership of the Minister and the Government, we are prepared to play our part in the resurrection of the country and the people’s fortunes. It is in our hands. Equally, it is in the hands of Europe. Many people require the State’s assistance, as we all know. If we were to default and to allow a situation to develop where there was no commonality, what would happen? What is the alternative? Who will pay the wages of gardaí, teachers, nurses and carers and who will provide services? Will we go onto Dawson Street or out to Dublin West to lead protests with placards and microphones, shouting “out, out, out”? We can all lead the protests or lead the charge against the European Union but where will it get us? Nowhere. This is part of the problem.

The Bill is about reducing the borrowing costs of the nation. It is about reassuring the people that we have within the country, in the State, a Government and a Minister who are prepared to act. People want leadership from European leaders across the European Union. They do not want intergovernmentalism or tribalism; they want the project of Europe to play the role it was meant to play. Let us forget about ideology. In simple terms, this is about the common European market and the Union. It is about people, which is also what the Bill is about. We can lie down, we can shout and roar, or we can be proactive and act decisively.

None of us wants to cut services, increase taxation or deprive people of assistance from the State. However, we must live in the real world. Someone has to pay to deliver the services. There is not an infinite pot of gold being thrust into the air which the Minister can grab. Who are the wealthy the Opposition Members want to tax? They should tell us who they are and show us where the money from the wealthy can come from.

There is a vacuum in the eyes of many with regard to European leaders and I am concerned that some European leaders are playing to their own electorates. In particular, our German and French friends have an obligation to put aside their own domestic elections and consider the bigger European project, which is what this is about. People speak about sovereignty. The European project requires real decisions to be made and I hope this will happen. At home, the Government has been proactive. There has been a jobs budget, the banks have been restructured, an interest rate reduction has been negotiated with the European Union and the IMF, the minimum wage has been restored, PRSI for employers has been reduced, VAT changes have been introduced and we have made progress, although it is not recognised by some.

I am concerned our banks are not listening and are playing a kind of three-card trick on all of us. I understand that we have tightened our monitoring approach and regulation, which I welcome. However, I am concerned that many banks have significantly tightened lending to ordinary people and small and medium enterprises. I do not agree with the proposition being put forward by some of the banks that they are lending as freely as they say. The reality is they are not. Many mortgage providers will tell people not to go to the bank for a mortgage because they will be refused. In addition, the banks are taking too long to review applications and a whole plethora of steps must be gone through in order to get a mortgage or loan. It is important that we bring in the banks and make them act in the interests of the people they are here to serve.

I am concerned distressed borrowers are not getting a fair deal from the banks. I would go so far as to say that many banks are intimidating customers. One would almost need a PhD or a degree in accountancy to read the standard financial form customers must fill out. Even the explanatory notification is incredibly complicated.

[Deputy Jerry Buttimer.]

The Minister must get our banks to co-operate with small and medium enterprises, as has been thrust of Government policy. Some of the problems experienced by SMEs throughout the country can be overcome quite easily, such as a reduction in bureaucracy, greater co-operation from the banks and greater leniency by Revenue in allowing people to trade. Most importantly, we must allow people to employ, which the Government has done to an extent and which I hope it will do to a still greater extent in the forthcoming budget. The greatest challenge we face is to find a way to allow small and medium sized enterprises to employ people. Deputy Mick Wallace, who is present in the Chamber, is an employer and is far more eloquent than I in this regard.

I hope we can revisit the whole issue of NAMA. As a layman, I fear that all NAMA wants is simply to plunder and get cash back. I am afraid it will screw down the whole process and will not allow people to come up with business plans in order to trade their way out of their current position. I hope we can change this. Much that is positive is being done by the Government in respect of banking and finance, as well as in introducing reform and bringing leadership. As the Taoiseach noted this morning, it undoubtedly is unacceptable that so many citizens are unemployed. This is the greatest challenge facing the Government and the nation. However, to get people from being unemployed to being back at work requires a commonality that has not been found thus far in this House. I once had the misfortune to be unemployed and I still remember being obliged to go to hatch 4 in the old Cork labour exchange. One went in with one's card every Thursday and got one's money. That was soul destroying and is being replicated today. While the Government has shown leadership, Members of the Opposition who oppose and who shout and roar equally have an obligation to row in behind the Government and to suggest workable proposals. This is not about political point-scoring but is about getting one's fellow citizens, men and women, back to work. It is about the future of children who recognise we are in a difficult position but wish to see action. They are inspired by what the Government has done up to now but seek a commonality that has not been found thus far.

Deputy Joe Higgins: The European Financial Stability Facility was a measure designed, not in the public interest as is claimed in the Title to the Bill, but really fundamentally to salvage the European banks and major European speculators from the consequences of their reckless lending over the previous ten years. Members are aware they gambled wildly on property bubbles in Spain and Ireland. Moreover, many European financial institutions were involved in the schemes that were built up around the sub-prime mortgage industry in the United States and accrued toxic debts to levels that are still unknown but which I have no doubt are being carefully covered up at present.

Last July, in a panic response to a fear that Greece might be forced to default on its borrowings, the EU leaders concocted this further extension to the European Financial Stability Mechanism. In essence it provided for the borrowing of masses of money in the financial markets, which was to be lent to the peripheral countries in crisis. The ordinary people of those countries were then to be bled dry to meet the payments demanded by the banks, hedge fund operators and the various speculators. Surely it should be clear to the Government and even to its backbenchers that this policy is a spectacular failure. Three years of austerity in Greece and in Ireland have yielded a dismal failure with an enormously increased crisis. All that austerity is doing, that is, the savaging of the living standards and services of the working class people who are the vast majority in society, is to pile up further crises.

Moreover, austerity is a policy that is increasingly discredited. As the left pointed out from the beginning, when one cuts in this manner the funds going into the pockets of members of that section of society with low or middle incomes who will spend virtually everything they

receive, then of course one cuts drastically their ability to purchase goods and services, which therefore gives rise to the dreadful crisis we face at present that has resulted in tragic levels of unemployment. If only the Government were to listen to some of the voices that increasingly are being raised both from the left and even from right-wing commentators and analysts. For example, the United Nations Conference on Trade and Development, which is led by a former leader of the World Trade Organization and who therefore is hardly a left-winger, excoriates the policy of austerity that is being driven by the European Union and the European Central Bank at present. It counsels governments to not take the advice of the very institutions, it names rating agencies, the prescriptions and actions of which got the world and Europe into this incredible present crisis.

Even one pillar of the so-called troika of the EU, ECB and IMF that is driving austerity down the throats of the Irish people with the collaboration of the Irish Government is in reality discrediting that policy. It appears to be schizophrenic in that it insists in Ireland and Greece that the mass of the population should take savage cuts in their living standards but yesterday warned the United States and other major economies, for which one should read the European Union, against fiscal tightening for fear it would cause further global fiscal crisis. What is fiscal tightening except cutting the amount of funds that are going to working people, to services, into capital investment and so forth? There is now a body of opinion that challenges the policy that is being driven by the EU and ECB to which the Irish Government has capitulated and which manifestly is a dreadful failure.

The eurozone is in a crisis that will continue. By common consent it is almost inevitable that Greece will be unable to repay these draconian debts. As Deputy Clare Daly illustrated, the Greek working class and poor are being further impoverished and driven into an impossible position. However, as economic development has been shattered in Greece, how therefore can they generate the wealth to pay off such massive levels of debt? It is absolutely impossible. Moreover, default by Greece will result in a new banking crisis that will have draconian effects on the European and world economies. The problem is the governments of the eurozone and the European Union lack the necessary cohesion to have a solution. They will not find a solution on the basis of the crazed market system. Moreover, the national interests of the national capitalist establishments within the European Union are coming to the fore and will increasingly so do as tensions rise in the future and they will not agree on fundamental lines of argument they hope might improve the position. While we rely on the market system in which private banks, hedge fund operators and so forth dictate policy and interest rates and dictate to entire economies, there will be only further chaos and crisis. Therefore, for the Opposition Members who seek an alternative, such an alternative is clear. Capitalism and the financial market system are utter chaotic failures and therefore revolutionary changes in the financial system are needed. We need a socialist alternative. We need these major institutions to be brought into public ownership under democratic control and accountability. They should then be directed to act for the common good, for major public investment in infrastructure, for example, services and the like, that would be capable of recreating the crashed economies of the European periphery and many other countries in the EU that are suffering from crises to one degree or another.

We will see increasing mobilisation of the working people of Europe, pensioners, poor and youth over the next short few years in opposition to a system that is drowning them in its crisis. If we had a trade union leadership in Europe or this country that was worth anything, it certainly would not have gone this far. Working people need to reclaim their trade unions and use them as fighting organisations. They will have no option but to do that over the next few years because otherwise the situation will evolve from this crisis to another that is worse.

Minister for Finance (Deputy Michael Noonan): I thank all the Deputies who contributed to this debate. It was very interesting and we had a very good exchange of ideas. I thank in particular the Deputies in Opposition who said they will support the Bill when we vote on it. I regret it will not pass unanimously but that is the way Parliament works and the system by which we live and do our business.

The euro has been a great success and it would be a pity not to acknowledge that. There has been a 50% increase in trade volumes in Europe in the past 12 years, and Ireland has shared enormously in that. The fact we are in the euro and it continues to be our currency is one of the main drivers of the export led growth we currently have.

The euro has controlled inflation better than the German market over the years, even though it was much lauded as the great cure for inflation. The average inflation rate in Europe since the euro was put in place is 1.97%. That is very important because inflation makes people poorer, erodes savings and cuts the purchasing power of wages. The biggest contributor to poverty in a country like Ireland or any European country is inflation and it is very important that it continues to be kept low.

The overall debt figures in Europe are better than those in the United States. If Europe could get its act together collectively, we would find a solution pretty quickly. The collective deficit in Europe is only 60% of that in the United States. A comparison with a similar currency zone shows the comparisons are in favour of Europe. If one examined the mechanisms to protect a currency in times of adversity, one would find all the advantages are with the United States. The crisis we are in comes from a number of sources, but its cure is to retrospectively fit the policy instruments which can protect a currency in adversity. Such a model exists in the mechanisms in the United States.

The euro has continued to be a valuable currency. When it was founded, the exchange rate with the US dollar, if I recall correctly, was \$1.22. Even after the crisis peaked in recent weeks it decreased from \$1.44 to approximately \$1.37 today. It is still a long way above where it started and it has increased in value against other currencies.

As late as ten days ago when Switzerland's currency, the Swiss franc, was becoming impossibly strong to the extent that it was massively affecting exports it decided to peg the currency to stop it rising further. It did not peg it to the dollar, yen or gold standard but to the euro. It is a vote of confidence in the euro as a successful currency. The future for Ireland is to be a successful country in the eurozone. We should collectively help to protect the euro. This Bill is one of the instruments that will protect it.

The EFSF is being put in place to assist countries in difficulty in order that programme countries like Greece, Ireland, Portugal and others who may get into difficulty have sufficient funds to protect them in times of adversity. It is also a device to protect the euro as a whole. Some Deputies said the fund is too small to protect countries like Italy and Spain. That is self-evidently true. Deputy Ross referred to Timothy Geithner's proposal that some leveraging will be done by using the fund to have a bigger firewall against adversity, which is well worth considering. There are no solutions currently in place to resist the storm that is blowing through Europe but work is ongoing and the Bill is an essential piece of architecture. I recommend it to the House on that basis.

I will pick up on many of the proposals made by Deputies. The debate has been constructive. Deputy Michael McGrath was the first speaker, followed by Deputy Smith with similar arguments. They inquired about the specific Exchequer primary balance targets we are required to meet under the programme of financial support. These are set out in the technical memorandum of understanding, TMU, which is part of the programme documents. As they are primary balance targets, they exclude Exchequer debt interest payments. They also allow for the exclusion of expenditure related to the banking sector recapitalisation and adjust for over or underperformance in

Exchequer tax revenues and PRSI receipts. We have adhered to the first three targets set for the end of December 2010, the end of March and the end of June 2011. The next target is set for the end of September 2011.

The ECOFIN meeting in December 2010, in a revised excessive deficit procedure recommendation, decided that Ireland's general government deficit must not exceed 8.6% of GDP in 2012. That is the budgetary target we have to reach when making budgetary corrections this year. The recently announced interest rate reductions will be of benefit in helping us to achieve this target. However, there are other pluses and minuses which we will have to take into account in formulating a view on the likely deficit for next year and the level of adjustment that will be required to ensure we adhere to it.

We will set out revised economic and fiscal forecasts in the next month's pre-budget outlook. Some Deputies inquired about them and they will be issued towards the end of October. They will take account of the most up-to-date information available, including quarter 2 national accounts data from the Central Statistics Office and the end of September Exchequer returns.

The Government is committed to reducing the general government deficit to below 3% of GDP by 2015. A number of Deputies made proposals on taxation. Deputy Finian McGrath suggested the introduction of a financial transaction tax. In a communication in October 2010 the European Commission stated it supported the idea of such a tax to help fund international challenges, such as development in Third World countries or climate change. However, the Commission recently proposed the introduction of a tax like this in Europe to fund the European Union. We are not in favour of that and think the European Union should continue to be funded by contributions from member states rather than taxes levied centrally across Europe such as a financial transaction tax. Some countries are in favour of a financial tax, whether it would be used domestically or to fund the European Union. I have an open mind about it but I do not want there to be a financial transaction tax in Dublin that does not apply in London, which would be injurious to the financial services industry in this city and would be injurious to the jobs of 20,000 people who work downtown in that industry. One might agree with the principle, but we need to be careful with its application. The ideal solution would be if the G20 were to apply such a tax globally.

I am not sure whether the projected yields that are claimed would be realised. I know someone who used to design software for transactions on the money market. That company had developed software that could do 2,000 transactions a minute with preprogrammed sell and buy instructions in the software. I believe they would stop trading that way if a tax was applied to financial transactions. I believe the yields are probably exaggerated because behaviour will change, as it always does when a tax is imposed. There is no consensus in Europe yet, but it is an ongoing issue.

Deputy Finian McGrath also spoke about taxes on high-income individuals, which can come up again at budget time. He also talked about increasing excise on tobacco products, but I believe he had a formula which would result in a reduction in tobacco. I was not sure whether he was advocating an increase in excise or a reduction.

Deputy Mick Wallace: It was probably a reduction.

Deputy Michael Noonan: There is an issue about excise on tobacco, which has nothing to do with health concerns, which is that we have a big problem with smuggled tobacco and the higher the excise, the greater the smuggling. We have the highest excise on tobacco products in Europe at present. There is a direct relationship between the level of excise and the black market sales of smuggled tobacco.

A number of people asked about the promissory note, burden sharing and so on. If people wish to quote me, I would prefer if they quoted me accurately and in context. Throughout my period as Fine Gael spokesman on finance in Opposition and during the general election campaign, I

[Deputy Michael Noonan.]

always said that I was in favour of burden sharing with subordinated bondholders and unguaranteed senior bondholders, but only if we had the agreement of the European Central Bank. I always said we would not act unilaterally.

Deputy Pearse Doherty: That was not what the Fine Gael manifesto stated.

Deputy Michael Noonan: I remember participating in a famous debate moderated by Pat Kenny, and the Deputy was burning things all over the place.

Deputy Pearse Doherty: The Minister should have clarified that he did not support the Fine Gael manifesto which stated it might be forced to act unilaterally.

An Leas-Cheann Comhairle: The Minister to continue, without interruption.

Deputy Michael Noonan: We will not run the general election campaign again. Whichever way one takes it, the circumstances have changed somewhat since the general election. The big change was that many European countries believed, as we did that night, that there should be burden sharing with bondholders. That was driven by the German Government and when it got agreement, it was tried out in Greece. There are 20% discounts on a voluntary basis across the Greek banking system. Within a week the contagion had run into Italy and continued on to Spain, which was the source of the present crisis.

Deputy Pearse Doherty: Italy and Spain were going in that direction beforehand.

Deputy Michael Noonan: It was directly related to a decision that Europe should try out burden sharing in the banking sector in Greece, which was done. Mr. Trichet advised strongly against it, but the political side took the decision and that is what happened. It is very difficult to say now that Ireland should go down the same road.

In addition, there is now very little distinction in Anglo Irish Bank between guaranteed and unguaranteed bonds. The guarantee introduced by the previous Government was the greatest financial mistake ever made in this country. It was guaranteeing a private bank, Anglo Irish Bank, that was still operational. However, some months later the Government took over that bank and then it became a State bank. When it became a State bank it did not matter whether the bonds were guaranteed or unguaranteed because the signature of the sovereign was under the bonds in the bank as soon as it became a State asset. It is a false distinction to talk about guaranteed and unguaranteed bonds in Anglo Irish Bank because they both carry the State signature. It would be greeted as a credit event if there was coercive imposition on that and, as a credit event, it would ruin the good reputation we have developed in recent months——

Deputy Pearse Doherty: The Minister argued for it last week.

Deputy Michael Noonan: I am relating the advice to the Deputy.

Deputy Pearse Doherty: I know, but the Minister is arguing——

Deputy Michael McGrath: The Minister has changed his tune.

Deputy Michael Noonan: I am relating the advice of the European Central Bank to the Deputy so that he is in a position to make a judgment and he can go for the can of diesel and the box of matches after that, but he is entitled to the advice which is that it would be very risky. The Government has not made a decision. On leaving Poland I said that we would reflect on it, but this is the input on which we must reflect and it is a serious situation.

There was a suggestion that the numbers keep changing on the interest rate reductions, which is true. When the Taoiseach returned from the Brussels meeting on 21 July, we did all the calculations on a 2% reduction. However, as the technical papers were worked through, the situation has improved. On the EFSF side, the minimum reduction we will get is approximately 260 basis points, which is 60 basis points more than the calculations we did originally. However, on the EFSM, which is the biggest fund on which we draw, the Commission decided that we would get that without any margin added. In that case the reduction is not 2 percentage points but 3.75 percentage points, which is what has resulted in the big variation in the figures, and certainly there has been big movement on it.

The maturity length of the loans is obviously a factor when we are pricing, but we priced it on the basis that the average for the money drawn down would be 7.5%. On that basis there is a saving of €9 billion. There is a saving of €900 million next year and between now and the end of the year there is a saving of approximately €130 million. I do not expect much of a variation on that — there might be a variation of 10 basis points on the EFSF fund but I have given the Deputy the lower figure, so we might do slightly better than that.

In addition we had put in margins for guarantees and so on which amounted to €600 million, and we are getting that money back because they have changed the design of the fund. However, we will not get it back until 2016 because we will not get it back until the bonds, in which it is included, mature. Therefore there is a real gain.

On the other hand we could take up the option of extending the maturity of the loans. Obviously if we are paying over a longer period we pay more in the total but there would be very significant savings on the interest rates. If, for example, we went to 15 years on the drawdowns for the future — I do not want to go into it today because we need to examine it and ascertain the best option for the country — the saving would run to more than €14 billion, which is a serious amount of money. That is the position on the interest rate. It was not accidental good luck because we campaigned on that and negotiated it for months on end. I was checking back on some stuff we did during the election campaign and found a report from the *Financial Times* from January, before we went into government. In response to the reporter who interviewed me, I said our position was to get the interest rate down to the balance of payment fund in Europe, which was offering money without the margin. The last money I saw from the balance of payment of payment fund was at 3.3%. That was our negotiating position and it worked out.

We were committed to renegotiating the programme but we are doing it in stages. The first renegotiation took place at around the time of the jobs initiative when we got the minimum wage reduction reversed. We got agreement to reduce VAT, particularly for the tourism industry. We got agreement that we would take another year up to 2015 to correct the programme. The second phase related to the price of the programme — the interest rates and the other matters to which I referred. The next phase of negotiation must be to see if we can reduce the burden of the overall debt. That is why I would like to put in place an alternative to the promissory note because the promissory note on Anglo Irish Bank is extraordinarily expensive. While it is not difficult to design a piece of financial engineering which would give one an instrument to do that, getting the agreement of 27 countries in Europe on the political side to allow us to do it is a different story. That is what the negotiation must be about going forward. It is certainly well worth attempting.

A number of Deputies made points which were not factual. Deputy Pearse Doherty seemed to think this legislation was some type of subterfuge for introducing the ESM treaty; it is not. There are references to the ESM treaty in the text but when we ratify it here separate legislation will be introduced and this legislation does not impinge on it. A referendum is not required for either this measure or for the ESM. This legislation is neutral in terms of any decision the House will take on the ESM.

[Deputy Michael Noonan.]

Deputy Clare Daly talked about the Irish guarantees and that the figure had moved up to €11 billion. That is true but it is notional. That we are a programme country meant we could step out of the arrangement for guarantees. Even though Members will note on the recital attached to the Bill the amounts that Ireland would have to guarantee, that is only the case if we were not in the programme. Once we are in the programme, we do not have to give those guarantees and, therefore, there will be no hit on Ireland.

Some of the Opposition are very critical of what we are doing, which is fair enough as that is what parliament is about, but they are very short on alternatives. Deputy Joe Higgins came forward with an alternative today. He said the free market system, capitalism and the financial industry that

6 o'clock supports it is a busted flush and that the alternative is socialism. The problem with that argument is that of the three governments in programmes, there was a socialist government in Portugal when it went into the programme and that government was replaced by the social democrats. The then socialist government in Portugal was more to the left than the mainstream European social democrats. It was a fairly straightforward socialist party. It was the socialists in Portugal who presided over its decline which forced it into a rescue. The government in power in Greece is Mr. Papandreou's socialist party, as opposed to a centre right party, which has a long tradition there and has provided good government but it is a socialist government. It is not socialist in the sense of the social democratic European mainstream, it is a socialist party that presides over a country where 52% of GDP is generated by state assets and state control. The finance minister in Poland told me that Greece was more a state economy than Poland was before the Russians left. In Ireland we did not have a socialist party, we had Fianna Fáil. Although a former Taoiseach said he was one of the three socialists in the Dáil, I presume Deputy Higgins was the second and I do not know who was the third. He used to look at me at times as if I had left wing leanings. That is the position.

Deputy Mick Wallace: The Minister is more of a socialist than Bertie.

Deputy Michael Noonan: I thank everyone for their co-operation. I am sure we will have several such debates between now and Christmas because there is a good deal of follow up and other legislation which will go over much the same ground.

Question put:

The Dáil divided: Tá, 99; Níl, 21.

Tá

Bannon, James.
Barry, Tom.
Browne, John.
Burton, Joan.
Butler, Ray.
Buttimer, Jerry.
Byrne, Eric.
Calleary, Dara.
Cannon, Ciarán.
Carey, Joe.
Collins, Áine.
Collins, Niall.
Conaghan, Michael.
Conlan, Seán.
Connaughton, Paul J.
Conway, Ciara.
Corcoran Kennedy, Marcella.
Costello, Joe.
Creed, Michael.

Creighton, Lucinda.
Daly, Jim.
Deasy, John.
Deenihan, Jimmy.
Deering, Pat.
Doherty, Regina.
Dowds, Robert.
Durkan, Bernard J.
Feighan, Frank.
Ferris, Anne.
Fitzgerald, Frances.
Fitzpatrick, Peter.
Flanagan, Terence.
Fleming, Sean.
Griffin, Brendan.
Hannigan, Dominic.
Harrington, Noel.
Harris, Simon.
Hayes, Brian.

Tá—continued

Heydon, Martin.
Hogan, Phil.
Howlin, Brendan.
Humphreys, Heather.
Humphreys, Kevin.
Keating, Derek.
Keaveney, Colm.
Kehoe, Paul.
Kelleher, Billy.
Kelly, Alan.
Kenny, Enda.
Kenny, Seán.
Kirk, Seamus.
Kitt, Michael P.
Kyne, Seán.
Lawlor, Anthony.
Lynch, Ciarán.
Lynch, Kathleen.
Lyons, John.
McCarthy, Michael.
McConalogue, Charlie.
McFadden, Nicky.
McGinley, Dinny.
McGrath, Michael.
McHugh, Joe.
McLoughlin, Tony.
McNamara, Michael.
Maloney, Eamonn.
Mathews, Peter.
Mitchell, Olivia.
Mitchell O'Connor, Mary.

Mulherin, Michelle.
Murphy, Dara.
Murphy, Eoghan.
Nash, Gerald.
Naughten, Denis.
Neville, Dan.
Nolan, Derek.
Ó Fearghail, Seán.
Ó Ríordáin, Aodhán.
O'Dea, Willie.
O'Donnell, Kieran.
O'Donovan, Patrick.
O'Dowd, Fergus.
O'Mahony, John.
O'Reilly, Joe.
Penrose, Willie.
Perry, John.
Phelan, Ann.
Phelan, John Paul.
Ring, Michael.
Ryan, Brendan.
Shortall, Róisín.
Smith, Brendan.
Spring, Arthur.
Stagg, Emmet.
Troy, Robert.
Tuffy, Joanna.
Twomey, Liam.
Wall, Jack.
Walsh, Brian.

Níl

Daly, Clare.
Doherty, Pearse.
Donnelly, Stephen.
Ellis, Dessie.
Ferris, Martin.
Flanagan, Luke 'Ming'.
Fleming, Tom.
Halligan, John.
Healy-Rae, Michael.
Higgins, Joe.
Mac Lochlainn, Pádraig.

McGrath, Finian.
McLellan, Sandra.
Murphy, Catherine.
Ó Caoláin, Caoimhghín.
Ó Snodaigh, Aengus.
Pringle, Thomas.
Ross, Shane.
Stanley, Brian.
Tóibín, Peadar.
Wallace, Mick.

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Aengus Ó Snodaigh and Catherine Murphy.

Question declared carried.

European Financial Stability Facility and Euro Area Loan Facility (Amendment) Bill 2011: Committee and Remaining Stages

SECTION 1

Question proposed: "That section 1 stand part of the Bill."

Deputy Pearse Doherty: To help to process the legislation more efficiently, will the Minister confirm that he is in a position to accept amendments to the Bill? It is my understanding amendments cannot be tabled because they will not be accepted. Is that the case?

Minister for Finance (Deputy Michael Noonan): We can table amendments for discussion purposes. However, since the text must be endorsed across the member states, if we were to vary it here, it would have to go back again. There are only three sections in the Bill, one of which is the Long Title; therefore, what we are really talking about are the Schedules and Appendices which are standard across Europe, which means all other Parliaments will be amending them also. We are not in a position to accept amendments because we are committed to doing this in September and certainly not going back a second time, but we can discuss any issues involved.

Deputy Pearse Doherty: It is probably a unique experience, as Irish legislators, dealing with legislation we cannot amend. While we are having a debate on Committee and Report Stages, it is just for the purposes of going through the motions. I will not delay proceedings, but I would like to ask a question about section 1, to which the Minister referred. It states the European Stability Facility Act 2010 is being amended by substituting €12.5 billion for €7.5 billion. I know Ireland is a stepping out guarantor. Will the Minister tell us if it can become a stepping in country again under the legislation?

Deputy Michael Noonan: There is no provision for stepping back in, but I presume that if we finish our programme successfully and the country is sovereign again, conducting its affairs independently of the IMF and the European authorities, that question will be raised by either the Commission or our European colleagues. However, there is no provision in the Bill which requires us to go back in.

Deputy Pearse Doherty: The argument is being presented to us that increasing the guarantee by €5 billion is merely a cosmetic exercise because this is a stepping out country. We have stepped out since 3 December 2010. Could there be a time when Ireland could be called upon to guarantee the €12.5 billion figure in the Bill? The Minister has already spoken about Ireland coming out of the programme and there is reference on page 22 of the Bill to handing over the contributions to the ESM at that point. Is it conceivable that this guarantee could be called upon at some stage, or would it require this Parliament to again pass legislation? We are well aware of the structures being put in place by the German Parliament to ensure there will be some sovereignty in this whole process. A committee is being set up there to ensure there will be no draw on that country's Exchequer. There is no such measure being facilitated in this Bill. We are being told not worry about the figure of €12.5 billion because it does not apply to us. I want to be crystal clear that this will be the case indefinitely and that there are no circumstances in which this measure which the Minister is asking us to enshrine in law will be called upon.

Deputy Michael Noonan: The stability fund is temporary in nature and will be replaced by the ESM fund after 2013. There will be further legislation to put the ESM arrangement in place. When we see the text coming through, I expect that provision will be made for guarantees also. It may be bigger or smaller or the same, but the stepping out arrangement will be in place. The ESF fund will run out and be replaced by the ESM fund. We will not be coming back to move amendments to this Bill to allow Ireland to step back in again, but it may incur analogous obligations under the ESM legislation when it passes through the House. The Deputy will have his opportunity to debate it and oppose or agree to it as he sees fit.

Deputy Joe Higgins: What we are participating in is a charade. This is not a Committee or Report Stage debate on a Bill. It is a process that would be fitting in the old Stalinist Parliament in Russia, in which the Politburo came forward with a fixed agenda, whereby it proposed and the Members of the Parliament loyally disposed. This is not a democratic process. The elected

Members of this Parliament are being dictated to by an agenda devised in Brussels. It is an increasing feature of governance within the European Union as the crisis in the financial system and the capitalist economies of Europe has worsened. It is now increasingly the case that decisions are being made by diktat by forces outside the State, many of which are unelected. Therefore, Jean Claude Trichet who answers to no voter dictated to the Minister on Saturday that the €3.6 billion allegedly owed to gambling bondholders in Anglo Irish Bank should be paid and the Minister capitulated and agreed to this. The Treasury Secretary of the United States, Mr. Geithner, dictated——

Acting Chairman (Deputy Jack Wall): I have given the Deputy some latitude and ask him to refer to section 1 please.

Deputy Joe Higgins: I am not going to participate any further. Deputies have the right to ask questions for as long as they want, but let us get to the vote and bring to an end this painful charade in order that we can at least mark our resistance to this further consolidation in trying to solve the problems of the financial system of Europe on the backs of the Irish, Greek and German peoples, with everybody else.

Deputy Michael Noonan: I think there is a misunderstanding. The House cannot amend the agreement, but the agreement is included in the Schedules. If Deputies want to table amendments to sections 1, 2 or 3 of the Bill, they have the same rights to do so, as they would with any other Bill. I do not see much scope for amending it, but rights are not being taken away. Deputy Higgins has been here for a long time and knows that the House is frequently involved in ratifying secondary legislation from the European Union. Once directives are agreed to in the European Union, they are brought here as secondary legislation. I do not recall there being a power to amend agreements, but the vehicle which conveys an agreement through the House is amendable.

Deputy Stephen Donnelly: On the basis that we cannot table amendments, may I ask the Minister three relevant questions?

Acting Chairman (Deputy Jack Wall): As I understand it, we will deal with each section and questions must be relevant to the Committee Stage debate. I will allow the Deputy the latitude I allowed the other two Deputies.

Deputy Stephen Donnelly: Thank you.

In his summing up in the House a few minutes ago and when talking about not being able to burden share with the Anglo Irish Bank bondholders the Minister stated that when this was done in Greece, it caused a run on some European banks. Does he accept that all that happened was that the markets factored in normal trading losses? That is exactly what would happen if we applied the same at the very least to the unguaranteed senior bondholders in Anglo Irish Bank. Were we to see this write-down on those who hold the bonds, all that would happen is that they would not receive this super profit which it is being forecast they will receive. The situation in Greece in respect of senior bondholders not only tells us we should not cover the Anglo Irish Bank bondholders, it actually provides the exact template for what we should do.

The reason I am voting against this Bill is not that I do not understand the serious cash flow benefits that it will bring, rather I am voting against it because the entire euro approach is failing and tearing the eurozone apart. The evidence for this view is mounting. While I understand the reason the Minister is pushing through the legislation — to reap its cash-flow benefits — does he believe it is a step in the right direction or that this approach of solving a debt problem by acquiring further debt is working? On the same issue, does he support large-scale

[Deputy Stephen Donnelly.]

quantitative easing in the eurozone? Jean-Claude Trichet has called for such an approach and virtually all the economic evidence indicates it would be a sensible and necessary part of any solution.

Deputy Michael Noonan: I thank Deputy Donnelly for his contribution and questions. He made an interesting speech on Second Stage, to which I did not refer in my closing remarks because he was not present.

On burden sharing in respect of unguaranteed bonds in Anglo Irish Bank, I was relating to the House the advice I had received. Without quoting Mr. Trichet, I was giving the burden of his advice to the House because they were the reasons set out. What happened in Greece is not yet finished. As I understand the position, the country needs to achieve something akin to a 90% willingness rate among the relevant financial institutions before private sector involvement, PSI, is invoked. The last I heard, the relevant figure stood at between 75% and 80%. Deputies should remember, however, that this is a voluntary arrangement and I am being asked to push a coercive arrangement. Greece did not go that far. The effects in Greece would have been manageable if the measure had been confined to Greece and provided it achieved the ratios it had planned. The difficulty is that when the markets examined the Italian position and, to some extent, the position of Spain, they concluded that something similar would be done in these countries. There was, therefore, a direct contagion effect.

Ireland is in circumstances where since mid-summer the value on the secondary market of the unguaranteed senior bonds in Anglo Irish Bank has been moving towards par. Values have moved up to 85%, 86% and 87% and are now in excess of 90%. There is an expectation that this tranche will be redeemed at par. If we were to get involved in a voluntary exercise along the lines of what was done in Greece, we would hardly get €100 million out of it. That is what this issue comes down to. The judgment question is whether Ireland would risk reputation for such a sum. As Deputy Donnelly is aware, as a small programme country, it is very hard to explain the details of what one is doing and get one's message across. All that would happen is that Bloomberg would run a line under its bulletin stating Ireland had imposed haircuts on senior bondholders. In such circumstances, it would be very hard to get Jack back into the box, which has been my experience previously. It is very hard to nuance what one is doing when one comes from a country of Ireland's weight which receives very little attention. That is the response to the Deputy's first question in so far as I can answer it.

The Deputy's second question was whether I consider the action being taken in Europe to be adequate. It is clearly inadequate and evidence is emerging all the time to support this view. I can, however, understand the problems in Europe. The introduction of a single currency 12 years ago was a good idea and, as I noted in my reply on Second Stage, it has major advantages. The value of the euro has increased. Having started out at €1.22 to the dollar, it now stands at approximately €1.37 to the dollar, despite all the pain and suffering of the past fortnight. Ten days ago it stood at €1.44 to the dollar.

Deputy Stephen Donnelly: The euro needs to be devalued.

Deputy Michael Noonan: All I am saying is that it has gone up in value.

The euro also controlled inflation which in the past 12 years has averaged 1.97% per annum. Inflation was higher than this under the Deutsche Mark in the 12 years previously. The single currency has, therefore, been a great success in controlling inflation. European trade has also increased by 50% in the 12 years since the introduction of the euro, a development from which Ireland has benefited greatly.

Just two weeks ago, when Switzerland decided that the value of the Swiss franc was rising too fast and damaging the country's exporting capacity, it decided to peg the franc to the euro, rather than the dollar, gold standard or yen. The Swiss made a shrewd judgment that the euro was a strong currency and a good one to peg their currency to. The problem is that when the euro was introduced, the authorities did not, despite the proven advantages of doing so, fit the policy instruments to defend it in times of adversity. This is being done retrospectively and in instalments. The problem is that we have never got ahead of the curve and bigger initiatives than those taken thus far are needed. I advocate this all the time. As I did not want to offend anyone in the larger countries when they were dead set against eurobonds, I simply changed the language and stated we were seeking mutual guarantees. The Deputy is aware that eurobonds and mutual guarantees amount to the same thing, although the language differs.

On quantitative easing, I can see the problems the European Central Bank in Frankfurt would have with such an approach because its primary mandate is to protect the value of the currency and keep inflation low. That is its mission statement. If one pumps significant sums into the economy by printing money, which is the effect of quantitative easing, one needs to measure the results to ensure there are no inflationary effects. I assumed buying bonds on the secondary market was a distant cousin of quantitative easing, but this is denied in Frankfurt which argues that there are balances elsewhere in the system and one does not increase money supply by buying bonds on the secondary market.

Quantitative easing has been used successfully in the United States and — also successfully I believe — in the United Kingdom, although an inflation problem is emerging there where the inflation rate has reached 5%. This is a very high rate both comparatively and in absolute terms. This is a judgment for the European Central Bank to make, but I will put the issue in this way. If a decision were taken in Frankfurt to engage in quantitative easing, I would not jump up and down and say it was wrong. That is my position on the matter.

Deputy Stephen Donnelly: On the Anglo Irish Bank bondholders, while I understand the Minister's argument, its logic is a little circular. It appears to follow the following route. Arising from an expectation in the markets that Ireland would not honour investors' profits and serious haircuts would be imposed, bonds were trading at significant discounts. However, as the Government made it increasingly clear that it would pay or would have to pay the bondholders, the gap between par and the expectation of the markets closed. The logic, therefore, is that there is, as a result of Government statements that we would pay the bondholders, no point in refusing to pay them. Perhaps we could factor this logic into some of the other bonds we have to deal with by issuing statements that we may not pay them as this would correctly reduce the expected value.

It is a problem that the euro is maintaining and increasing its strength against the dollar and various other international currencies. We need the single currency to devalue significantly if we are to export our way out of our problems. On the linked issue of quantitative easing, it is my understanding Jean-Claude Trichet is constrained by the 2% ceiling on inflation and has stated he wants this ceiling raised. The Government is a member of the Economic and Financial Affairs Council, ECOFIN, and the euro group which are able to change the terms of reference of the European Central Bank. It is my understanding Mr. Trichet wants the bank to have the ability to print more money. If we can print more money, we can start to inflate our way out of debt. If the inflation rate were to hit 4.5% or 5% for a small number of years before being reined in again, we would be able to start to deflate the debt in real terms. Other than a write-down, the debt will not go away without inflation and quantitative easing. Moreover, increasing the money supply would result in significant stimulation of economic activity. These measures will enable us to begin to deal with the debt because the current approach is simply not working.

Deputy Michael Noonan: Mr. Trichet is independent in the exercise of his functions and not subject to political direction. I have never heard him express the view the Deputy ascribes to him. While he may have done so in a speech somewhere, he has certainly not expressed it at any of the ECOFIN meetings I have attended.

Acting Chairman (Deputy Jack Wall): Deputy Doherty may ask a final supplementary question.

Deputy Pearse Doherty: I will speak to the section rather than ask a supplementary question. I do not wish to digress and discuss Anglo Irish Bank bonds.

Deputy Donnelly is absolutely correct in his point about burden sharing with bondholders at Anglo Irish Bank. Nobody really swallows figures such as the €100 million mentioned, but that is not what we are dealing with.

The Minister knows that my party will be voting against the Bill. I do not want to drag this out for too long because it is a sham, as others have said, that we cannot amend the legislation. In reality, the annexes are the legislation; the rest is just the Title and so on. There is one key aspect, the additional €5 billion liability. I would like to tease this out because it is important that we, as legislators, scrutinise the legislation.

From June 2013, the EFSF cannot issue any new bonds and will cease to exist after the last loan is repaid. I am looking at this from an Irish point of view. The Bill will stand on the Statute Book. If the European Union or ECOFIN wanted to agree to allow the EFSF to issue bonds after June 2013, would this require a change in legislation in Ireland? I say this because when I asked whether there was any possibility that the liability we are enshrining in law — the additional €5 billion — would be called in at some point in the future, the Minister's answer was that the ESM would replace this fund and legislation would be introduced. We know that is not a good way to deal with legislation. We introduce legislation for the here and now. I take the Minister's word that his intentions are sincere with regard to what he thinks will happen, but there is no guarantee that the ESM will actually replace the EFSF. We have only to consider the ruling of the constitutional court in Germany; it is clear that the introduction of the ESM would require a referendum in Germany and there is no guarantee the German public would agree to it. There is no guarantee that the Government will get away with introducing legislation without a challenge in the courts which might require the establishment of this facility to be put to a referendum.

I am asking about the here and now. Would an extension of the EFSF's remit to issue bonds post-June 2013 require us to amend legislation, or can the matter be dealt with at a meeting in Brussels, or wherever, by unanimous agreement? Is there any situation where the potential additional liability of €5 billion we are enshrining in law can be called upon in the future, whether through an extension of the EFSF's role without referring to Parliament, or a transfer of liabilities, as mentioned on page 22 of the Bill, to the ESM if it ever applies in law?

Deputy Michael Noonan: As this is a programme country, the notional guarantees ascribed to Ireland will never be exercised because of the stepping-out arrangement for guarantee countries. The ESM has already been agreed to. There may be minor amendments before it is fully signed off, but it has a different structure from the ESF. Under the ESM, there is no guarantee system; countries must pay actual capital into the fund. Neither is there a stepping-out facility for the ESM. Ireland's share in terms of paid-in capital will be approximately €1.3 billion. That will be the arrangement, rather than a system of guarantees. This is to be paid in five equal instalments starting in 2013, which equates to about €250 million per annum for each year from 2013 to 2018, but there will be no accompanying guarantee system as it is a different mechanism.

As I said, it will require separate legislation here and Deputies will have a full opportunity to debate it at that point. Nothing in this Bill impinges on it.

Deputy Pearse Doherty: I am not getting a direct answer to my question. The Minister keeps talking about the ESM which has been agreed to in the European Union but does not exist in Irish law. Many things have been agreed to in the European Union but have changed in subsequent months. There is no guarantee that the ESM will come into law across all EU Parliaments. I am asking the Minister whether a change in the law would be required in Ireland to extend the remit of the EFSF to issue bonds after June 2013. I suggest that if Germany decides the ESM cannot go ahead, European leaders will decide instead to tinker with the institution already in place or make it into something more credible or similar to the ESM. In this way they would get around the right of the German people to have a constitutional referendum. Does the sunset clause of the EFSF require a decision in this Parliament? The reason I am asking is this: if it were able to issue bonds after June 2013 and we were to come out of the programme at that time, the liability in the Bill could be called upon.

Deputy Michael McGrath: If we successfully exit the programme we are in at the end of 2013, is there a situation where the EFSF could still be in existence and the guarantee of the enhanced amount in the Bill could be invoked? Is that a possibility, or do we have a legal commitment that on the introduction of the ESM in mid-2013, the EFSF will cease to be in place?

Deputy Michael Noonan: There is no provision for Ireland to step back into the EFSF and the EFSF would have to be amended to allow it. There is no question of that happening, however, because the ESM has been agreed to at the highest level in the European Union and signed by representatives of member states. All I am saying is that because it has not yet come through the national Parliaments, there is still potential for minor amendments. It does not require a referendum, whether here, in Germany or anywhere else. Some countries, as Deputies know, can implement constitutional changes in Parliament without having a referendum. The advice is that the introduction of the ESM does not require constitutional change, certainly in Ireland, and that it will be this House and the Seanad that decide on the matter.

Question put and agreed to.

Sections 2 and 3 agreed to.

SCHEDULE 1

Question proposed: “That Schedule 1 be Schedule 1 to the Bill.”

Deputy Pearse Doherty: Schedule 1 is where we get to the nitty-gritty. We are opposing the Bill and this Schedule. I will not delay the House, but I have a number of points to make.

The text on page 10 of the Bill, from lines 11 to 25, deals with the extension of maturities of EFSF loans. It states: “We have decided to lengthen the maturity of future EFSF loans to Greece to the maximum extent possible from the current 7.5 years to a minimum of 15 years and up to 30 years with a grace period of 10 years”, and, “The EFSF lending rates and maturities we agreed upon for Greece will be applied also for Portugal and Ireland”. Can the Minister explain this to me? I know we have discussed it before, but I am just not clear on it. My reading of the Bill is that it has been agreed to extend the maturity of future loans for Greece to a minimum of 15 years and up to 30 years, and that the same must be applied to Portugal and Ireland. Can we avail of 7.5 year average loans, or is it the case that any future borrowing from the EFSF must be for a minimum of 15 years and up to 30 years? The Minister has mentioned

[Deputy Pearse Doherty.]

that there is a debate on whether the NTMA will consider extending the maturities of the bonds. I could be wrong, but my reading of the legislation is that this will not be possible for us any longer, that it will be for a minimum of 15 years. Perhaps the Minister might explain this to the House and refer to the grace period of ten years.

Deputy Michael Noonan: My understanding is that we would have discretion, but we have not yet made a policy decision. Obviously, we would need to obtain the advice of the NTMA. In the future we would certainly not want the repayments to be lumpy — in other words, that there would be a very large repayment in any one year. We will use the discretion allowed for on the timeframe to ensure payments are ordered in such a manner they can be made in the easiest possible way and will also look at the advantages in terms of cost as we advance. Spreading out a loan obviously reduces the burden, but it is also the case that one pays more overall. In managing their normal personal finances people build extensions, for example, to a term loan of five years. They find the repayments a little heavy and have the loan rolled into a mortgage. They will end up paying more, but it will be much easier to make repayments and the burden of the debt will not weigh as heavily. This measure is analogous.

As I understand it, on the grace period, Greece will have an arrangement for 15 to 30 years and may seek a further arrangement for 40 years.

Deputy Pearse Doherty: I appreciate what the Minister has said so far. The quote comes from the Heads of State in the euro area, but I do not understand why it is included in this legislation. In dealing with legislation we know how important a word is, but this does not give us scope to have loans from the EFSF for less than 15 years. Under the EFSF, we have been able to avail of loans for less than 7.5 years because that is the average term. However, the wording does not even refer to an average but to a minimum period of 15 years and up to a maximum of 30. Are there any consequences for having this wording in the legislation, given that the Minister's understanding is that we will have flexibility? Obviously, the extension of maturities is something we would welcome, as we would having that flexibility, something I have claimed from day one. I am just concerned that the reference is to a minimum period of 15 years and whether we would want this, or prefer a ten-year maturity, will no longer be an option for the State to consider.

Deputy Michael Noonan: The context was that Greece was failing to meet the conditions of its programme, although neither Ireland nor Portugal was failing in that regard. Therefore, it is couched in terms of a new set of easements to facilitate Greece. The Greeks will receive a lower interest rate and there will be flexibility on the maturities and other details. These will then be applied to Ireland and Portugal, even though neither is having a difficulty with its programme. That is the way it is structured.

The advice I received when I inquired about this matter was that we would have flexibility on the terms of the maturities. If we thought it was in our interest to have longer maturities, we could go that way; if we thought it was not, we could stick with the period of 7.5 years and EFSF management would have discretion to facilitate us. It is a question of judgment. I have not yet received the advice of the NTMA. We are in the early stages of the programme negotiated only last November-December. We are not yet 12 months into it and as we work our way through it, we can see what is to our best advantage. Everything helps us to move on and restore the country to economic growth.

Acting Chairman (Deputy Jack Wall): Is the Schedule——

Deputy Pearse Doherty: That was only my first point about the Schedule. In fairness, as this legislation is about keeping money back, we will have a short while in which to go through this sham.

Page 12 deals with the service fee and I seek the Minister's explanation. It reads in regard to the service fee in respect of EFSF loans:

This shall provide remuneration for the Guarantors and shall be specified in the relevant Financial Assistance Facility Agreement. The EFSF shall review periodically the pricing structure applicable to its Financial Assistance Facility Agreements and any changes thereto shall be agreed by the Guarantors acting unanimously in accordance with Article 10(5).

When I read that, I am worried. Is the pricing structure fixed, or does this allow for it to be amended by agreement?

Deputy Michael Noonan: The pricing structure can be amended by agreement to enable the condition that money will never be given below the cost of the money to be made available. As a general condition, the price will not go below the cost of money. Therefore, if interest rates go up internationally and the EFSF sells a bond to the Chinese, it will still have to be passed on at a rate above what one paid for it. That is where the flexibility lies.

Deputy Pearse Doherty: I understand that and agree with the idea of providing money at cost. Obviously, the EFSF should not lose out as a result of. However, if one looks at the line written above which is to change, it reads: "the third sentence shall be deleted and replaced by the following sentence: "The pricing which will apply to each Loan is intended to cover the cost of funding" [which is fair enough] "and operations incurred by EFSF and shall include a margin (the "Margin")." I realise the Minister mentioned two elements, but this legislation allows for a margin. At present there is no margin, only the operational costs and the costs of funding. However, the first piece I read to the Minister referred to remuneration for the guarantors and the fact that it could be amended by unanimity among the guarantors. For the purposes of clarity, can the guarantors sit around a table and decide that the pricing structure which would be beneficial to the State can be amended by agreement among them within a year or so, or is the position now fixed for the entirety of our current programme?

Deputy Michael Noonan: When I was answering questions at an earlier stage of the debate, perhaps on Second Stage, I said the ESFM fund was supplying the money without a margin. The relevant deduction was 3.75%, even though we had thought it would be around 2%. That is agreed to in principle, but has not yet been signed off on by the 27 member states. On the other side, regarding the EFSF fund, I have stated that rather than receiving a 2% reduction, we are getting a reduction of 260 basis points. The reason is that some countries, principally Germany, apparently have a parliamentary condition that requires a small margin. I have stated there might be a figure of ten or 15 basis points in this regard. The EFSF fund will have a very small margin, at the insistence of Germany, in order to comply with a decision that country has taken previously. The mechanism to be used for varying anything subsequently is the list of countries that are guarantors.

Deputy Pearse Doherty: There are no limits on the margin.

Deputy Michael Noonan: Nothing hangs on it either.

Deputy Pearse Doherty: That is fair enough.

Deputy Michael Noonan: There is an understanding that the figure will not be more than 50 basis points. If there was no margin, I would be telling the Deputy we would receive the EFSF money with a reduction of about 280 or 283 basis points. By using the figure of 260 basis points, I am allowing a margin. This is not yet exact and minor adjustment must be made at the end.

Deputy Pearse Doherty: I have one final point, to which the Minister referred at the conclusion of his Second Stage speech. For the record, I am not naive and know this is not the legislation under which the ESM will be introduced. It will be provided for later. However, we cannot get away from the fact that by passing this legislation we are referring to the ESM for the first time. It is mentioned not once or twice but three times in this legislation. I have said in that regard that what we are doing in this Bill is underhand. It has been agreed to by 17 members sitting around a table in Brussels. The Taoiseach and the Minister signed up to an agreement which we believe should be put to the people.

Leaving that aside, the ESM has not been agreed to by this Parliament. It has not come into existence and may never do so. However, the legislation before us makes provision for its establishment in law, to which we have not agreed. We are facing a massive liability in respect of this matter. As the Minister stated, we are going to be obliged to contribute €1.3 billion to the facility in question. It is for this reason that I believe what is being done is underhand in nature. The Bill should not contain reference to the ESM. If this and other Parliaments across the European Union to which the ESM is relevant want to introduce it, it is at that point the relevant legislation should be amended. That happens all the time. If the ESM were to be established in the future, we could amend the legislation before the House to make reference to the transfer of rights, obligations, etc., to it at that stage. However, referring to the ESM in this Bill is an underhand way to proceed.

I am not surprised by what is being done because this is the way the European Union works. Those in the European Union are considering how to circumvent the constitutional issues in Ireland and Germany. Their approach is that the matter should be kept from the public at all costs and that the ESM should be introduced by the back door, the side door or any way at all. We are losing our sovereignty bit by bit. I am completely alarmed by the lack of focus and leadership at European level. With respect, the Minister and the Taoiseach are both European leaders. It is not just Chancellor Merkel or President Sarkozy who hold sway, all of our European leaders are in it together.

We have offered suggestions to the Government. Deputy Donnelly made suggestions in respect of quantitative easing. Other proposals have been brought forward in respect of ECB bonds and the forced recapitalisation of the banks. At a meeting of the Joint Committee on Finance, Public Expenditure and Reform a fortnight ago I pressed representatives from Anglo Irish Bank and the NTMA on the restructuring of that institution's loans. The Minister subsequently made an announcement on this matter in Brussels last week. However, I have never heard him or the Taoiseach who are our leaders in the European Union clearly state what they would like to see as the outcome of the European crisis. What solutions can we expect? A multitude of views on that matter have been expressed by Members on this side of the House. We represent various parties, groups and interests and, as a result, there is no clear, unified solution among us as to how we should proceed. However, people are at least offering ideas and solutions. On the opposite side of the House, the Government is not providing a clear direction with regard to how the European Union should deal with this matter.

A Greek economist, Mr. Yanis Varoufakis, has offered his own solutions to the crisis which are supported by seven or eight former European Prime Ministers, the Irish Congress of Trade Unions and many interest groups. When Mr. Varoufakis appeared on TV3, neither Fine Gael nor the Labour Party would allow any of their Deputies to go on the programme to speak on

the issue because they did not have a policy on it. There is a need for the Minister, as a European leader, to state he believes in quantitative easing or burden sharing or that he is of the view that we should move in a particular direction. I say this with the utmost respect. I accept that his position and that of the Government is to wait on the sidelines and nip into and out of the negotiations. That is wrong. The Minister possesses many skills and should be front and centre in the negotiations. He should also spell out in very clear terms the direction Ireland wants the European Union to take in the future. Furthermore, he should also spell out the principles on which we should seek to proceed.

Unfortunately, I will be opposing the legislation because it contemplates the wrong approach to take to solve the euro crisis. I recognise that it will give rise to benefits, but one cannot take someone outside and beat the living daylight out of him or her and then state it is okay because one will drop him or her to the nearest accident and emergency department. That is what has happened here. The European Union is beating up on us big time. On 7 November a bond worth €700 million will come to maturity. The Minister and everyone else in the House is aware that this bond should not be paid. I reiterate that the European Union is beating up on us big time, but it is going to take us to the accident and emergency department and stop screwing us on the interest rate. As a result, we should all be happy. That is not good enough for the people. It is unfortunate that we are in the position in which we find ourselves.

Deputy Michael Noonan: Normally when somebody beats one up, they do not stick €65 billion in one's pocket before going away.

Deputy Pearse Doherty: They are putting that money into the pockets of those in the banks.

Deputy Michael Noonan: I would nearly allow myself to be beaten up outside the gates of Leinster House this evening if I thought that would happen.

Deputy Mick Wallace: I would settle for less than that amount.

Deputy Pearse Doherty: Has the Minister ever come across loan sharks? Those individuals lend one money, but they take one's blood in return.

Deputy Michael Noonan: The Deputy's analysis of the cross-references to the ESM is incorrect. There is nothing in the Bill which ties us to the ESM. The cross-references are included because there is an agreement in the European Union that, as we negotiate, the ESM will replace the EFSF. Separate legislation will have to be introduced to facilitate the establishment of the ESM.

The Deputy engaged in a critique of us and that for which we stand. If any criticism can be made of me, it is that I say too much when I go to the European Union. The position is clear. The country is in a frightful fix. We lost our sovereign control and got into a situation where we have been saddled with an enormous amount of debt. We were not able to raise money in the markets and this left us dependent on the kindness of strangers in order to obtain funds. Those strangers, our colleagues in the European Union, proved to be very kind. They voted us money in their Parliaments and that is what is paying for our health, education and other public services, including those provided by the forces of law and order. It is unfair to refer to big, bad Europeans beating us up and doing harm. If it were not for the Europeans, the economy would have collapsed because we had nowhere to go. Who was going to give us the money we required? We would have been obliged to make a correction of approximately €20 billion in one budget — the Deputy can imagine the devastation to which that would have given rise — in order to try to bring expenditure into line with taxation in one fell swoop over a 12-month period. One can imagine the social impact such a move would have had.

[Deputy Michael Noonan.]

We should appreciate what our European colleagues have done. They have been extremely helpful in this matter. During the recent general election campaign — which brought about a change of government — we stated we would renegotiate the programme. We have commenced doing so, but we are proceeding in phases. The first phase was that when the jobs initiative was announced, we were allowed to restore the minimum wage to its former level. Many other things have been done. The correction period for the programme has been extended by 12 months to 2015 and there has been no second NAMA phase because the banks must deal with assets with values below €20 million. Our European colleagues agreed that we could reduce the rate of VAT applying to the hospitality sector from 13.5% to 9%. This had a significant effect for those involved in the sector during the summer months. We were also allowed to halve employer's PRSI below certain limits.

The second phase of the renegotiation relates to the price of the programme. As I stated on the day it was introduced, the programme was priced incorrectly. We did not require the lessons in moral hazard expressed by the addition of 3% to the cost of the money we received. That was the thinking in the European Union when the programme was introduced.

7 o'clock Adequate moral hazard was expressed when members of the electorate went into polling booths during the general election. Our colleagues in Fianna Fáil can attest to this because their party's support decreased by 28%. To date, thank God, people in this country, unlike their counterparts in Athens, have not taken to the streets. In addition, we have not, as has been the case in other European countries, had a general strike here. The effect of what was done in polling booths on this occasion was absolutely devastating. It sent a clear signal right across Europe. I am not seeking to dump on Fianna Fáil; I am simply describing how the electorate exercised moral hazard. We did not need an additional 3% on our interest rate to teach us that we do not like participating in programmes and that we would prefer to exercise our own sovereignty.

The second phase of the renegotiation went well and the interest rate has been reduced dramatically. Matters such as lengthening maturities and entry into the secondary markets to which reference was made have also been dealt with. However, the renegotiation continues. I want to renegotiate further in order that the burden of the debt on Ireland will be lessened. The best device which I can come up with in that regard is investigating the possibility of whether we can exchange the promissory note on Anglo Irish Bank for something that would be more amenable and that would cost us a great deal less. There are ways of doing this and there are many individuals who can design the relevant vehicles required. The crucial part of the negotiations will be trying to convince our European colleagues to agree to what we are seeking. We will keep trying it.

There are other things we can do also and we will do them. I listen to the suggestions made in this House all the time. I find these debates very helpful. I appreciate those who participate in them, as good ideas come from them. There is no monopoly of wisdom about these matters on this side or the other side of the House. Good ideas are being suggested by individuals and we take note of them. If I think they will travel and they will be to the advantage of the country, I will run with them as part of the Irish negotiating position. The Deputy should not think he is wasting his sweetness on the desert air. We are listening to him and taking note of what he is saying.

Question put and declared carried.

Question, "That Schedule 2 be Schedule 2 to the Bill," put and declared carried.

TITLE

Question put: "That the Title be the Title to the Bill."

The Committee divided: Tá, 97; Níl, 26.

Tá

Bannon, James.
Barry, Tom.
Browne, John.
Burton, Joan.
Butler, Ray.
Buttimer, Jerry.
Byrne, Eric.
Calleary, Dara.
Cannon, Ciarán.
Coffey, Paudie.
Collins, Áine.
Collins, Niall.
Conaghan, Michael.
Conlan, Seán.
Connaughton, Paul J.
Conway, Ciara.
Corcoran Kennedy, Marcella.
Costello, Joe.
Cowen, Barry.
Creed, Michael.
Creighton, Lucinda.
Daly, Jim.
Deasy, John.
Deering, Pat.
Doherty, Regina.
Dowds, Robert.
Durkan, Bernard J.
English, Damien.
Feighan, Frank.
Ferris, Anne.
Fitzpatrick, Peter.
Flanagan, Terence.
Griffin, Brendan.
Hannigan, Dominic.
Harrington, Noel.
Harris, Simon.
Hayes, Brian.
Heydon, Martin.
Howlin, Brendan.
Humphreys, Heather.
Humphreys, Kevin.
Keating, Derek.
Keaveney, Colm.
Kehoe, Paul.
Kelleher, Billy.
Kelly, Alan.
Kenny, Seán.
Kirk, Seamus.
Kitt, Michael P.

Kyne, Seán.
Lawlor, Anthony.
Lynch, Ciarán.
Lynch, Kathleen.
Lyons, John.
McCarthy, Michael.
McConalogue, Charlie.
McFadden, Nicky.
McGinley, Dinny.
McGrath, Michael.
McHugh, Joe.
McLoughlin, Tony.
McNamara, Michael.
Maloney, Eamonn.
Mathews, Peter.
Mitchell, Olivia.
Mulherin, Michelle.
Murphy, Dara.
Murphy, Eoghan.
Nash, Gerald.
Naughten, Denis.
Neville, Dan.
Nolan, Derek.
Noonan, Michael.
Ó Cuív, Éamon.
Ó Fearghaíl, Seán.
Ó Ríordáin, Aodhán.
O'Dea, Willie.
O'Donnell, Kieran.
O'Donovan, Patrick.
O'Dowd, Fergus.
O'Mahony, John.
O'Reilly, Joe.
Penrose, Willie.
Perry, John.
Phelan, Ann.
Phelan, John Paul.
Ring, Michael.
Ryan, Brendan.
Shortall, Róisín.
Smith, Brendan.
Spring, Arthur.
Stagg, Emmet.
Troy, Robert.
Tuffy, Joanna.
Twomey, Liam.
Wall, Jack.
Walsh, Brian.

Níl

Boyd Barrett, Richard.
Collins, Joan.
Crowe, Seán.
Daly, Clare.
Doherty, Pearse.
Donnelly, Stephen.
Ellis, Dessie.
Ferris, Martin.

Flanagan, Luke 'Ming'.
Fleming, Tom.
Halligan, John.
Healy-Rae, Michael.
Higgins, Joe.
Mac Lochlainn, Pádraig.
McDonald, Mary Lou.
McGrath, Finian.

Níl—*continued*

McLellan, Sandra.	Pringle, Thomas.
Murphy, Catherine.	Ross, Shane.
Ó Caoláin, Caoimhghín.	Stanley, Brian.
Ó Snodaigh, Aengus.	Tóibín, Peadar.
O’Sullivan, Maureen.	Wallace, Mick.

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Aengus Ó Snodaigh and Catherine Murphy.

Question declared carried.

Bill reported without amendment and received for final consideration.

Question put: “That the Bill do now pass.”

The Dáil divided: Tá, 97; Níl, 26.

Tá

Bannon, James.	Kelleher, Billy.
Barry, Tom.	Kelly, Alan.
Browne, John.	Kenny, Seán.
Burton, Joan.	Kirk, Seamus.
Butler, Ray.	Kitt, Michael P.
Buttimer, Jerry.	Kyne, Seán.
Byrne, Eric.	Lawlor, Anthony.
Calleary, Dara.	Lynch, Ciarán.
Cannon, Ciarán.	Lynch, Kathleen.
Coffey, Paudie.	Lyons, John.
Collins, Áine.	McCarthy, Michael.
Collins, Niall.	McConalogue, Charlie.
Conaghan, Michael.	McFadden, Nicky.
Conlan, Seán.	McGinley, Dinny.
Connaughton, Paul J.	McGrath, Michael.
Conway, Ciara.	McHugh, Joe.
Corcoran Kennedy, Marcella.	McLoughlin, Tony.
Costello, Joe.	McNamara, Michael.
Cowen, Barry.	Maloney, Eamonn.
Creed, Michael.	Mathews, Peter.
Creighton, Lucinda.	Mitchell, Olivia.
Daly, Jim.	Mulherin, Michelle.
Deasy, John.	Murphy, Dara.
Deering, Pat.	Murphy, Eoghan.
Doherty, Regina.	Nash, Gerald.
Dowds, Robert.	Naughten, Denis.
Durkan, Bernard J.	Neville, Dan.
English, Damien.	Nolan, Derek.
Feighan, Frank.	Noonan, Michael.
Ferris, Anne.	Ó Cuív, Éamon.
Fitzpatrick, Peter.	Ó Fearghaíl, Seán.
Flanagan, Terence.	Ó Ríordáin, Aodhán.
Griffin, Brendan.	O’Dea, Willie.
Hannigan, Dominic.	O’Donnell, Kieran.
Harrington, Noel.	O’Donovan, Patrick.
Harris, Simon.	O’Dowd, Fergus.
Hayes, Brian.	O’Mahony, John.
Heydon, Martin.	O’Reilly, Joe.
Howlin, Brendan.	Penrose, Willie.
Humphreys, Heather.	Perry, John.
Humphreys, Kevin.	Phelan, Ann.
Keating, Derek.	Phelan, John Paul.
Keaveney, Colm.	Ring, Michael.
Kehoe, Paul.	Ryan, Brendan.

Tá—*continued*

Shortall, Róisín.
Smith, Brendan.
Spring, Arthur.
Stagg, Emmet.
Troy, Robert.

Tuffy, Joanna.
Twomey, Liam.
Wall, Jack.
Walsh, Brian.

Níl

Boyd Barrett, Richard.
Collins, Joan.
Colreavy, Michael.
Crowe, Seán.
Daly, Clare.
Doherty, Pearse.
Donnelly, Stephen.
Ellis, Dessie.
Ferris, Martin.
Flanagan, Luke ‘Ming’.
Fleming, Tom.
Halligan, John.
Healy-Rae, Michael.

Higgins, Joe.
Mac Lochlainn, Pádraig.
McDonald, Mary Lou.
McGrath, Finian.
McLellan, Sandra.
Murphy, Catherine.
Ó Caoláin, Caoimhghín.
Ó Snodaigh, Aengus.
O’Sullivan, Maureen.
Pringle, Thomas.
Ross, Shane.
Stanley, Brian.
Wallace, Mick.

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Aengus Ó Snodaigh and Catherine Murphy.

Question declared carried.

Business of Dáil: Motion

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): I move:

That notwithstanding anything in Standing Orders that Private Members’ time proceed immediately.

Question put and agreed to.

Private Members’ Business

ESB and Disposal of State Assets: Motion (Resumed)

The following motion was moved by Deputy Pearse Doherty on Tuesday, 20 September 2011:

That Dáil Éireann:

- recognises that the ESB is self-financing, has paid €1.2 billion in dividends over the last nine years and contributed €2.2 billion to the Irish economy through purchases from Irish suppliers, taxes, rates, wages and dividends in 2010;
- further recognises that the ESB is of long-term strategic importance to the State’s energy supply, in providing skilled employment, training opportunities and a variety of energy and telecommunications services and could play an extended role in the area of telecommunications by using its existing networks to address the State’s broadband deficit;

- acknowledges that throughout the current economic and financial crisis the ESB's investment in infrastructure has remained high, unlike Eircom, which continues to be dogged by a decade of under-investment following privatisation resulting in the State remaining below the EU15 and OECD average of broadband penetration *per capita*;
- notes that Ireland is lagging at least three to five years behind competitor countries in terms of rolling out infrastructure capable of high speed next generation broadband;
- welcomes the Government's decision to accept the recommendations of the Cahill-Frontier report, entitled Transmission Asset Analysis, against unbundling the ESB's transmission and distribution assets;
- asserts that the programme for Government commitment to target up to €2 billion in sales of so-called "non-strategic" State assets drawing from the recommendations of the McCarthy Review Group is an unnecessary and damaging fiscal measure driven by a privatisation agenda;
- believes that commercial semi-State companies should not be privatised in part or in whole;
- asserts that semi-State companies can play a vital role in delivering employment activation measures and training;
- affirms that, as a small open economy, State control of strategic State assets and service provision, including but not exclusive to public transport, aviation, ports, forestry, water supply, broadcasting, postal services, energy supply, telecommunications, is central to the future security, prosperity of the economy and society, and environmental protection of the island;
- rejects the Government's decision to sell off a minority stake in the ESB;
- mandates the Government to inform the EU-IMF-ECB that it will rescind its commitment to a programme of State asset disposals; and
- calls for dividends paid to the State by commercial semi-State companies to be reinvested into job creation and retention measures.

Debate resumed on amendment No. 1:

To delete all words after "Dáil Éireann" and substitute the following:

"commends the Government for:

- its commitment to delivering on energy policy priorities, including ongoing investment in energy infrastructure, ambitious targets for renewable energy, a substantive increase in energy efficiency, and the continued opening up of gas and electricity markets to competition, with resultant benefits to business and domestic consumers;
- its commitment to the major investments in critical transmission and distribution infrastructure being undertaken or planned by the ESB in electricity networks, in both this jurisdiction and Northern Ireland, by EirGrid in electricity interconnection and the roll-out of vital transmission infrastructure through Grid 25, and by Bord

Gáis Energy (BGE) in gas transportation networks, all of which are designed to ensure security of energy supply, enhance the delivery of renewable energy and underpin economic growth; and

- its decision to retain the ESB as a strong, integrated utility in order to underpin and expedite the least-cost delivery of this critical energy infrastructure, while ensuring the ring-fencing of ESB businesses as necessary to continue to contribute towards increasing competition and efficiency in the all-island electricity market and in line with EU law and requirements;

notes the improved broadband landscape where commercial operators have been investing over €400 million per annum in rolling out critical communications infrastructure in Ireland over the last number of years and that the State continues to intervene where market failure has been identified;

acknowledges that as a result of these investments Ireland will meet the EU target of a basic broadband service available everywhere by 2013, and that speeds of 100 mbps are already available to approximately 500,000 homes, and that private sector investment in high speed broadband services is continuing across a range of platforms;

looks forward to the outcome of the Next Generation Broadband Taskforce, which is chaired by the Minister for Communications, Energy and Natural Resources and which seeks to accelerate the roll-out of high speed broadband across Ireland, through industry and public sector collaboration, in line with the objectives of the NewERA proposals in the Programme for Government;

further notes that:

- under the EU/IMF Agreement with Ireland substantial funding is being provided to Ireland to meet the provision of public services and restore the banking system;
- this Agreement places binding obligations on Ireland to reduce its deficit to sustainable levels and that this requires implementation of necessary measures on both expenditure and revenue; and
- the sale of State assets, as provided for in the Programme for Government, provides a potential source of funding for both debt reduction and for sustainable investment notably in the areas referred to under the NewERA heading of the Programme for Government;

and, in this context, supports the Government decision to sell a minority stake in the ESB on the basis that:

- the ESB will remain an integrated commercial energy company with strong majority State shareholding;
- a group has been established to report to Government by end of November next on the best way to approach this transaction, including size of stake for sale, timing of sale and implications for wider energy policy; and

- the group will be co-chaired by the Department of Communications, Energy and Natural Resources and the Department of Public Expenditure and Reform.”

—(Minister of Communications, Energy and Natural Resources, Deputy Pat Rabbitte).

Deputy Mick Wallace: I support Sinn Féin on this motion. I do not believe it is a good idea for the State to sell its interests in the ESB. I have studied countries throughout the world which have dabbled in selling their electricity and I do not see many positives in many cases. More often than not, this leads to higher prices for the consumer, to poorer service and it has little to offer. At present the ESB is turning a profit in Ireland. It employs many people and it goes without saying that any profit it makes stays with the State. If we sell a profit-making establishment such as the ESB to private investors, naturally the profits it would make would go God knows where. More than likely, it would employ fewer people and there would be less revenue for the Government in the long term. The notion of selling utilities is not a good one for any State.

I am all in favour of competition. I see nothing unhealthy about competition in any area. If some other private company sought to come in and compete with the State-controlled ESB I would have no issue with it. However, I do not believe there is any merit in the State losing control of its utilities. The Government would get little for selling 25% of it. Who in his right mind would buy 25% of the company? If we sell 25% of the company it will only be a matter of time before the Government will sell the remainder at the first chance it gets; it amounts to the thin end of the wedge. This is a mad idea, I completely disagree with it and I support Sinn Féin's motion.

Deputy Clare Daly: I fully support the Private Members' motion and I reject totally the efforts of the Government to engage in a salami-style privatisation of our semi-State companies starting with the ESB. I am not surprised this route is being taken. Under the guise of EU-IMF intervention attempts are being made to foist similar programmes on Greece at present. In reality this is the neoliberal agenda. It is an opportunity to hive off successful semi-State companies, to give them away for a song and to be profited from to the detriment of the workforce, the public and the taxpayer. Every day we see companies such as Aviva, TalkTalk and MBNA shedding jobs. This shows the fallacy of relying on the private sector for employment. The Government's claim that privatisation and this programme is being driven by the desire to get cash to invest in a job creation programme is an absolute joke. It is an affront to the intelligence of the population in that everybody knows privatisation inevitably leads to job losses.

The Government is addressing this issue completely the wrong way round. The semi-State companies have played a hugely important strategic role in the development of the State. Companies like Bord na Móna and Aer Lingus have survived for over 75 years, a fate not achieved by many others. The ESB, far from being stripped, should be developed and invested in as a key economic lever to develop and stimulate economic growth.

Let us consider the ESB's history. The Ardnacrusha project was probably the only outstanding technical accomplishment in the State in the 20th century and it was carried off by a semi-State company. At that time, it delivered 80 MW of power when the demand was 3 MW. It was laughed out of hand by *The Times* of London and told that Irish people would be fried in their beds. However, what it had was a vision, idea and investment. It did it, and it achieved wonders.

This is what the Government should be doing, rather than imposing austerity. There are 700 engineers in the ESB. The Government should immediately employ another 500 in a dedicated renewable energy sector whereby the Government could develop offshore wind and wave energy within a period of about five years and become a world leader in that sector given the geographic conditions that exist in Ireland. That is the way forward, not austerity. The semi-States have a key role in that process. We will implacably support the amendment put forward by the United Left

Alliance to support the workforce in that company in regard to industrial action to defend and expand it.

Deputy Joan Collins: “The privatisation of Eircom in 1999 must rank as the biggest single economic mistake made by an Irish Government — until the disastrous blanket bank guarantee of September 2008”, according to the Communications Workers Union. There have been six changes of ownership in Eircom since 1999 and handsome profits have been made each time, with the Valentia group making €1 billion. Eircom was the largest commercial company in Ireland before privatisation. It was a leader in technology, investing heavily and virtually debt free, a position occupied by the ESB today. Eircom was worth €8.4 billion at the time of its privatisation but this year it is worth just €4.6 billion and has huge debts, giving a net value of €3 billion. Employment has reduced from 14,000 to 7,000, a 50% drop. To restate the facts, Eircom was a successful public company, providing good jobs and investing in key areas of infrastructure, but it has lost over 50% of its value and 50% of its workforce, investment has collapsed and this has left the State a decade behind in the provision of fast broadband while huge profits have been made by the asset strippers.

The point of all of this is that the Eircom privatisation can never be described as a decision made in the national interest. It was an ideologically driven position, the self-same ideologically driven position that has led to the crisis of the world economy and the crisis in Ireland. The Government is now proposing more of the same in regard to this proposal. The Government will point out it is retaining the majority stake in ESB and not privatising it but simply selling a minority shareholding. I regard this as the thin end of the wedge. The proposal to sell €2 billion worth of State assets is criminal. Some €2 billion represents 50% of the €3.8 billion the Government is putting into the black hole of Anglo Irish Bank by July and will continue to do every year for the next ten years.

This is more than madness. It is what Deputy Eamon Gilmore when in Opposition called “economic treason” but it has now become “okay treason”. It must be stopped. I fully support the workers if they decide to take strike action in this regard. I call on the Irish Congress of Trade Unions to co-ordinate a campaign to protect jobs, conditions and services in the public sector.

Deputy Paul Kehoe: They will turn out the lights.

Deputy Joan Collins: I will support them on it.

Deputy Paul Kehoe: They will put out the lights in the hospitals and Garda stations.

Deputy Pádraig Mac Lochlainn: That sort of talk is not responsible.

An Leas-Cheann Comhairle: Order, please. I call Deputy Ross.

Deputy Shane Ross: I do not support the motion, mainly because it “believes that commercial semi-State companies should not be privatised in part or in whole”. Zealots on both sides of this argument are wrong. In particular in the situation in which the Government finds itself, one has to adopt a pragmatic attitude to the sale of State assets. In an ideal world, we would not be selling anything at all. However, one has to ask why this is happening and why the ESB has been chosen. Why it is happening is quite obvious — the Government is broke and needs to raise the money. The ESB has been chosen because so many other semi-States are valueless. One could not sell Aer Rianta because it is bust and in debt, or sell CIE because it receives a subsidy of about €300 million a year. One could not sell a huge number of State assets if one actually came to examine them. The Government has obviously used its slide rule to examine the ESB and has decided this is guaranteed and ready to go. The problem is that, having decided to do this, it came under pressure from other parties and decided to fudge the issue.

[Deputy Shane Ross.]

What Deputy Wallace said is correct — selling 25% is an absurd way of approaching this problem. The Government is presumably looking for a trade buyer, to put it on the stock market or is considering other alternatives. Any buyer considering this will undoubtedly have a commercial motive and it will feel imprisoned by the presence of the Government on the board and in control of this utility. What will happen is that the Government will sell the 25% for much less than one quarter of what the company is worth because the embedded value of the 75% gives control to somebody other than the purchaser. No commercial entity wants to get in there and be controlled by a Government which is not working to the same commercial mandate.

The only other idea I have heard on how to raise money from the sale of State assets is barmy, and I am glad I have not heard it suggested in this House. Mr. David Begg, the secretary of ICTU, suggested we set up a State holding company and that we put all the basket cases in there together and then try to sell some of them. It is an absolutely mad idea. When we come to debate this subject, we must keep our heads and keep the wild men from talking of extremes and saying they are for or against all privatisation.

The Government is in a corner. It made absolutely the only decision open to it, namely, to sell a few State assets. It then made utterly the wrong decision to sell only 25% because it will get a pittance or a fraction of what it is worth.

Deputy Paudie Coffey: I wish to share time with a number of colleagues.

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

Deputy Paudie Coffey: I take the opportunity to acknowledge the contribution the ESB has made to the development of the economy and the Irish State since its foundation, and to acknowledge it is a very successful commercial semi-State company. However, statements have been made in the House which are factually incorrect. Parts of the ESB have already been privatised and there have been private contractors working in the ESB and on ESB networks for the past ten years or more, all by agreement with the unions in the ESB. I know this and declare an interest because I worked there for 20 years. I was a TEEU representative and I welcome the reasoned approach by the TEEU to this proposal.

The ESB has shown an ability to adapt. It reduced its workforce from almost 14,500 to 6,000 during the Celtic tiger years and it met the demands of those years when there was an unprecedented level of demand for electricity supply and connections. While there is genuine concern among existing workers within the ESB, the Government in its approach has addressed many of them. I have heard no Member welcome the fact the Government made a decision in July not to unbundle or break away the transmission asset from the ESB, which is very much welcomed by ESB workers. This shows clear intent by Government to protect what is a national asset.

I have heard language used here in regard to stripping the company and losing control of assets. The Government has stated clearly it wishes to sell a minority stake. It is not having a fire sale. It intends to go through a process that will get the best price. Deputy Ross is correct that this probably would not be happening were it not for a very good reason. The country is in receivership and we must raise equity to reinvest in job creation and try to stimulate the economy again. I have heard no solutions from Members opposite. They oppose everything, are against everything and some would even support strikes. What would that do for an economy that already is struggling? It would kill it stone dead. That does not constitute offering constructive solutions to the predicament faced by the country.

It is important that the Government retain majority control in this company. As for any equity raised, the Government will try to negotiate with the IMF to the effect that rather than simply

paying off debt, it will reinvest it in job creation measures in the State and stimulating the economy. It is welcome that the ESB has become involved in areas such as broadband, but why do a number of semi-State companies compete against one another? Bord Gáis, the ESB and Irish Rail are all developing broadband infrastructure. It is important to pull together all of these assets and avoid having semi-State companies which essentially are owned by the taxpayer competing against one another. Such assets should be pulled together in our best interests and co-ordinated to improve the quality of and access to broadband.

I note plans are advanced to develop further interconnectors between Ireland and the United Kingdom, which already are under way. This is important from the perspective of energy security and if equity is raised, I argue that consideration should be given to investing in an interconnector between Ireland and mainland Europe. This would reduce our isolation and exposure to fluctuating markets with regard to energy supply.

I take up a point made by Deputy Wallace who referred to the price of electricity. The Government does not set the price of electricity, rather it is set by an independent regulator.

Deputy Mick Wallace: I never mentioned the price of electricity.

Deputy Paudie Coffey: Consequently, regardless of whether the ESB is sold——

Deputy Mick Wallace: I never mentioned the price of electricity.

Deputy Paudie Coffey: The Deputy mentioned it; he should reread his speech. Regardless of whether the ESB is sold, energy prices will be set by an independent regulator. Many red herrings have been introduced and there has been much scaremongering by the Opposition on this topic.

Deputy Colm Keaveney: I thank the Leas-Cheann Comhairle for giving me the opportunity to speak to this Private Members' motion which perfectly illustrates Sinn Féin Members' ability to successfully speak out of both sides of their mouths and simultaneously say nothing of any substance in their pursuit of naked political gain. While attempting to champion the issue of State assets in the Republic, it would be remiss of me not to highlight the inertia and hypocrisy of Sinn Féin in its policies in Northern Ireland on outsourcing, the privatisation of water and other important local services.

Deputy Pádraig Mac Lochlainn: Is this the speech the Deputy paid for?

Deputy Colm Keaveney: The Deputy will not intimidate me.

Deputy Paul Kehoe: Deputy Mac Lochlainn does not want to hear the truth.

An Leas-Cheann Comhairle: Deputy Keaveney, please.

Deputy Colm Keaveney: In Northern Ireland Sinn Féin likes to claim it is being forced to implement cuts by Westminster.

Deputy Paul Kehoe: Martin will solve all that when he comes down.

An Leas-Cheann Comhairle: Deputy Kehoe, please.

Deputy Colm Keaveney: In the 2011-15 Sinn Féin budget spending on social welfare in Northern Ireland showed significant cuts. Sinn Féin Members say these cuts were imposed on them by an external agency at Westminster.

Deputy Clare Daly: They are stealing the clothes the Deputy is wearing in this Chamber.

An Leas-Cheann Comhairle: Deputy Daly, please.

Deputy Colm Keaveney: Speaking at the Sinn Féin Ard-Fheis in Belfast recently, Deputy Adams stated, “In the North, British Government policy and its continuing control of fiscal matters makes efforts to tackle the economic crisis more difficult.” I find it curious that Sinn Féin is willing to accept British austerity measures in Northern Ireland but no such adjustments or austerity measures in the Republic of Ireland.

Deputy Robert Dowds: They are partitionist policies.

Deputy Colm Keaveney: The proposed partial sale of the ESB does not amount to privatisation but merely the sale of a minority stake that will benefit the workers in their share ownership.

Deputy Pádraig Mac Lochlainn: That is a shocking statement. This is absolute nonsense and shameful

Deputy Clare Daly: To think Deputy Keaveney is a SIPTU official.

An Leas-Cheann Comhairle: Order, please.

Deputy Colm Keaveney: The sale of this stake will provide a critically important funding mechanism that is needed for the Government’s NewERA project.

Deputy Pádraig Mac Lochlainn: Who wrote this speech for the Deputy?

Deputy Sandra McLellan: It was not SIPTU.

Deputy Colm Keaveney: It is anticipated that the moneys raised from the partial sale of the ESB stake will fund new nationally-owned water services and an opportunity to invest in new publicly-owned broadband services. The programme for Government sets out a comprehensive plan to help to bring people back to work and rectify the State’s finances that have been recovered by the Government as a consequence of mismanagement by its predecessor. It is a document that provides for investment in national infrastructure and reform of the way in which the Government and the country operate.

By 2014, Ireland will need to have reached a debt-to-GDP ratio of 3%, a policy target agreed by Sinn Féin. The Government plans to continue to pay teachers and nurses and make social welfare payments. How will Sinn Féin address this plan to provide critically important services, while renegeing on a sovereign agreement? The Government is being asked to renege on a sovereign agreement akin to the Good Friday Agreement.

Deputy Mary Lou McDonald: For God’s sake.

Deputy Pádraig Mac Lochlainn: This is unreal.

An Leas-Cheann Comhairle: Deputies, please.

Deputy Colm Keaveney: That is what Sinn Féin seeks to do. It wants us to renege on our commitments. Has it explored the consequences of not honouring the agreement?

Deputy Pádraig Mac Lochlainn: It was a peace agreement.

Deputy Colm Keaveney: Do Sinn Féin Members know the ramifications for social welfare benefits, salaries or investing in job creation? The Government is carefully navigating a road to recovery for the people. Yesterday Deputy Ó Caoláin described the Bill as “the worst kind of

short-sighted policy [that] will come back to haunt our society and the economy in the years ahead.” If anyone should know about such quotations, it is the Deputy. In October 2008 he stated in this House, in support of the blanket guarantee, “Sinn Féin Members will support the [Fianna Fáil] Minister in the passage of this legislation.” The legislation to which he referred was the nexus of the problem Members are debating this evening.

An Leas-Cheann Comhairle: I call Deputy Mulherin who has four minutes.

Deputy Colm Keaveney: That is the truth.

Deputy Pádraig Mac Lochlainn: What about the second and third pages? That is the worst speech the Deputy has ever had written for him.

An Leas-Cheann Comhairle: I ask Deputies to desist. I have called Deputy Mulherin.

Deputy Colm Keaveney: Did Deputy Mac Lochlainn get his script from Belfast? At least, I write my own and scripts are not imposed on me from Belfast.

Deputy Paul Kehoe: Or Westminster.

An Leas-Cheann Comhairle: Deputies, please. The time for this debate is very limited.

Deputy Michelle Mulherin: I thank the Leas-Cheann Comhairle.

No system is a sacred cow. Members are used to systems under which there is Government involvement in, or the State has ownership of, certain strategic assets or infrastructures that provide services crucial to the country’s operation. However, is it right that the State should be so heavily involved in the energy sector? In general, it is accepted that competition is good. However, four semi-State agencies are engaged in generation, namely, the ESB, Bord Gáis, Coillte and Bord na Móna. The ultimate question must be whether this state of affairs is in the interests of taxpayers and citizens. This week some evidence has emerged of how all is not right in the system as it operates. This issue must be addressed, which may involve, in part, the State withdrawing from the provision of services.

I refer to the annual report of the Comptroller and Auditor General which was published this week. It notes there are two State companies, the ESB and Bord Gáis, which control 75% of the market. However, since the freeing of that market and the entry therein of other operators such as Airtricity, the ESB and Bord Gáis have been fighting with each other for customers. In other words, two State entities are fighting each other. This week the price has been set out clearly as being more than €20 million in marketing. One State entity is continually taking customers from the other and *vice versa*. Moreover, this does not include the company representatives who are going around door to door and all the others who must be paid. In this context, I also note the sum of €2.4 million that Bord Gáis, a State company, is paying to the Grand Canal Theatre. How can this be justified? How can a State company pay money to have its name up in lights to compete with the ESB? This must be wrong.

Another issue arises in the way in which the rules operate. The ESB controls 60% of the generation market, which gives it a dominant position. Consequently, the rules require it to perform an equalisation exercise and reduce its production to 40%. It must offer contracts to other generators to, in turn, sell on what is actually its own electricity supply to the grid. This also is ridiculous. The McCarthy report suggested that to achieve the 40% target which would put the ESB in a position of generating 2,000 MW of electricity — its current capacity is 3,500 MW — part of the generating assets should be sold. The money thus accrued should be invested in the infrastructure for which people are crying out such as broadband.

[Deputy Michelle Mulherin.]

All is not well and some of these issues will be resolved by selling assets as appropriate and investing the proceeds in the provision of infrastructure, thereby creating jobs. That is what the NewERA document and the programme for Government promise to the people, which is to be welcomed. In effect, this is the bottom line of the motion's objective, which pertains to the provision of a jobs stimulus and so on. That is what this will do.

Privatisation is spoken of as if it was a demon. The issue of Eircom is constantly rolled out but this is a completely different model. The State will have control. No matter what percentage of Aer Lingus is owned by Michael O'Leary, he is not succeeding in paying dividends. If one is a minority shareholder, that is all one is. The State is in control and will remain so. It has been business as usual in the ESB since it was founded in 1927 and nothing will change.

Deputy Michael McCarthy: I am glad to have the opportunity to speak to this motion. The sale of a minority stake in the ESB as an integrated utility is one of critical importance to the future of the economy and an indication that the Government is committing to various pledges in the programme for Government. Nothing is more critical than being honest and communicating accurately and truthfully with our constituency, namely, the people of the Republic of Ireland.

When one contrasts the content of the motion with what is happening in the north of the island, two things are evident. The first is that Sinn Féin is a partitionist party and the second is that it is engaging in austerity measures in the north of the island that would do an injustice to the kind of austerity measures being widely commented upon in Greece.

Conor Murphy, a minister in this north of the island, brought forward legislation effectively to privatise the ports in Northern Ireland—

Deputy Pádraig Mac Lochlainn: That is an untruth. Back it up.

Deputy Michael McCarthy: It is absolutely true.

Deputy Pádraig Mac Lochlainn: Will you say it outside the House?

Deputy Michael McCarthy: A Sinn Féin minister brought forward the legislation and now we have absolute rank hypocrisy.

Deputy Pádraig Mac Lochlainn: It is an absolute falsehood. Someone is writing the Deputy's speeches and is getting facts wrong.

(Interruptions).

Deputy Michael McCarthy: I do not have to depend on a speechwriter in Stormont to write my speeches, unlike other people who are completely devoid of ideas.

Deputy Colm Keaveney: Hear, hear.

An Leas-Cheann Comhairle: Let us get back to the motion.

Deputy Michael McCarthy: The Sinn Féin minister for education initiated cuts in excess of £380 million in the North which will affect working class children in every single parish. Sinn Féin has a damn cheek to come into this House and oppose every measure imposed by the Government.

Deputy Pádraig Mac Lochlainn: I cannot believe the Deputy is comparing the North with here. Is he serious?

Deputy Michael McCarthy: The Government is fulfilling a programme and respecting a mandate from the people of this Republic. If one looks further at the hypocrisy——

Deputy Pádraig Mac Lochlainn: The Deputy calls himself a serious politician. He is comparing a devolved institution based on the peace process——

An Leas-Cheann Comhairle: Order, please.

Deputy Colm Keaveney: Austerity is okay from London but not from Europe.

(Interruptions).

Deputy Pádraig Mac Lochlainn: He is not a serious politician, comparing the Six Counties to this sovereign Republic.

Deputy Colm Keaveney: Deputy Gerry Adams takes it from London.

(Interruptions).

An Leas-Cheann Comhairle: Deputy McCarthy has two minutes, please.

(Interruptions).

An Leas-Cheann Comhairle: I will have to stop this debate.

(Interruptions).

An Leas-Cheann Comhairle: I am going to close down this House if the Deputy is not allowed to speak for two minutes. Let us have a bit of order, please.

Deputy Michael McCarthy: With the indulgence of the Chair, I will continue. The Sinn Féin Party in the north of the island has coalesced with the most right-wing party in Ireland, the DUP.

Deputy Pádraig Mac Lochlainn: It is unbelievable.

Deputy Michael McCarthy: It knew full well the value of the Queen's shilling when power was swung in front of its faces.

Deputy Pádraig Mac Lochlainn: It is shameful.

Deputy Michael McCarthy: It has signed up to austerity measures of £4 billion in the North of the island.

Deputy Pádraig Mac Lochlainn: Sinn Féin was re-elected this year by the people of the north of the island.

Deputy Michael McCarthy: It is clear that not only does it not have policies applicable throughout the 32 counties, it does not have the manners to let me finish uninterrupted.

Deputy Pádraig Mac Lochlainn: Stick to the facts.

Deputy Michael McCarthy: I will finish with a couple of quotes. The reason this country is in the mess it is in is because of the blanket guarantee given to the banks. I will quote what three Sinn Féin representatives said when it came before this House. Deputy Caoimhghín Ó Caoláin said it was a "courageous response". Arthur Morgan said it was a "decisive move". Deputy Pearse

[Deputy Michael McCarthy.]

Doherty, who was then a Senator, donned the green jersey in the national interest. Sinn Féin has a dammed cheek.

Deputy Pádraig Mac Lochlainn: That is shameful.

(Interruptions).

Deputy Pádraig Mac Lochlainn: The Deputy will talk about the bank guarantee and the Six Counties——

Deputy Michael McCarthy: On a point of order, the Deputies are repeatedly interrupting speakers.

An Leas-Cheann Comhairle: Deputy Nolan has four minutes. The Chair is on his feet. I want some order. Please let Deputy Nolan make his contribution.

Deputy Derek Nolan: I have listened with despair to the level of debate emanating from the Opposition benches. The lack of reason, proportion and deliberate skewing of the facts is unbelievable. The Government has been quite honest about the sensitivity of the part sale of the ESB. In an ideal world, such a proposal would not be on the table, but we are not living in an ideal world. For the Labour Party, this is something we would in other circumstances avoid. That option simply does not present itself at this time. To say otherwise is to deny the black and white requirements of the EU and IMF deal to which this State is legally and contractually bound and is not only dishonest but cynical.

The manner in which this minority sale is to occur offers the best possibility of ensuring a functioning, public service oriented ESB that is efficient, proactive and offers value to the public. It maintains the ESB as an integrated utility, and recognises its strategic importance and crucial role of the energy sector to the economic and social functioning of the State. It follows the Labour Party view that the State must continue to have a strong and direct presence in the electricity market. It follows a defined process involving a full evaluation of the best approach to be taken, including consideration of the size of the minority stake to be sold to ensure the State gets the best value for money from its sale. The process will be carefully progressed and unlike the Eircom privatisation debacle, the minority share sale process will give full consideration to national energy policy into the future and to the regulatory framework. Full and meaningful consultation with stakeholders will take place.

I note how Sinn Féin has used its Private Members' time to present this issue and attach to it the subplot of attacking the Labour Party. I stand here tonight a proud and determined member of the Labour Party.

Deputy Michael McCarthy: Hear, hear.

Deputy Derek Nolan: It is a party that is being honest with the people, presenting the facts as they are and putting its shoulder to the wheel through a very challenging and difficult time for any Government. The easiest option for the party after the election would have been to scurry to the safety of the Opposition benches. Instead we took the hard option, to represent the people who voted for us and make a difference.

Were we in Opposition, we would not act in the self-serving, misleading and politically expedient manner of Sinn Féin. Sinn Féin is a party whose economic policy on its website does not refer to the fact that the country has been bailed out by the EU and IMF. It is a party which only seven months ago told the people we did not need the EU and IMF deal, could survive on our own and,

ludicrously, could easily return to the bond market in 2012. It was a policy that was so delusional and dangerous that it would have resulted in the bankruptcy of the State, the systematic destruction of our public services and economic collapse. The party's leader, Deputy Gerry Adams, comes into this House and castigates the Government for blaming the EU and IMF big boys for the tough decisions that have to be made, while the Deputy First Minister blames the big boys in Westminster for the cuts.

The truth is that the people are not stupid. They know we are in a very difficult, tough and challenging situation. They voted *en masse* for the two parties that offered solutions to the crisis and the we are in a coalition, knowing that in other times we would follow different and better options. That is not possible now. The people are reasonable. They will not be frightened or misled by dodgy economics and scary tactics from the party opposite.

Deputy Patrick O'Donovan: I welcome the opportunity to speak on this important issue. The manner in which the debate has been dragged into a sort of circus shows how serious some people are about trying to resolve the problems in the country's economy.

Deputy Pádraig Mac Lochlainn: We are responding to untruths.

Deputy Patrick O'Donovan: We have had enough.

An Leas-Cheann Comhairle: Please, the Deputy has only four minutes.

Deputy Patrick O'Donovan: I want to draw attention to some of the remarks made by the Deputies from the Technical Group. No truer title could be put on the group because one would have to be a genius to figure out what it stands for.

One Deputy advocated the sale of the entire company and another said we should sell none of it and if it was sold, the workers should go out on strike. The two Deputies in question were laughing in the corner and thought it was hilarious that the Government of this sovereign State is effectively bankrupt.

On the day the Taoiseach was elected and Deputy Eamonn Gilmore became Tánaiste, the Technical Group, Fianna Fáil and Sinn Féin gave a commitment to the people that they would be responsible in their opposition. Today the Taoiseach laid down a challenge to them to be responsible in Opposition about coming up with ideas for bailing out the country from the EU and IMF deal faster.

Since the start of this Dáil session we have had opposition for opposition's sake, no credible alternatives, no costings and refusals to everything. The model advocated by the Technical Group primarily is the model operating in Greece and other European countries. Where are they now? They are in a worse situation than we are in.

There is another element in this Dáil which would like to see a return to the policies of Lenin and Stalin, and we know how well they worked. Some people in this Chamber offer us a one-way ticket to the Stone Age. I am glad the electorate will not be conned. We had a lecture from Sinn

8 o'clock Féin on neo-partionism that what is good on one side of the Border should not apply on the other side of the Border. The country is bankrupt and the Government is trying to come up with an alternative to the EU-IMF deal and get us out of it sooner.

Part of that entails using State assets for the good of the State. It is not like the sale of Eircom, which was a fire sale on which many small investors lost a considerable amount of money.

Deputy Dessie Ellis: Fine Gael did it.

Deputy Paudie Coffey: We did not do it; that was Fianna Fáil. The Deputy should get his facts right.

Deputy Patrick O'Donovan: It is not about conning people into thinking we can bury our heads in the sand and wake up in the morning to find everything okay. We want to be able to keep hospitals and schools open, provide public services and pay gardaí. Nobody on the Opposition benches has come up with a single credible proposition as to how that can happen other than telling the EU, IMF and ECB that we do not want their money and will not borrow from them. If one day the paycheques of gardaí, nurses and teachers were to bounce, Sinn Féin would introduce a Trotskyite model of economics to Ireland in the hope that it might work. One good thing is that the people who are advocating that will realistically never have the reins of power in this jurisdiction.

Deputy Pádraig Mac Lochlainn: I will read these words back to the Deputy in a few years' time.

Deputy Patrick O'Donovan: If they did, the result would be a one-way ticket back to the Stone Age.

An Leas-Cheann Comhairle: The Deputy should conclude his remarks.

Deputy Patrick O'Donovan: I do not need anyone to read any words back to me because when Cumann na nGaedheal founded the ESB in 1927, many other people were busy trying to subvert the State and up to the 1980s some people continued on that track.

Deputy Pádraig Mac Lochlainn: The Deputy is talking about subversion six years after the War of Independence.

An Leas-Cheann Comhairle: The Deputy should conclude.

Deputy Patrick O'Donovan: Deputy Mac Lochlainn might snigger and laugh at what this State has had to go through to protect its sovereignty and independence, but we will have a polling day soon and the people will have their say on many of those matters.

Nobody would like to be in the unenviable position in which the Government finds itself at the moment. It is not politically popular to be making decisions such as this one. This is about saving our country's independence and regaining our economic sovereignty. The challenge to the Opposition is to act responsibly and come up with an alternative.

Deputy Jerry Buttimer: It is extraordinary that we are debating a Private Members motion from Sinn Féin, a party that stands for what? Every week we read their press releases and statements, and hear their pronouncements which show they are against everything and for nothing. While I welcome this debate, I challenge Sinn Féin Members to stand up and tell the people how we will recover from the recession we are in.

Deputy Pádraig Mac Lochlainn: The Deputy will have it soon — in time for the budget.

Deputy Jerry Buttimer: They should tell the people honestly how we will pay for it. All we hear is that we must tax the rich and the developers, that we should not put money into the banks or sell State assets. What do they want to do? They claim to be committed to the people and to assisting in the economic recovery of the country, but the motion before us is an act of folly based on voodoo economics. I listen to them and read their statements, but they are not being honest with the people. Nobody in this House wants to sell off anything or turn a blind eye to the issue before us, but, alas, Sinn Féin does.

In reality the Government will retain the ESB as the amendment states “as a strong, integrated utility”. We have learned from the debacle of Eircom and have learned about the importance of energy security. As the Minister stated previously, providing secure energy at a reasonable cost is a challenge the Government will meet. Sinn Féin is not facing up to its responsibility. It cannot be a catchall party. It has learned from being in government in the North that it is not about being all things to all people. It has made decisions there, in our own country for our own people — I am a republican — but it is not being republican down here; it is being populist. It is scaremongering and spreading a message that we can go to Europe and get the money without having to pay for it. That cannot be done as the Greeks are learning this week. The Italians are learning it and the governmentalism of France and Germany must change. I accept that Europe is in difficulty but we as policy makers must be responsible.

What does a sale of a minority stake in the ESB mean? It does not mean what Sinn Féin claims. I am surprised at some Sinn Féin Deputies because I thought we had a new generation of politicians and could have a debate on what it means to be Irish within Europe. However, Sinn Féin does not seem to have abandoned its anti-European stance. The Minister of State, Deputy O’Dowd, has responsibility for NewERA, which will represent a re-launch of Ireland and getting our economic sovereignty back. The sale of assets as provided for in the programme for Government will allow us to generate revenue and will allow income to come in. More importantly, as the amendment states it will allow for “sustainable investment” leading to jobs, the very mantra of Deputy McDonald when she speaks on the Order of Business every day as she did today. However, the Sinn Féin motion does not create jobs or allow for jobs.

Deputy Dessie Ellis: Where are the jobs from the Government’s jobs initiative? Not one has been created.

Deputy Jerry Buttimer: On the contrary, this morning the Taoiseach mentioned 3,000 jobs.

Deputy Dessie Ellis: Would the Deputy stop? How many are gone?

An Leas-Cheann Comhairle: Allow Deputy Buttimer to continue.

Deputy Jerry Buttimer: As Deputy Ellis should know if he is listening to the people in his constituency, if we were not in Europe and did not have the EU-IMF deal we would be a basket case, but we take decisions and are responsible. My challenge to the Sinn Féin public representatives is to do as they did in the North of our country by assuming responsibility. They should be part of the democratic process here on behalf of the people.

An Leas-Cheann Comhairle: I ask the Deputy to conclude.

Deputy Jerry Buttimer: They should not be flying the flag with an eye to the local elections or the next general election. They should consider the people with no job and who would have no prospect of a job under the terms of this Private Members’ motion.

Deputy Pádraig Mac Lochlainn: There has been considerable talk about failed ideologies and so forth, which is fair enough. However, I urge some of the Deputies who have made these points to examine the roots of the global crisis we are facing. This crisis was created by a culture of deregulation and free markets gone wild with no accountability to the people. The genesis of the ideology came in the era of Margaret Thatcher and Ronald Reagan, and the devastation they created is incalculable. Twinned with deregulation and free market economics was privatisation. Whenever powerful countries, be it the United States or the power blocs in the European Union, engage in trade agreements with developing countries, one of the things they have done in return for the money they have lent is ensure the country’s vital public services have been privatised. In one

[Deputy Pádraig Mac Lochlainn.]

country, Bolivia, the people rebelled and turned that around and inspired people in other countries throughout the developing world. The Deputies opposite should do some research on that.

Deputy Patrick O'Donovan: Is that what the Deputy is advocating — a revolution?

Deputy Pádraig Mac Lochlainn: Before the Deputy preaches the bible of capitalism——

Deputy Patrick O'Donovan: Is it a revolution the Deputy is advocating? That will achieve a lot.

Deputy Pádraig Mac Lochlainn: ——he should research the damage that bible has done and is doing to ordinary working people because of the unbridled greed, selfishness——

Deputy Patrick O'Donovan: Why do we not go to Colombia altogether?

Deputy Pádraig Mac Lochlainn: ——and abandonment of what is in the public interest.

Deputy Paudie Coffey: Bring on the Colombians.

Deputy Pádraig Mac Lochlainn: That is a little reminder to the Deputies opposite to have some humility if they are advancing that type of ideology.

In terms of where we are here, we have a 25% share in a profitable, performing, critically and strategically important State industry being offered up for privatisation. I would remind the Fine Gael Deputies about some matters. They will remember the speeches they made about colocation and how concerned they were about cherrypicking. When a key public service is part-privatised, and I agree with Deputy Ross on this, those who come in to privatise it cherrypick and go after the most profitable elements of that service and the rest is left; eventually the service gets worse and the public is left to carry the can in terms of the critical non-profitable areas. That is what the Government has unleashed here.

Deputy Derek Nolan: That is not the case.

Deputy Pádraig Mac Lochlainn: It has unleashed the slippery slope to further privatisation.

Deputy Patrick O'Donovan: The Deputy is calling for a revolution.

Deputy Pádraig Mac Lochlainn: I will deal with what the Labour Party said in a moment.

Deputy Paudie Coffey: It is all rubbish.

An Leas-Cheann Comhairle: Deputies, order, please.

Deputy Patrick O'Donovan: A revolution is what Deputy Mac Lochlainn is advocating.

Deputy Paudie Coffey: He has no solution.

Deputy Pádraig Mac Lochlainn: What we have is a party with its five point plan.

Deputy Paudie Coffey: The Deputies opposite are prophets of doom.

Deputy Pádraig Mac Lochlainn: I will remind the Deputies opposite of their five point plan and that they said they would not burn the bondholders. They talk about populism — the sheer brass neck of them. They toured this country advocating Enda's five point plan. They promised they would not close hospitals and that they would save the people — the white horses were everywhere.

Deputy Paudie Coffey: We saved the country though.

Deputy Pádraig Mac Lochlainn: When it comes to negotiating with Europe, they are like mice.

Deputy Paudie Coffey: Where is your plan?

Deputy Pádraig Mac Lochlainn: They said they would get a 0.6% cut in the interest rates and that this was the best they would get.

Deputy Paudie Coffey: Where is the Deputy's plan?

Deputy Pádraig Mac Lochlainn: Now, thanks to the Greece crisis, the Greeks have done the negotiation for them.

Deputy Paudie Coffey: Is the Deputy's plan the budget?

Deputy Pádraig Mac Lochlainn: It is unreal — the brass neck of Deputies opposite to talk about populism.

I will wrap up with quoting what the Labour Party said.

Deputy Paudie Coffey: The Deputy has no solutions.

Deputy Pádraig Mac Lochlainn: It was great fun to listen to the comments of the Labour Party Deputies about the North.

Deputy Paudie Coffey: The Deputy still has no solution.

Deputy Pádraig Mac Lochlainn: It is great that they show some concern for the people of the North.

Deputy Colm Keaveney: The Deputy should show concern for the people of the South now. That is his responsibility since he was elected to this House.

Deputy Pádraig Mac Lochlainn: The Deputy was elected——

Deputy Colm Keaveney: Show concern for the people of the South.

Deputy Pádraig Mac Lochlainn: ——with a mandate——

Deputy Colm Keaveney: It is to Argentina we are going with the Deputy.

Deputy Patrick O'Donovan: It was Colombia a while ago.

An Leas-Cheann Comhairle: Deputies, please.

Deputy Pádraig Mac Lochlainn: A Leas-Cheann Comhairle, may I finish? I still have a minute remaining.

An Leas-Cheann Comhairle: You have indeed.

Deputy Pádraig Mac Lochlainn: The Labour Party Deputies and the Fine Gael Deputies were elected by the people of the Twenty-Six Counties this year on the basis of their manifestos, extracts from which I will read to them.

Deputy Colm Keaveney: Does the Deputy want me to read——

Deputy Pádraig Mac Lochlainn: The Deputy has a brass neck to talk about populism and turning his back——

Deputy Colm Keaveney: Has the Deputy read the programme for Government?

Deputy Pádraig Mac Lochlainn: I remind the Deputy that Sinn Féin was re-elected in the Six Counties this year after the Deputy was elected. They received a ringing endorsement of support, with the highest vote ever, from the people of the Six Counties.

(Interruptions).

An Leas-Cheann Comhairle: Deputies Keaveney and McNamara, order, please.

Deputy Pádraig Mac Lochlainn: I presume I still have a minute remaining and I have been interrupted throughout my contribution.

An Leas-Cheann Comhairle: Continue Deputy. One voice only, please.

Deputy Pádraig Mac Lochlainn: I will wrap up with a few quotes from the Labour Party, God bless it. Its election manifesto states that it is, “committed to the concept of public enterprise...we are opposed to short term privatisation of key state assets such as Coillte or the energy networks”, and here is the clinker — it is beautiful to read this back to the Deputies——

Deputy Michael McNamara: A minority share is not control.

Deputy Pádraig Mac Lochlainn: This is what Deputy Rabbitte said——

Deputy Derek Nolan: A minority share is not privatisation.

Deputy Pádraig Mac Lochlainn: ——and he is the Minister. He said the ESB is of strategic significance to the Irish economy.

Deputy Michael McNamara: That is what he just said last night.

Deputy Pádraig Mac Lochlainn: He said there is no question of control passing out of the authority of the ESB, he was no fan of the deal foisted on us and that it was a bad deal.

Deputy Derek Nolan: A minority shareholding is not control.

An Leas-Cheann Comhairle: Deputies, order, please.

Deputy Pádraig Mac Lochlainn: The Deputies talk about populism, but talk about having a brass neck.

(Interruptions).

An Leas-Cheann Comhairle: I call Deputy McLellan.

Deputy Pádraig Mac Lochlainn: The more the Deputies defend right wing policies here, the less of a soul they have.

Deputy Colm Keaveney: This is soulless politics.

An Leas-Cheann Comhairle: Deputy McLellan has five minutes. Allow the Deputy McLellan to make her contribution uninterrupted.

Deputy Sandra McLellan: I welcome the opportunity to speak on this important issue. We in Sinn Féin believe no commercial State or semi-State companies should be sold. We understand the importance of the ESB, Bord Gáis, Coillte, Bus Éireann, Iarnród Éireann, Dublin Bus, An Post and Aer Lingus to name a few. We understand how important they are in the everyday lives of people, how the services they provide keep this country moving and cater for the very unique social landscape in this State. We are committed to protecting these essential services and keeping them under public control.

That we are having this debate under the cloud of valuable State assets being sold off, yet again, is significant. Most people would ask why and why now. When we read the Government's amendment to the Sinn Féin motion we get some insight into the proposed narrative. We are expected to believe the sale of substantial State assets, to the value of somewhere between €2 billion and €5 billion, is to help provide public services and to restore the banking system. If that really is the motivation, it is a criminally misguided and short-sighted one.

Our experience of selling State assets for the so-called good of the people has been one littered with the promise of short-term gains and guaranteed long-term losses. This Government, like the previous Governments, as Oscar Wilde might have said, "knows the price of everything and the value of nothing".

This sell-off is spun as a necessary consequence of the EU-IMF deal, of Fianna Fáil's disgraceful management of the economy, as a revenue-raising, competition-increasing measure, but people know different. They know because they have experience of Government sell-offs, incompetence and cosy deals. They remember the M50 tollbridge, Corrib gas and Telecom Éireann. Again and again a small number of private individuals profit at the expense of the public at large. In the Telecom Éireann or Eircom fiasco, for example, the initial change in ownership cost more than €240 million in today's prices. The transaction costs of the company's six changes of ownership probably cost around €1 billion. The Valentia consortium alone made almost €1 billion net out of its ownership, and at each turn a small number profited handsomely. The same cannot be said for the large proportion of the 600,000 people who bought shares on privatisation. They lost one-third of their money.

The privatisation of State assets has in the past, and will in the future, result in asset-stripping. The Eircom experience provides an example, with one owner going so far as to sell off its brand new headquarters and telecom masts to extract cash from the company. Eircom was worth €8.4 billion at the time of its privatisation in 1999 but by early 2011 it had a net value of just €39 million. At the same time, Ireland has been near the bottom of the league on broadband and telecommunications infrastructure, despite the fact that these are an essential component of modern life and business.

It comes as no surprise that our competitiveness, in terms of the smart economy, has been well below par for the past decade. All this while huge sums are being paid out in subsidies to private providers to try to bring our systems up to speed. This is not a case of public sector, good, private sector, bad. It is a case of recognising that we live on a small island off the west coast of Europe, with a population of around 6 million and that experience has taught us that if we want to guarantee services and essential infrastructure are delivered to its four corners, private companies, driven by profit margins, have no interest in the people who live in large swathes of this country, particularly those in rural or sparsely populated areas.

Had the ESB been in private ownership in the middle of the last century, many of us would still be in darkness. The lessons from the privatisation of Eircom must be taken on board by the Government. I urge all Members to support the Sinn Féin motion.

Deputy Seán Crowe: I have described this proposal as reckless madness. The decision to sell a stake in the ESB is nothing short of reckless in that it puts quality, viable jobs at risk. It is madness, because the share will be sold off at a bargain price that will do nothing to address the crisis in our economy.

The company is self-financing, it has paid €1.2 billion in dividends to the State in the past nine years and is of vital long-term strategic importance in providing our energy supply. It is difficult to understand why this is happening. Does no one see the irony of nationalising private debt while privatising State assets to pay back gamblers and speculators?

The sale of parts of the ESB would provide a grand bargain for speculators at a high cost to the people of this State. The ESB provides skilled employment and training opportunities and is well placed to take a lead in the expansion of telecommunications by using its existing networks to address the State's broadband deficit.

If the Government pushes ahead with this decision it will have serious implications for our society and economy in the years ahead. Irish consumers will have to pay for what is clearly an ill-thought out policy, the legacy of which will be rising energy costs and job losses. I can quote an example from the EU. A number of years ago we were told that competition would be introduced into the energy market. The reality was that competition cost the consumer a 20% increase in charges. Our competitors in Europe are the French, Italian, Germans and British. Ireland could have been one of those big players. Some years ago, half an hour before the ESB was about to sign a contract to acquire a major stake in electricity companies in Poland, a previous Government pulled the plug on the deal and undermined the credibility of the company.

During last night's debate neither Minister spoke of the contribution the ESB can make in tackling unemployment and addressing much needed training needs. This is not surprising, since the Taoiseach himself considers it inappropriate to comment on the potential loss of 500 jobs at Aviva, the insurance company.

Semi-State companies, like the ESB, are part of the economic social fabric of this State. Semi-States drove industry in this State for decades. It is not an exaggeration to say they opened our economy to global markets. Following the expected bust of the construction industry, ESB Networks agreed a programme with FÁS to offer apprenticeships to 400 redundant electrical apprentices who were unable to complete their craft qualifications. That programme could have been replicated in a number of other semi-State companies but it was not done.

Social Justice Ireland created 1,000 part-time jobs in 162 organisations across the North. Social Justice Ireland says it could create up to 100 part-time jobs but the Government has not taken up the proposal. We are being told that cuts and sell-offs are good, but for whom? They are not good for the consumer and they will not fix the crisis we are in.

People say Sinn Féin is reckless in tabling this motion, but it is important that we have this debate. We must have joined-up thinking with regard to where we are going. It is not good enough to throw good money after bad in toxic banks. There is not a clear way forward. To sell part of the ESB is reckless and madness.

Deputy Brian Stanley: I welcome the opportunity to contribute to the debate. I am amazed at the reaction in the Chamber. It is as if Sinn Féin cannot put forward any proposal or suggestion. I am particularly amazed at the reaction on the Labour benches. The Fine Gael Deputies, by and large, put their arguments forward and responded to Sinn Féin arguments. Unfortunately, Deputies Keaveney and McCarthy ran into the Chamber, made allegations and ran out again. They did not remain to defend their allegations. As I listened to Deputy Keaveney I was tempted to ask him if he had decommissioned his Kalashnikov. When he spoke about British rule and what had happened in the North, I almost thought he had been in the trenches in south Armagh for the last 30 years.

The Labour Deputy who is in the Chamber might tell his colleagues when he sees them that the Six Counties are still under British rule. We do not have fiscal sovereignty there, unfortunately. Northern Ireland Water is a company separate from the State, privatised by the British Government before Sinn Féin was in the Assembly. Sinn Féin would love to have it back under the control of the Assembly. We have stated that time and again. With regard to the bank guarantee, Sinn Féin supported the initial idea of State involvement in guaranteeing the banks in order to protect certain interests, but when the outworkings of the blanket guarantee became apparent we voted against the legislation.

The ESB has been a major contributor to the social and industrial development of this State since the company was founded in 1927. Technologies have developed and the company has been ahead of the curve. From hydro-generation in the 1920s to clean gas in recent years, the ESB has sought to provide professional, dynamic and innovative solutions to meeting its environmental targets while delivering a first-class world energy supply. The company has committed to a target of 30% reduction in its internal carbon footprint and to being a net carbon neutral company by 2035. Such targets will be undermined by private interests in the company if Labour and Fine Gael proceed with their privatisation plan.

Herman Daly, a former senior economist with the environmental department of the World Bank, recently wrote that his time working at that institution taught him that the people of the World Bank see environmental protection as an impediment to growth. The ESB has supported many social projects that have benefited the most vulnerable in society. Suicide prevention programmes, homelessness projects, local sports clubs and events, charities, research bodies and local community and parish based initiatives have all received support, including some in Portarlinton in my county of Laois. Will private interests really be happy to extend unquestionably financial support to communities and away from shareholders? Last night, the Ministers for Communications, Energy and Natural Resources and Public Expenditure and Reform, Deputies Rabbitte and Howlin, suggested that they intend to find caring, sharing privateers who will put the public good ahead of shareholders' interests. This is the stuff of fantasy and daydreams. It is well-intentioned but a million miles from reality.

Two of the other companies referred to in the McCarthy report are Bord na Móna and Coillte. The report recommended that Bord na Móna be sold and that Coillte dispose of the forestry under its control. The Government is committed to merging them as part of the NewERA programme. It will be interesting to see if that gets off the ground, given that the IMF and EU are hostile to the notion of public investment in job creation. If NewERA does not proceed, the issue of what happens to Bord na Móna and Coillte will be thrown wide open again. It is vital that all the lands and forestry for which those companies are responsible be retained in public ownership. They are vital. In my constituency of Laois-Offaly there are massive tracts of land that need to be utilised. They could be used for the production of alternative energy. As the Government's own proposal in NewERA recognises, there is huge scope for the development of renewable energy and for Bord na Móna and Coillte to play a key role in such projects, which would have a massive potential in addressing our energy requirements and creating badly needed jobs. There are almost 17,000 unemployed people in Laois-Offaly.

It is vital, not only that these assets be retained but that we encourage investment in them, grow these sectors and create jobs.

Deputy Peadar Tóibín: Go raibh maith agat a Leas-Cheann Comhairle agus fáiltím roimh an deis seo chun labhairt ar an rún tábhachtach seo.

Governments throughout the world have privatised electricity utilities since the mid-1990s. In most cases this has led to increases in the price of electricity. It has also led to a series of black-outs from California to Buenos Aires and Auckland and to Governments having to bail out elec-

[Deputy Peadar Tóibín.]

tricity companies in California and Britain. It has led to electricity rationing in Brazil and the point where electricity has now become too expensive for millions of people from India to South Africa. Owing to the centrality of the electricity product to the whole economy, it has also meant that privately-owned electricity companies are able to exert massive influence on governments. It has further meant that the planning function of electricity authorities, which once ensured adequate generating reserves for times of peak demand and kept infrastructure up to date in developed countries, has been abandoned due to market forces. As these updates have not happened, black-outs are more likely to happen.

It is interesting that much of the privatisation in the last two decades was a result of neoliberalism, Reaganomics and Thatcherite policies. This Washington consensus was often imposed on developing nations by the World Bank and the IMF as a condition of their loans. The view was that the free market would lead to a cheaper product, but the reality is different. Publicly-owned electricity enterprises have consistently provided electricity at no greater cost than privately-owned enterprises and often at a lower cost and in a much more stable background.

The intention of the Minister for Communications, Energy and Natural Resources to sell off a share in the ESB is tantamount to State inflicted vandalism on one of the corner stones of the economy.

Deputy Michael McNamara: It is a minority share.

Deputy Peadar Tóibín: The ESB has a long and proud history and was one of the public organisations set up by the early Governments of the State to bring progress to the country. It has a history of providing high-end jobs, training and apprenticeships for our young people for generations. Most importantly, it continues to contribute to the economy to the tune of €2.2 billion in the last nine years. It continues to operate in an open and free market. Proving its resilience, it is one of the State's largest employers, employing over 7,000 workers. It is such an important State asset that it must be kept fully in State ownership.

Why is this happening? We know that Fine Gael is committed to the agenda of privatisation, but what has shocked people is that the Labour Party is not just supporting this decision, it is also, in fact, proposing it. It vocally opposed the sale of Aer Lingus. Deputy Tommy Broughan claimed in 2005 that the then Fianna Fáil Government's sale of a stake in Aer Lingus was "an unprecedented act of betrayal by the Taoiseach." This concern was equally shared by the current Minister for State, Deputy Róisín Shortall. On the other hand, Fine Gael was up front and honest. Its manifesto stated, "We will sell non-strategic assets such as Bord Gais, ESB Powergen, and ESB Customer Supply". Today the Labour Party is in roll-over mode, acquiescing to a policy of confusion being developed by the troika and lapped up by Fine Gael.

Deputy Michael McNamara: What about Martin McGuinness rolling over to Mr. David Cameron?

Deputy Peadar Tóibín: I will answer that question. What the Labour Party is effectively doing is forcing the public to go through a rerun of the Fianna Fáil inspired Eircom disaster. It is clear that Fine Gael is the driving force and Labour Party Members are willing collaborators, having abandoned their election manifesto at the gates of Leinster House in the rush to get into ministerial cars.

Deputy Michael McNamara: The Deputy confuses it with his party's relationship with the DUP.

Deputy Peadar Tóibín: The more the Deputy shouts, the more we know it hurts. Fianna Fáil, Fine Gael and the Labour Party are a seamless link in the chain of privatisation.

The Government is attempting to use the troika agreement as a fig leaf to cover up its real intentions. It claims that the sale is part of the EU-IMF deal, but this is not true. I urge the Minister to re-read the actual document. There is nothing binding in the deal that forces the Government to sell off any stake in the ESB. The relevant section states, “..the government will undertake an independent assessment of the electricity and gas sectors with a view to enhancing their efficiency. State authorities will consult with the Commission Service on the results of this assessment with a view to setting appropriate targets for the possible privatisation of state owned assets”.

Deputy Michael McNamara: Which State assets would the Deputy like to sell?

Deputy Peadar Tóibín: The Minister should note that the term used is “possible”. No part of the deal demands that the Government sell off State assets. This clarification raises serious questions. Either the Coalition is simply pursuing an agenda of privatisation, or else there is a draft programme already prepared with the troika officials which demands this.

I will mention one more issue that might answer some of the Deputy’s questions. Belfast Port is in full public ownership and the North’s most valuable asset. When the Executive was faced with a €4 billion cut to the block grant from London, it did not decide to sell off this prized asset as the British Government wanted it to do. Sinn Féin’s Conor Murphy, as Minister, recommended changes to the current ports legislation to allow the Executive keep the port in public hands, while leveraging funds from the port for use in meeting public expenditure. This would also allow for an ongoing dividend to the state from the ports. Rejecting privatisation, securing public assets and getting the best value from them for the citizen to pay for schools, public transport, hospitals and health care is what Sinn Féin is demonstrating can be done when there is the political will to do so. It is shocking that Sinn Féin is working for the return of fiscal powers in the North of Ireland, while the Deputy’s Government is giving them away.

Deputies: Hear, hear.

Minister of State at the Department of the Environment, Community and Local Government (Deputy Fergus O’Dowd): This has been a very important debate. It goes to the heart of where the country is going, how we are going to revive the economy and how we are going to create jobs. The key is that we must take all possible steps to reduce the number of people who are leaving the country in despair, to try to keep them at home and provide them with real employment and create new infrastructure. The only way we can do this is by creating employment and we will do this by having investment in productive industries.

I welcome the fact that Sinn Féin has put this motion before us. While we fundamentally disagree on many issues, this matter should be debated and the House is the right and proper place in which to do so. However, we must reject this nonsensical motion. It is misguided and based on a completely false premise. It displays an unwillingness to face reality. It asks the House to reject any sale of State assets, which is totally unrealistic, given the position in which we find ourselves. As pointed out by the Minister for Communications, Energy and Natural Resources, the motion denies the commitment made to retain State control of the ESB and maintain its integrated utility nature. There is no proposal other than that to retain State control of the ESB. There will be no change in who controls the ESB; it will be controlled by the Government. As pointed out by the Minister for Public Expenditure and Reform last night, the motion denies the real and serious economic crisis bequeathed to the country by the previous Government. It is an impractical motion, based on a refusal to accept reality. The counter motion clearly sets out the context for the Government’s decision in the matter.

Ireland is totally dependent on the funding arrangements put in place under the EU-IMF deal to pay its day-to-day costs. If we had not received this money, our hospitals, schools, local authorities and everything would close. To continue to avail of this funding, Ireland must have a credible

[Deputy Fergus O'Dowd.]

programme in place to ensure financial sustainability. The memorandum of understanding between Ireland and the troika commits the State, at the insistence of the troika, to an ambitious programme of asset disposal. There is no getting away from this fact.

It is also the case that the programme for Government sets a target for receipts of €2 billion from the sale of State assets over time, with a view to reinvesting the proceeds in key infrastructural projects through the NewERA vehicles for which I have responsibility. The key objective of the sale of these State assets is to invest €2 billion in job creation, yet leave the ESB in the control of the State. That is a very good deal. If we receive that money and invest it in employment programmes, it will make a significant difference to the thousands of people leaving the country every week.

The programme for Government states that assets will only be sold when market conditions are right and adequate regulatory structures have been established to protect consumer interests. There will not be a fire sale. The stake will be sold when conditions are right and regulatory structures are in place to protect consumer interests. One of the key weaknesses in the sale of Eircom, to which Deputies correctly referred, was that the company was sold lock, stock and barrel and a deal was not done to protect its assets or consumer interests. The Government's announcement of last week is in line with the commitment made in the programme for Government. The Minister, Deputy Rabbitte has made clear that the group co-chaired by the two relevant Departments, which will examine options on the minority stake sale, will consider all relevant issues, including regulatory and policy implications, before it reports back to the Government. NewERA will play a key role in assisting this group.

As the counter-motion states, the Government is committed to delivering on energy policy priorities, whether in the construction of new infrastructure or achievement of Ireland's renewable energy targets, a step change in energy efficiency and the continued promotion of competition in gas and electricity markets which benefits consumers. The position is clear. We know where we stand, unlike the Deputies opposite.

Deputy Pearse Doherty: Is the Minister of State referring to the Labour Party? The Fine Gael Party definitely knows where it stands but where does the Labour Party stand?

Deputy Fergus O'Dowd: We have a Trotskyite troika on the benches opposite.

Deputy Mary Lou McDonald: It was interesting to note the contributions of the Ministers, Deputies Rabbitte and Howlin, in which they claimed this motion in support of retaining the ESB in its totality in State ownership was made on a false premise. They tell us repeatedly that there is a new paymaster in town and apparently what the troika wants, the troika gets with no questions asked. As expected, the Minister, Deputy Rabbitte, placed the blame for his Government's decision on Fianna Fáil, the European Union, the European Central Bank, the International Monetary Fund and the tooth fairy. It seems everyone is to blame for the Government's decisions bar the Government itself.

My colleague, Deputy Doherty, was accused of making mischief for highlighting the Labour Party's turnaround on its position on commercial semi-State ownership. The Deputy was simply making statements of fact. In the case of the Labour Party, the lesson is that politics is not simply about talking the talk but also walking the walk.

Deputy Pat Rabbitte: Some day Deputy McDonald may have to walk the walk.

Deputy Mary Lou McDonald: It is not a surprise to Sinn Féin that the Fine Gael Party is happy to kowtow to the troika. It shares the IMF's view of the world and is ideologically committed to small government and every man and woman for himself or herself. Prior to the election, the Labour party committed itself to State enterprises and stated categorically it would use commercial

semi-State companies as a key part of the recovery. It was, we were told, opposed to the privatisation of these companies. To use the well-worn phrase coined by the former Taoiseach, Mr. Brian Cowen, the Labour Party now tells us “we are where we are”. That is not good enough. The Minister has bleated far and wide of his regret at having to make the decision in respect of the ESB while the Minister for Public Expenditure and Reform, Deputy Howlin, informed the House last night that we simply do not have a choice. Surely politics and good governance are about choices.

Some of our colleagues in the Labour Party made erroneous statements in respect of Sinn Féin’s role in the Six Counties. I am disappointed Deputy Keaveney and others have not stayed around to hear the facts, which I will place on record. In respect of Northern Ireland Water, in advance of the 2007 Assembly elections, British direct rule Ministers threatened to introduce household water and sewerage charges. The Government-owned Northern Ireland Water had been established to deliver water and sewerage services and it was Sinn Féin’s view that the British Government was setting up the company for eventual privatisation. Following the Assembly election, my party specifically selected the Department for Regional Funding as one of our Ministries in the coalition Executive for the very reason that it has policy and funding responsibility for Northern Ireland Water. The Sinn Féin Minister for Regional Funding at the time, Conor Murphy, MLA, reversed the British direct rule Ministers’ proposal by announcing that water and sewerage services would remain in full public ownership. He rejected privatisation and reversed the proposed household charge. In addition, he pumped £750 million——

Deputy Pat Rabbitte: The Queen pays the Bill. We have to pay our own bills.

Deputy Paudie Coffey: What would they do without the Queen’s subsidy?

An Leas-Cheann Comhairle: Please allow Deputy McDonald to continue without interruption.

Deputy Mary Lou McDonald: ——into the North’s infrastructure during his four year tenure, delivering improved drinking water quality. Labour Party Ministers should take note that all of this was done without introducing domestic water and sewerage charges.

Deputy Fergus O’Dowd: What happened last Christmas?

Deputy Mary Lou McDonald: If they are concerned about social welfare matters in the North, they should address their analysis to their sister party, the SDLP, which holds the relevant Ministry in the Six Counties Executive. I am pretty sure the Minister, Alex Attwood, MLA, would be more than happy to take the Minister and his younger colleagues through their paces and explain to them, because they clearly require explanation, how the Executive and coalition system works in the north of our country. That said, I am deeply gratified that Deputy Keaveney watched our Ard-Fheis and Deputy Buttimer is an avid reader of our press statements. Perhaps they will move a stage further and educate themselves as to how the North is governed.

Deputy Pat Rabbitte: The Deputy is like Little Red Riding Hood.

Deputy Mary Lou McDonald: I welcome the Minister’s acceptance of the tenor of Sinn Féin’s motion with regard to the contribution the ESB has made to the State since its inception in 1927. The company is self-financing, has paid €4.3 billion to the State in taxes and dividends over the past ten years and is an international leader in the energy sector. That it can borrow substantial amounts on the markets to fund re-investment in the company makes it more difficult to understand the reason any Government would sell off in part or whole a stake in one of the State’s success stories, particularly in light of its own failure to re-enter the money markets.

Another Labour Party Minister, Deputy Joan Burton, acknowledged as much last year in an interview with *Business and Finance* in which she stated: “It seems to me an extraordinary prop-

[Deputy Mary Lou McDonald.]

osition at a time when Ireland is doing so badly in terms of bond spreads that we would seriously want to sell into a depressed market State assets which themselves have a fund-raising capacity in terms of their own needs.” The Minister singled out the ESB and Bord Gáis for particular mention as having independent funding capacities through the bond markets and noted: “Given the difficulties that we are in at the moment with our bond spreads, it seems to me to be unwise to remove this strategic capacity”. Such a move was unwise then and is unwise now.

Major questions need to be asked about this quick buck approach to selling a stake in the ESB. Despite reporting a pre-tax loss of €89 million, the company committed to paying a dividend of €77 million to the Exchequer for 2010. Its pre-tax figures were impacted by the resolution of its pension deficit and higher interest rates on its debt. However, despite the loss, the ESB still paid out its dividend to the State. Does the Government believe that such dividends will be paid out without question in the event of a part privatisation? Does the Labour party believe the *raison d'être* of a private third party will be to ensure the public purse receives its fair share? Does it believe a private company beholden to shareholders will buy a sizeable chunk in a successful company to sustain fair wages, keep jobs in Ireland and lower consumer prices and choose to re-invest moneys in improved strategic infrastructure over paying out dividends to shareholders? The Minister does not believe any of those propositions, nor do I.

9 o'clock

Deputy Pat Rabbitte: Then we have no problem. We are all agreed.

Deputy Mary Lou McDonald: There is also the issue of the levels of debt the ESB is currently carrying and the impact this will have on the State's dividend and future bargaining power in deciding on the strategic needs of the State. Following the ESB's purchase of Northern Ireland Electricity, its debt levels were pushed to €3.9 billion. On receipt of proceeds from a third party investor, the State will have to withdraw the sale proceeds from the company and its creditors. Creditors will have a strong case under company law to put up their hands and say “Stop” to the Government. In other words, it would be in their gift to say “Hang on a minute. Rather than paying out the proceeds of the sale to the State to satisfy the EU and IMF, why not pay us off first?” They would be fully within their rights to do so.

Deputy Pat Rabbitte: Deputy Adams had better come back soon, or Deputy McDonald will take over altogether.

Deputy Mary Lou McDonald: Extolling the virtues of the ESB and its achievements within the current ownership arrangements, as the Minister has done, is all fine and dandy, but all of that will change, and change absolutely, if the Government sells off a stake in the company.

I would like to address the defence by the Minister of the Government's policy with regard to the privatisation of Telecom Éireann and the impact it has had on the State's telecommunications infrastructure and the future of next-generation broadband. Forfás, Ireland's policy advisory board for enterprise, trade, science, technology and innovation, stated in a report last year: “Ireland is lagging at least 3 to 5 years behind competitor countries in terms of rolling out infrastructure capable of high speed next generation broadband.”

Serious questions have been raised across Europe about the effectiveness of policies based on liberalisation or privatisation measures with regard to investment. The EU has recognised this by changing its state aid rules to facilitate joint public-private investment in broadband infrastructure. Such is the problem that, for example, academics Palcic and Reeves, in their recent book entitled *Privatisation in Ireland: Lessons from a European Economy*, have proposed the setting up of a new public next-generation network company which could finance any investment through its own borrowings and remain off-balance-sheet. Many European countries, such as France, Germany and

Belgium, still retain sizable shareholdings in their national telecommunications companies for this very reason.

Eircom's promise of increased investment in the next-generation network is of course welcome, as will be the work of the Government's next-generation broadband task force, but we get no sense from the Minister that he appreciates the urgency of this challenge. It is all well and good to talk the talk of next generation broadband delivery, but if the Government does not walk the walk, real growth across a number of sectors will simply not happen.

The Minister also praised the saturation of mobile broadband services last night. I am sure if the Minister ventures outside the Pale he will realise that for hundreds of thousands of rural service users, mobile broadband is not a real option. Unfortunately, if they live beside a hill higher than their knees, access is limited, slow or just non-existent. Ironically, it is the ESB that could best address the State's broadband deficit through its existing infrastructure.

Deputy Pat Rabbitte: It is all in hand.

Deputy Mary Lou McDonald: The Minister for Public Expenditure and Reform, Deputy Brendan Howlin, spoke last night of the harsh realities facing the State. His view seems to be that it is time to knuckle down and accept our fate. The McCarthy review of State assets was widely praised for its contribution to the debate on which assets to cash in, and Sinn Féin has this evening been given a rap on the knuckles for not appreciating the Government's solemn commitment to protect faceless Anglo Irish Bank bondholders.

Deputy Pat Rabbitte: Oh God, not this again.

Deputy Mary Lou McDonald: Of course, we in Sinn Féin believe the Government should honour commitments to its people. It should use the people's money to support job creation, get young people off welfare and into education, provide enough special needs assistants and hospital beds, and support and foster successful, innovative commercial semi-states that benefit all of the people——

Deputy Paudie Coffey: Where would the Deputy get the money? She should tell us where she would get the money.

Deputy Mary Lou McDonald: ——and not holders of bad bank debt.

Deputy Pat Rabbitte: Now who is playing the tooth fairy?

Deputy Mary Lou McDonald: To tell the people that the proceeds of the sale——

Deputy Paudie Coffey: Alice in Wonderland stuff.

Deputy Mary Lou McDonald: ——will be used for investment in job creation is to sell the people a pup.

Deputy Paudie Coffey: The Deputy should tell us where she would get the money.

Deputy Seán Crowe: It is the Government that is giving it away.

Deputy Mary Lou McDonald: Even if Government secured the agreement of the troika to do so, it would be a fraction of the sale value. Real growth through job creation and a significant write-down of bad debt is the only way forward. The EU is getting it wrong and the Government is getting it wrong. It is now time for a different path.

Deputy Pat Rabbitte: I thought she was going to call for a general election.

Deputy Mary Lou McDonald: Even at this eleventh hour, I ask the Minister to return to the commitment he made to the people when he went before them and was duly elected. He and his colleagues promised they would oppose privatisation and that they would use semi-state companies——

Deputy Pat Rabbitte: I am not privatising the ESB, for the record.

Deputy Mary Lou McDonald: ——in a way that would serve the long-term strategic needs of this State and its people.

Deputy Pat Rabbitte: I am not privatising the ESB, and I did not privatise Eircom.

Deputy Mary Lou McDonald: Now he and his colleagues are on the brink of making a colossal U-turn.

Deputy Pat Rabbitte: We are on the brink of rescuing the country.

Deputy Mary Lou McDonald: Their decision to privatise part of the ESB is wrong-headed and short termist, and I think they know that. What they know above all, I am sure, is that the decision they have taken flies in the face of promises made.

Deputies: Hear, hear.

Deputy Caoimhghín Ó Caoláin: Well done.

Amendment put:

The Dáil divided: Tá, 86; Níl, 38.

Tá

Bannon, James.
 Barry, Tom.
 Burton, Joan.
 Butler, Ray.
 Buttimer, Jerry.
 Byrne, Eric.
 Cannon, Ciarán.
 Coffey, Paudie.
 Collins, Áine.
 Conaghan, Michael.
 Conlan, Seán.
 Connaughton, Paul J.
 Conway, Ciara.
 Corcoran Kennedy, Marcella.
 Costello, Joe.
 Creed, Michael.
 Creighton, Lucinda.
 Daly, Jim.
 Deasy, John.
 Deenihan, Jimmy.
 Deering, Pat.
 Doherty, Regina.
 Donohoe, Paschal.
 Dowds, Robert.
 Durkan, Bernard J.
 English, Damien.
 Feighan, Frank.
 Ferris, Anne.
 Fitzpatrick, Peter.

Flanagan, Terence.
 Griffin, Brendan.
 Hannigan, Dominic.
 Harrington, Noel.
 Harris, Simon.
 Hayes, Brian.
 Heydon, Martin.
 Howlin, Brendan.
 Humphreys, Heather.
 Humphreys, Kevin.
 Keating, Derek.
 Keaveney, Colm.
 Kehoe, Paul.
 Kelly, Alan.
 Kenny, Seán.
 Kyne, Seán.
 Lawlor, Anthony.
 Lynch, Ciarán.
 Lynch, Kathleen.
 Lyons, John.
 Maloney, Eamonn.
 Mathews, Peter.
 McCarthy, Michael.
 McFadden, Nicky.
 McGinley, Dinny.
 McHugh, Joe.
 McLoughlin, Tony.
 McNamara, Michael.
 Mitchell, Olivia.

Tá—*continued*

Mitchell O'Connor, Mary.
 Mulherin, Michelle.
 Murphy, Dara.
 Murphy, Eoghan.
 Nash, Gerald.
 Naughten, Denis.
 Neville, Dan.
 Nolan, Derek.
 Ó Ríordáin, Aodhán.
 O'Donnell, Kieran.
 O'Donovan, Patrick.
 O'Dowd, Fergus.
 O'Mahony, John.
 O'Reilly, Joe.

Penrose, Willie.
 Perry, John.
 Phelan, Ann.
 Phelan, John Paul.
 Rabbitte, Pat.
 Ring, Michael.
 Ryan, Brendan.
 Shortall, Róisín.
 Spring, Arthur.
 Stagg, Emmet.
 Tuffy, Joanna.
 Twomey, Liam.
 Wall, Jack.
 Walsh, Brian.

Níl

Boyd Barrett, Richard.
 Browne, John.
 Calleary, Dara.
 Collins, Joan.
 Cowen, Barry.
 Crowe, Seán.
 Daly, Clare.
 Doherty, Pearse.
 Donnelly, Stephen.
 Dooley, Timmy.
 Ellis, Dessie.
 Ferris, Martin.
 Flanagan, Luke 'Ming'.
 Fleming, Tom.
 Halligan, John.
 Healy-Rae, Michael.
 Kelleher, Billy.
 Kirk, Seamus.
 Kitt, Michael P..

Mac Lochlainn, Pádraig.
 McConalogue, Charlie.
 McDonald, Mary Lou.
 McGrath, Finian.
 McGrath, Michael.
 McLellan, Sandra.
 Murphy, Catherine.
 Ó Caoláin, Caoimhghín.
 Ó Cuív, Éamon.
 Ó Fearghaíl, Seán.
 Ó Snodaigh, Aengus.
 O'Sullivan, Maureen.
 Pringle, Thomas.
 Ross, Shane.
 Smith, Brendan.
 Stanley, Brian.
 Tóibín, Peadar.
 Troy, Robert.
 Wallace, Mick.

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Aengus Ó Snodaigh and Catherine Murphy.

Amendment declared carried.

Question put: "That the motion, as amended, be agreed to."

The Dáil divided: Tá, 86; Níl, 38.

Tá

Bannon, James.
 Barry, Tom.
 Burton, Joan.
 Butler, Ray.
 Buttimer, Jerry.
 Byrne, Eric.
 Cannon, Ciarán.
 Coffey, Paudie.
 Collins, Áine.
 Conaghan, Michael.
 Conlan, Seán.
 Connaughton, Paul J.
 Conway, Ciara.
 Corcoran Kennedy, Marcella.

Costello, Joe.
 Creed, Michael.
 Creighton, Lucinda.
 Daly, Jim.
 Deasy, John.
 Deenihan, Jimmy.
 Deering, Pat.
 Doherty, Regina.
 Donohoe, Paschal.
 Dowds, Robert.
 Durkan, Bernard J.
 English, Damien.
 Feighan, Frank.
 Ferris, Anne.

Tá—*continued*

Fitzpatrick, Peter.
 Flanagan, Terence.
 Griffin, Brendan.
 Hannigan, Dominic.
 Harrington, Noel.
 Harris, Simon.
 Hayes, Brian.
 Heydon, Martin.
 Howlin, Brendan.
 Humphreys, Heather.
 Humphreys, Kevin.
 Keating, Derek.
 Keaveney, Colm.
 Kehoe, Paul.
 Kelly, Alan.
 Kenny, Seán.
 Kyne, Seán.
 Lawlor, Anthony.
 Lynch, Ciarán.
 Lynch, Kathleen.
 Lyons, John.
 McCarthy, Michael.
 McFadden, Nicky.
 McGinley, Dinny.
 McHugh, Joe.
 McLoughlin, Tony.
 McNamara, Michael.
 Maloney, Eamonn.
 Mathews, Peter.

Mitchell, Olivia.
 Mitchell O'Connor, Mary.
 Mulherin, Michelle.
 Murphy, Dara.
 Murphy, Eoghan.
 Nash, Gerald.
 Naughten, Denis.
 Neville, Dan.
 Nolan, Derek.
 Ó Ríordáin, Aodhán.
 O'Donnell, Kieran.
 O'Donovan, Patrick.
 O'Dowd, Fergus.
 O'Mahony, John.
 O'Reilly, Joe.
 Penrose, Willie.
 Perry, John.
 Phelan, Ann.
 Phelan, John Paul.
 Rabbitte, Pat.
 Ring, Michael.
 Ryan, Brendan.
 Shortall, Róisín.
 Spring, Arthur.
 Stagg, Emmet.
 Tuffy, Joanna.
 Twomey, Liam.
 Wall, Jack.
 Walsh, Brian.

Níl

Boyd Barrett, Richard.
 Browne, John.
 Calleary, Dara.
 Collins, Joan.
 Cowen, Barry.
 Crowe, Seán.
 Daly, Clare.
 Doherty, Pearse.
 Donnelly, Stephen.
 Dooley, Timmy.
 Ellis, Dessie.
 Ferris, Martin.
 Flanagan, Luke 'Ming'.
 Fleming, Tom.
 Halligan, John.
 Healy-Rae, Michael.
 Kelleher, Billy.
 Kirk, Seamus.
 Kitt, Michael P.

Mac Lochlainn, Pádraig.
 McConalogue, Charlie.
 McDonald, Mary Lou.
 McGrath, Finian.
 McGrath, Michael.
 McLellan, Sandra.
 Murphy, Catherine.
 Ó Caoláin, Caoimhghín.
 Ó Cuív, Éamon.
 Ó Fearghaíl, Seán.
 Ó Snodaigh, Aengus.
 O'Sullivan, Maureen.
 Pringle, Thomas.
 Ross, Shane.
 Smith, Brendan.
 Stanley, Brian.
 Tóibín, Peadar.
 Troy, Robert.
 Wallace, Mick.

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Aengus Ó Snodaigh and Catherine Murphy.

Question declared carried.

The Dáil adjourned at 9.20 p.m. until 10.30 a.m. on Thursday, 22 September 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 12, inclusive, answered orally.

Severe Weather Events

13. **Deputy Denis Naughten** asked the Minister for Defence if he is satisfied with the level of support available to the Defence Forces to deal with severe weather emergencies; and if he will make a statement on the matter. [24999/11]

Minister for Defence (Deputy Alan Shatter): Whilst the Defence Forces are not a Principal Response Agency, as defined in the Framework for Major Emergency Management, they provide assistance in an Aid to the Civil Authority (ATCA) role under the multi-agency Framework. Representation on the Government Task Force, by both my Department and the Defence Forces, ensures the fullest coordination and cooperation with the appropriate lead Department in the event of an emergency. The Defence Forces are also members of eight Regional Working Groups that have been established under the Framework in order to coordinate the work of the Principal Response Agencies. Furthermore, on an ongoing basis, designated members of the Defence Forces, based around the country, act as Liaison Officers to Local Authorities and I am satisfied that this arrangement works well locally.

The various procedures that are in place, both nationally and locally, were seen to operate very effectively last Winter as the Defence Forces responded to all requests for assistance received from the civil authorities during the period of severe weather which ran from 27 November to 26 December 2010.

During this period, all assets, resources and capabilities of the Defence Forces nationally were made available to the Task Force, and its Inter Agency Coordination Committee, for the purpose of providing assistance where it was not possible for other agencies and organisations to respond.

The Inter Agency Coordination Committee, which met almost daily throughout the emergency, requested that, strategically, the Defence Forces would concentrate its support effort on the Health Service Executive, mainly in relation to mobility tasks. Approximately 70% of all ATCA operations conducted by the Defence Forces were in support of the HSE. This proved to be a very effective approach as transport was provided to HSE staff such as palliative care and community nurses visiting patients and in the transport of health workers, particularly doctors and nurses, to their place of work and, indeed, between hospitals as the need arose.

[Deputy Alan Shatter.]

Assistance was also provided to those involved in the delivery of meals on wheels whilst focused ice and snow clearing operations were also carried out throughout the country with particular efforts being made to maintain the safety of public infrastructure and key transport hubs.

A report on the Review of the Response to the Severe Weather Events of 2009-2010 was recently published. I believe that the response of the Defence Forces proved to be extremely effective.

Preparations to cope with the possibility of severe weather occurring during this coming Winter are ongoing. Members of the Interdepartmental Working Group on Emergency Planning, on which my Department and the Defence Forces are represented, are currently working to further develop the “whole of Government” approach to preparing for severe weather.

A special meeting of the Government Task Force on Emergency Planning is scheduled for early November when I will be briefed by departments and agencies regarding their winter preparedness measures. Following that meeting there will be an information campaign to let the public know what measures have been taken and also what people can do for themselves in order to be better prepared in the event of severe weather occurring.

Passport Applications

14. **Deputy Thomas P. Broughan** asked the Tánaiste and Minister for Foreign Affairs and Trade the number of passports issued in each of the years 2007, 2008, 2009, 2010 and to date in 2011; the amount generated through the issuing of passports in each of these years; the total number of passports issued; the number of passport holders outside Ireland; the number of dual passport holders; and if he will make a statement on the matter. [25310/11]

Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore): A breakdown of passports issued and total passport income is set out below for the years 2007-2010 and 2011 year to date.

Year	Passports Issued	PassportIncome
2007	561,973	€30,544,000
2008	576,617	€29,721,000
2009	572,783	€31,872,000
2010	603,753	€33,122,000
2011 to 9 September	490,260	€28,884,000

Passport demand in 2011 is currently running at a level 7% greater than the same period in 2009 and at approximately the same level as over the same period in 2010. It should also be stressed that passport demand varies through the year with patterns from previous years showing that almost 45% of all passport applications are received in the four months April-July.

The Passport Service does not maintain statistical information in relation to the place of residence of passport holders. Accordingly it is not possible to detail the number of passport holders resident outside the State. Similarly the Passport Service neither seeks nor maintains information in relation to the dual citizenship status of any Irish passport holder.

Foreign Conflicts

15. **Deputy Finian McGrath** asked the Tánaiste and Minister for Foreign Affairs and Trade

if he will clarify his policy on Libya and the role of the EU members in the conflict, notably France and Britain. [25325/11]

Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore): I have already made clear my warm welcome for the fall of the oppressive Gaddafi regime and the victory of the Libyan people and of the National Transitional Council, which successfully led the challenge to Gaddafi's rule. I was honoured yesterday to represent Ireland at the High-level Meeting on Libya which UN Secretary General Ban Ki-moon convened on the margins of the sixty-sixth session of the UN General Assembly in New York. This meeting marked the formal welcoming of the Libyan interim authorities to the international community.

The new Libya which has now embarked on the transition to democracy faces urgent tasks of reconstruction, reconciliation and development. I hope that the Libyan National Transitional Council will be quickly able to establish an effective government over the whole country and to lay the foundations for a democratic and just Libya. At yesterday's High-level Meeting in New York, and at earlier meetings with NTC representatives, I have been impressed by the new authorities' vision of an inclusive and democratic future for all Libyans and their well-judged plans for achieving it. I look forward to working closely with the National Transitional Council in the coming months as, in cooperation with the UN and the international community, they prepare the ground for the adoption of a new constitution and the holding of the first truly free and democratic elections in Libya. I have offered the Libyan people all possible cooperation from Ireland in the period ahead while we will also work intensely to promote and develop our bilateral relations with the new Libya.

Respect for human rights and the rule of law will be crucial in the new Libya and must be a key priority for the NTC and its international partners. The role of women was also integral to this triumph of the Libyan people and full respect for the rights of women and the realisation of their potential will be a key ingredient in the building of a new Libya. There must also be an end to impunity and those indicted by the ICC, including Gaddafi, must face international justice.

While it is the people of Libya themselves who have been responsible for writing this new chapter in Libya's history, their success would not have been possible without the close involvement and support of the international community. The UN will now play the lead role in coordinating the international community's support for Libya's transition. A peace support mission, UNSMIL, has now been authorised by the UN Security Council. The UN has been strongly supportive of the Libyan people in their struggle, including through the adoption of key Security Council resolutions, the provision of humanitarian assistance, the imposition of stringent international sanctions against the Gaddafi regime and through UN-mandated military protection of civilians. Regional organisations such as the EU, Arab League, the Organisation of Islamic States and the African Union have also provided vital support to this effort. Ireland was glad to provide what political and humanitarian assistance it could to the Libyan people over the past six months and we will continue to remain a strong and committed partner for the Libyan people in the period ahead.

Tax Code

16. **Deputy Eamonn Maloney** asked the Minister for Finance the amount of revenue which would be raised in a full year if the top rate of income tax was increased by 1% in respect of all incomes of more than €60,000 per annum, of more than €80,000 per annum and of more than €100,000 per annum. [25159/11]

Minister for Finance (Deputy Michael Noonan): It is assumed that the threshold for the proposed new tax bands mentioned by the Deputy would not alter the existing standard rate band structure applying to single and widowed persons, to lone parents and married couples. I am advised by the Revenue Commissioners that the estimated full year yield to the Exchequer, estimated by reference to 2012 incomes, of the introduction of each of the proposed new rate and bands would be of the order of €102 million, €70 million and €54 million respectively.

However, given the current band structures, major issues would need to be resolved as to how, in practice, such new rates could be integrated into the current system and how this would affect the relative position of different types of income earners.

The introduction of this new rate would raise the marginal rate of tax to 53% for PAYE taxpayers on those incomes.

These figures are estimates from the Revenue tax-forecasting model using actual data for the year 2009 adjusted as necessary for income and employment trends for the year 2012. They are therefore provisional and likely to be revised.

International Agreements

17. **Deputy Catherine Murphy** asked the Minister for Finance his plans to negotiate an agreement with the Swiss Government along the same lines as the one reached between the Swiss and UK Governments in August 2011 concerning the tax arrangements of UK subjects with Swiss bank accounts; and if he will make a statement on the matter. [25184/11]

Minister for Finance (Deputy Michael Noonan): I am not privy to the full details of the agreement to which the Deputy has referred and accordingly it would be inappropriate for me to comment on it. Initial reports would suggest that any such agreement may provide for a one-off deduction from funds on deposit to settle past liabilities and a withholding tax from 2013 in place of the actual liability due in respect of investment income and capital gains. We have no plans at present to pursue a similar approach with the Swiss Authorities; however, we will keep the matter under review when the full details of the final ratified agreement are published.

The Deputy may be aware that the Office of the Revenue Commissioners obtained High Court orders in December 2009 requiring clearing banks in the State to provide information to Revenue on details of transfers to and from the State involving a number of offshore jurisdictions including Switzerland. The orders cover the 12 years to 31 December 2008 and include electronic transfers as well as cheques and drafts either drawn in the State and sent offshore or drawn offshore and sent to the State.

Tax Code

18. **Deputy Catherine Murphy** asked the Minister for Finance his views on implementing a reduction in the VAT rate on labour intensive crafts in view of the fact that it is difficult for Irish instrument makers to compete with their UK counterparts in view of the relative weakness of the pound and since very few British makers are VAT registered; and if he will make a statement on the matter. [25189/11]

Minister for Finance (Deputy Michael Noonan): The VAT rating of goods and services is subject to the requirements of EU VAT law with which Irish VAT law must comply. Under the VAT Directive Member States may only apply the reduced VAT rate to those goods and services which are listed under Annex III of the VAT Directive. I understand that the major sectors within the Irish craft industry are pottery, glass, jewellery, textiles and furniture. Annex

III does not provide for a reduced rate of VAT to be applied to these goods, which are consequentially subject to the standard VAT rate of 21%. I would draw to the Deputy's attention that the VAT treatment of persons supplying crafts, including instruments, in Ireland and the UK is very similar. Sales of crafts are liable to VAT at the standard rate of VAT, which is 21% in Ireland and 20% in the UK. In addition, in Ireland, a person who sells instruments is obliged to register for VAT if their sales exceed or are likely to exceed €75,000 in any twelve-month period. A similar person in the UK is obliged to register for VAT there if their sales exceed or are likely to exceed £73,000 (roughly equivalent to €84,000 at the current exchange rate). Below these thresholds persons supplying instruments are generally exempt from VAT.

Tax Collection

19. **Deputy Dan Neville** asked the Minister for Finance the position regarding tax credits in respect of a person (details supplied) in County Cork; and if he will make a statement on the matter. [25270/11]

Minister for Finance (Deputy Michael Noonan): I am advised by the Revenue Commissioners that this matter is currently undergoing an Internal Review. The issue in question is the PAYE tax credit. The taxpayer was not allowed this credit because it was deemed that she belonged to a category excluded by Section 472 of the Taxes Consolidation Act, being the child of her employer. The taxpayer has however claimed that her circumstances entitle her to be treated as one of the exceptional cases entitled to the allowance. At her request, the matter has been referred for Internal Review, and a result will be forthcoming in a matter of weeks.

Financial Products

20. **Deputy Jerry Buttimer** asked the Minister for Finance if he will consult with the Financial Regulator, in view of the protracted length of time it is taking to obtain a mortgage and negotiate the sale of a house, to examine if it is possible to oblige banks to extend beyond three months the period of validity of a mortgage offer; and if he will make a statement on the matter. [25277/11]

Minister for Finance (Deputy Michael Noonan): The Central Bank does not regulate financial products, rather it regulates financial institutions. The Central Bank's Consumer Protection Code requires regulated financial institutions to act honestly, fairly and professionally in the best interests of their customers. In addition, a regulated institution must ensure that all information it provides to the customer is clear and comprehensible and that key items are brought to the attention of the customer. The method of presentation must not disguise, diminish or obscure important information.

A mortgage loan must be operated by the financial institution in accordance with the terms and conditions applying to the agreement between the lender and the borrower. Issues such as the period of validity of the mortgage offer to the borrower are a matter for the mortgage lender.

Banking Sector

21. **Deputy Jerry Buttimer** asked the Minister for Finance if he accepts the claims by various banks that they are lending to a high proportion of applicants for loans and mortgages or alternatively that is he of the view that potential borrowers are being dissuaded, by bankers and brokers, from making formal applications to banks; and if he will make a statement on the matter. [25278/11]

Minister for Finance (Deputy Michael Noonan): The restructuring of the domestic banking sector creates capacity for the pillar banks to lend in excess of €30 billion over the next three years to the SME and to other important sectors. This is in excess of the Central Bank's estimates of the likely demand for SME and mortgage credit over this period. Both pillar banks are concentrating on the Irish economy and need to issue credit to make profits and rebuild their balance sheets. The Government has imposed lending targets on the two domestic pillar banks for the three calendar years, 2011 to 2013 inclusive. Both banks will be required to sanction lending of at least €3 billion this year, €3.5 billion next year and €4 billion in 2013 for new or increased credit facilities to SMEs.

Having noted the comments contained in the fifth quarterly report of the Credit Review Office, which stated that *'it will be a challenge for each of the banks to reach their €3bn sanction target for new and restructured facilities in the current year'*, I have written to both pillar banks asking them to provide me with their plans to ensure that the 2011 target is achieved.

Credit Unions

22. **Deputy Jerry Buttimer** asked the Minister for Finance if his attention has been drawn to any direction by the Financial Regulator precluding credit unions from freezing interest on loans, which if such a facility was available, would be a significant benefit to borrowers in distress; and if he will make a statement on the matter. [25279/11]

Minister for Finance (Deputy Michael Noonan): To date, my attention has not been drawn to any direction by the Financial Regulator to preclude credit unions from freezing interest on loans. The Registrar of Credit Unions at the Central Bank of Ireland, who is responsible for the regulation of credit unions, has informed me that he has made no such direction and that he has no role in this matter.

Credit unions are independent financial institutions and the question of what interest rates they apply and how they are applied is a matter for each individual credit union.

Personal Debt

23. **Deputy Jerry Buttimer** asked the Minister for Finance in view of the protracted duration of the economic crisis, if he will consider, with consultation with the Financial Regulator, making provisions to compel financial institutions to offer distressed borrowers variation in agreements which last for a number of years rather than the current practice of variation agreements that lapse after six or 12 months; and if he will make a statement on the matter. [25280/11]

Minister for Finance (Deputy Michael Noonan): The Deputy might wish to note that, in addition to the existing measures which resulted from the report of the Expert Group on Mortgage Arrears and Personal Debt (published in November 2010), a new working group has been established under the Economic Management Council. Its remit is to consider the state of implementation of the main recommendations of the expert group and to consider and develop further necessary actions to alleviate the mortgage over-indebtedness problem. The Government will consider what further action is warranted once the working group has concluded its deliberations and reported to the Economic Management Council. I expect that the working group will complete its work in the very near future.

Interest Rates

24. **Deputy Jerry Buttimer** asked the Minister for Finance if provision has been made for the large number of interest only loans and mortgages, many of which were taken on the assumption that it would be possible to sell properties at a profit within a few years, which are

likely to mature over the next number of years and thereafter oblige borrowers to repay capital and interest; and if he will make a statement on the matter. [25281/11]

Minister for Finance (Deputy Michael Noonan): As Minister for Finance, I have no statutory role in the setting of the interest rates charged or paid by financial institutions that are regulated by the Central Bank. The Central Bank has responsibility for the regulation and supervision of financial institutions in terms of consumer protection and prudential requirements and for ensuring ongoing compliance with applicable statutory obligations. Each institution determines the rate it charges its customers, depending on a number of factors, such as cost of funds and commercial considerations, competition in the market, risk pricing and the impact on deposit rates. In the case of a customer experiencing financial difficulties in meeting his/her mortgage commitments or one who is concerned that he or she is in danger of getting into financial difficulties, mortgage lenders must comply with the requirements of the Central Bank's revised Code of Conduct on Mortgage Arrears which came into effect on 1 January 2011. The code applies to the mortgage loan of a borrower which is secured by his or her primary residence. Primary residence means a property which is the residential property which the borrower occupies as his or her primary residence in the State, or a residential property in the State which is the only residential property owned by the borrower. Under the code of conduct, a lender must have a mortgage arrears resolution process in place incorporating communication with borrowers, financial information, assessment, resolution and appeals. In exploring all options for alternative repayment arrangements lenders must consider, *inter alia*, deferred payment, term extension, interest and partial capital payments and interest only arrangements.

Banking Sector Regulation

25. **Deputy Paschal Donohoe** asked the Minister for Finance in view of the fact that the State now has majority ownership of AIB, his plans for staff in AIB to take a pay reduction like other workers in the public service; and if he will make a statement on the matter. [25290/11]

Minister for Finance (Deputy Michael Noonan): As the Deputy is aware a review of remuneration policies and practices by each of the covered institutions is under way. As part of that review, the institutions were asked to consider measures that could be taken to realign staff expectations with regard to remuneration and benefits in the current economic environment and financial circumstances of the banks. The review exercise is ongoing. I fully recognise that there is a real public interest in the levels of remuneration at the covered institutions. I will endeavour to have this completed in the shortest timeframe possible with a view to putting the information into the public domain. It is not correct to state — as the Deputy infers in his question — that employees of AIB are part of the public service. He will also appreciate that it is an inevitable, but unfortunate, consequence of the necessary restructuring of the banking system that job losses in the industry will arise.

Tax Code

26. **Deputy Dominic Hannigan** asked the Minister for Finance further to Question No. 59 of 14 September 2011, his views that out of 291 cases investigated by the Revenue an overall settlement of €1.3 million is satisfactory; the amount that is to be that further collected from the said cases; and if he will make a statement on the matter. [25291/11]

Minister for Finance (Deputy Michael Noonan): I am informed by the Revenue Commissioners that the purpose of the inquiries into approximately 300 directors and executive or management level employees in the six main financial institutions was to establish if directors and executive or management employees were tax compliant. Inquiries have been closed in

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approximately 291 of these cases. To date, €1.3 million in tax has been collected from these inquiries. I am advised by Revenue that its inquiries in the 291 cases were closed satisfactorily and the €1.3 million collected from these inquires reflects the additional tax that was due by certain individuals to ensure they were tax compliant. Inquiries are ongoing in the remaining cases. The Revenue Commissioners are not in a position at present to indicate how much more will be collected from the cases investigated.

27. **Deputy Dominic Hannigan** asked the Minister for Finance further to Question No. 74 of 14 September 2011, if the Revenue have retrieved any of the evaded tax from the funds that were transferred to the offshore jurisdictions over the eight years that the High Court order allowed the Revenue to investigate; and if he will make a statement on the matter. [25294/11]

Minister for Finance (Deputy Michael Noonan): I am informed by the Revenue Commissioners that in 2003 they commenced an investigation into the use of offshore bank accounts and other financial products to evade tax. During the initial phase of the investigation, taxpayers were invited to voluntarily disclose previously undeclared liabilities. Under the second phase of the investigation, the Revenue Commissioners obtained High Court orders. The High Court orders require clearing banks in the State to provide information to Revenue on details of transfers to and from the State involving a number of offshore jurisdictions. The orders include electronic transfers as well as cheques and drafts either drawn in the State and sent offshore or drawn offshore and sent to the State. This information was used to identify tax defaulters who had not come forward under the voluntary disclosure phase of the investigation. To date the offshore investigation has collected a total of €969 million in tax liabilities, statutory interest and penalties. This total relates to settlements agreed under both the disclosure phase of the investigation and the High Court orders phase.

Pension Provisions

28. **Deputy James Bannon** asked the Minister for Finance if he will rescind the proposed levy on private pensions in view of the concern on the part of those who rarely depend on the State for support; and if he will make a statement on the matter. [25296/11]

Minister for Finance (Deputy Michael Noonan): As I explained in my speech introducing the “Jobs Initiative” in May last, the decision to fund the Initiative by way of a levy on pension funds over the 4 year period was taken because the alternatives for increases in taxation elsewhere at this time would be more damaging to the economy. I do not have any plans for alternative sources of revenue to the fund the Jobs Initiative.

Financial Services Regulation

29. **Deputy Dominic Hannigan** asked the Minister for Finance when the Central Bank review of all firms in the State which appear to offer customers debt advice and-or debt management type services will be finished; and if he will make a statement on the matter. [25305/11]

30. **Deputy Dominic Hannigan** asked the Minister for Finance when he intends to introduce regulations for all firms in the State which appear to offer customers debt advice and-or debt management type services; and if he will make a statement on the matter. [25306/11]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 29 and 30 together.

Following the collapse of Home Payments (HPL) last month the Central Bank commenced an investigation into the matter. This investigation is on-going and I expect to receive the report from the Central Bank in the near future.

The Central Bank has also informed me that it is undertaking a review of all firms in the State which appear to offer customers debt advice and/or debt management type services.

The Government is committed to having in place an effective regulatory/supervisory system for those firms which provide a household budgeting and bill payment service, a debt management service and/or a debt advice service. The findings of the investigations by the Central Bank into HPL and into the other firms will inform what regulatory/supervisory system should be put in place for firms providing these services — whether provided separately or bundled together — or, alternatively, what amendments to the current regulatory/supervisory framework may be required.

State Banking Sector

31. **Deputy Finian McGrath** asked the Minister for Finance if the bondholders in the Anglo Irish Bank deal on the Quinn Group took any write-down of outstanding debt; and if he will clarify if all debt or the portion of the debt that is repayable to the bondholders under the deal agreed. [25326/11]

Minister for Finance (Deputy Michael Noonan): As the Deputy is aware the Board of the bank is responsible for the day to day running of the bank and for the work out of the existing loan book. The bank has informed me that restructuring arrangements between the creditors and Anglo are due to be finalised in October of this year. These arrangements envisage that the €1.25B of debt will be split into at least two tranches with a senior tranche and subordinated tranche. It is also intended that the debt will be extended for a further 5 years and priced to reflect current market conditions. Based on the arrangements interest on the senior tranche will be paid through the life of the facility, while the subordinated tranche will accrue interest which is payable at the end of 5 years.

Tax Code

32. **Deputy Ciara Conway** asked the Minister for Finance his views on removing, or reducing, the rate of VAT payable by the Irish newspaper industry, in the context of increasing pressure on the sector due to falling revenue from advertising, and falling circulation due to increased competition from the Internet; his further views on this measure in the interests of preserving jobs and recognising the importance of the Fourth Estate in a democracy; and if he will make a statement on the matter. [25349/11]

Minister for Finance (Deputy Michael Noonan): I would draw to the Deputy's attention that the VAT rate on newspapers was reduced from 1 July 2011 in the Finance (No. 2) Act 2011 from the reduced rate of 13.5% to the new lower reduced rate of 9%. The new 9% rate applies to printed matter such as brochures, maps, programmes, leaflets, catalogues and newspapers. Books are not included in the 9% rate as they already are subject to VAT at the zero rate. The 9% VAT rate was introduced primarily in relation to services operated in the tourism sector as a means to boost that industry. As such printed matter is relevant to tourism, and EU legislation allows for such a reduction, it was decided to include printed matter among those items to which the new lower reduced rate will apply.

This VAT reduction was welcomed in general by the print media.

School Transport

33. **Deputy Simon Harris** asked the Minister for Education and Skills the current eligibility criteria which operates in respect of free bus travel for students who are repeating their studies for the leaving certificate; if any derogation exists for students who are undertaking their studies in schools which are not the closest institutions offering repeat leaving certificate courses; and if he will make a statement on the matter. [25149/11]

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon): Under the current terms of my Department's Post Primary School Transport Scheme, pupils are eligible for transport if they reside 4.8 kilometres or more from their local post primary education centre, that is the centre serving the catchment area in which they reside.

Pupils who are fully eligible for transport to the post-primary centre in the catchment area in which they reside may apply for transport on a concessionary basis to a post-primary centre outside of their own catchment area — otherwise known as catchment boundary transport. These pupils can only be facilitated if spare seats are available on the bus after all other eligible children travelling to their 'own' post-primary centre have been catered for. Such pupils have to make their own way to the nearest pick up point within that catchment area.

The current pupil charge for post primary transport is €350 per annum subject to a family maximum of €650. Eligible pupils who hold valid medical cards (GMS Scheme) are exempt from these charges.

Schools Building Projects

34. **Deputy Pat Breen** asked the Minister for Education and Skills the position regarding an application by a school (details supplied) in County Clare; and if he will make a statement on the matter. [25146/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The school referred to by the Deputy has recently submitted an application for additional funding in relation to a building project ongoing at the school.

The application is currently being examined by officials in the Planning and Building Unit of my Department who are liaising with the school authorities with a view to obtaining more detailed information in this regard. On receipt of this information, a decision will be made and the school authorities notified accordingly.

Research Funding

35. **Deputy Jack Wall** asked the Minister for Education and Skills his plans on the provision of a new grant system or funding allocation to assist with research and development for students; and if he will make a statement on the matter. [25160/11]

Minister for Education and Skills (Deputy Ruairí Quinn): This year my Department is providing some €41 million to support research activities across a range of programmes, including schemes managed by the Irish Research Council for Humanities and Social Sciences (IRCHSS) and the Irish Research Council for Science, Engineering and Technology (IRCSET), and the technological sector research initiative. These schemes specifically focus on providing funding support to post graduate students and early-career post doctoral fellows.

As the Deputy will be aware, my colleague the Minister for Public Expenditure and Reform is undertaking a Comprehensive Expenditure Review across all areas of Government spending. This process will inform budgetary allocations for the coming years. In this context, the Deputy

will appreciate that I am not presently in a position to comment on specific areas of expenditure within my Department.

Teaching Qualifications

36. **Deputy Catherine Murphy** asked the Minister for Education and Skills the primary and secondary schools in north Kildare and west Dublin area that have teachers who are fully qualified to teach mathematics and science to a leading international standard; and if he will make a statement on the matter. [25170/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The Teaching Council recently carried out a survey of schools to ascertain the qualifications of Maths Teachers. The results of the survey shows that out of a total of 2,045 teachers teaching maths in 258 schools, 1,400 teachers are fully qualified to do so, 596 teachers have undergone some studies in maths and only 49 have no third level qualifications/studies in maths.

The Teaching Council has now asked schools which have not completed the earlier survey to do so by 26th September.

I understand that the Council carried out the survey on a confidential basis and will not be publishing information in relation to specific schools.

Higher Education Grants

37. **Deputy Paschal Donohoe** asked the Minister for Education and Skills the grants available to those persons who are unemployed who had been self-employed and are seeking access to third level courses; and if he will make a statement on the matter. [25191/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The terms and conditions of funding in relation to financial assistance under the student grant schemes are of general application. Therefore, persons who are unemployed who had been self employed and are seeking access to third level courses may submit a grant application to their local authority or VEC as appropriate. All applications for financial support are assessed in accordance with the terms and conditions of the relevant grant scheme.

Students who are entering approved courses for the first time are eligible for financial assistance where they satisfy the relevant conditions including those relating to residence, means, nationality and previous academic attainment. The decision on grant eligibility is a matter, in the first instance, for the relevant local authority or VEC.

Departmental Agencies

38. **Deputy Charles Flanagan** asked the Minister for Education and Skills the number of staff employed at the FÁS centre of excellence at Mount Lucas, Daingean, County Offaly; the grade of the same staff; and if he will make a statement on the matter. [25194/11]

39. **Deputy Charles Flanagan** asked the Minister for Education and Skills the number of persons who have been trained at the FÁS centre of excellence at Mount Lucas, County Offaly since its opening to August 2011; the projected number of trainees expected to use centre in 2011; and if he will make a statement on the matter. [25195/11]

40. **Deputy Charles Flanagan** asked the Minister for Education and Skills the cost of running the FÁS centre of excellence, including staff wages, at Mount Lucas, County Offaly since it opened to August 2011; and if he will make a statement on the matter. [25196/11]

41. **Deputy Charles Flanagan** asked the Minister for Education and Skills the training courses provided at the FÁS centre of excellence at Mount Lucas, County Offaly; and if he will make a statement on the matter. [25197/11]

Minister for Education and Skills (Deputy Ruairí Quinn): I propose to take Questions Nos. 38 to 41, inclusive, together.

Currently there are 5 staff in Mount Lucas:

1 Assistant Manager Grade 7

1 Clerical Officer Grade 11

2 Instructors Grade 10

1 Technical Support Grade 13

Mount Lucas Training Facility piloted its first course in the last quarter of 2009 with 4 Participants on a new entrants Construction Skills Certification Course (CSCS). As required by health and safety regulations, a ratio of 4 learners to one instructor is applied to each course type. The suite of construction related courses includes Telescopic Handler, Artic Dumper, 360 Excavator, Site Dumper and Mini Digger.

Training in 2010 (Total 122 Learners)

- CSCS: 34
- ECDL: 14
- Night Training (Start Your Own Business, Supervisory Management): 24
- VEC Courses (Business/IT/Healthcare/Computer Networks): 50

Training in 2011 (Total 591 Learners)

- CSCS: 136
- ECDL: 28
- Safepass: 360
- Night Training (Security, Manual & Computerised Accounts/Payroll, Health & Safety): 67

Staff Costs

Year	€
2009	€180,000
2010	€220,000
2011	€200,000 (Budgeted)

Overhead Costs

Year	€
2009	€253,000 (including start up costs)
2010	€144,000
2011	€109,000 (Budgeted)

In early 2010, given the downturn in the construction sector, a Working Group was established to evaluate the viability of continuing to use the facilities at Mount Lucas exclusively for its

original purpose — the provision of training related to the Construction Skills Certification Scheme (CSCS).

Following this review it has been decided to continue to use Mount Lucas as a centre for training in construction related skills but with an expanded range of courses, including ‘green technology’ courses.

Residential Institutions Redress Scheme

42. **Deputy Maureen O’Sullivan** asked the Minister for Education and Skills the progress made to date regarding the setting up of the general scheme of a residential institutes statutory fund Bill 2011; if any money has been forthcoming to date from the religious orders; and when a decision will be made regarding the criteria for individual applications. [25285/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The Government has approved the drafting of the Residential Institutions Statutory Fund Bill to provide for the establishment of a Statutory Fund to support the needs of victims of residential institutional abuse. The legislative proposals followed extensive consultations with representatives of survivors of residential abuse together with a public consultation process. The report on the consultation process and the General Scheme of the Residential Institutions Statutory Fund Bill are available on my Department’s website. It is my intention to publish the Bill as soon as possible. While the General Scheme specifies approved services to include, counselling, psychological support services and mental health services together with such health and personal social services, educational services and housing services as the Fund may determine, the Fund will determine the extent of, and conditions attaching to, the provision of these approved services. To date €21.05m of the congregations’ offers of contributions has been received and placed in a special interest bearing account in the Central Bank pending the establishment of the Statutory Fund.

School Transport

43. **Deputy Brendan Griffin** asked the Minister for Education and Skills when school transport will be provided to a special needs student (details supplied) in County Kerry; and if he will make a statement on the matter. [25334/11]

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon): I am pleased to advise that a school transport service has been approved for the pupil in question. Bus Éireann, which operates the School Transport Scheme on behalf of my Department has advised that the service will commence on Thursday 22nd September 2011. The Contractor’s vehicle which will be used for this service is currently being adapted for wheelchair accessibility.

Special Educational Needs

44. **Deputy Dan Neville** asked the Minister for Education and Skills if he will confirm that a special needs assistant will be provided in respect of a person (details supplied) in County Limerick. [25340/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The Deputy will be aware that 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. This now includes a requirement for the NCSE to have regard to an overall cap on the number of SNA posts.

[Deputy Ruairí Quinn.]

Some 10,575 whole time equivalent (WTE) posts are being provided for SNA support for the coming school year. This is a significant number of posts and unlike other areas of the public sector vacancies are being filled up to this number. It is considered that with equitable and careful management and distribution of these resources that there should be sufficient posts to provide access to SNA support for all children who require such care support to attend school, in accordance with Departmental criteria. The NCSE issued a circular to all schools advising of the allocation process for the 2011/2012 school year. A key feature of the amended scheme is to provide for an annual allocation of Special Needs Assistant support to eligible schools.

The NCSE has now advised all mainstream schools, including the school referred to by the Deputy in County Limerick, of their SNA allocation for the current school year, taking into account the care needs of qualifying pupils attending the school. I wish to clarify that the recruitment and deployment of SNAs within schools are matters for the individual Principal/Board of Management. SNAs should be deployed by the school in a manner which best meets the care support requirements of the children enrolled in the school for whom SNA support has been allocated. It is a matter for schools to allocate support as required, and on the basis of individual need, which allows schools flexibility in how the SNA support is utilised.

The NCSE will advise schools early in the new school year of any review process to review allocation decisions to ensure that correct procedures were followed and that they comply with my Department's policy. The merits of individual allocation decisions will not be open to appeal under this mechanism. It will be expected that schools, before requesting a review, will be in a position to demonstrate that they have made every effort to manage their allocation of SNA posts to best effect.

Teachers' Remuneration

45. **Deputy Catherine Murphy** asked the Minister for Education and Skills the reason he has not yet implemented the new pay scales informally agreed between the directors of the 12 vocational education committee outdoor education centres and officials from his Department in June 2011; when he plans to implement the new pay scales; and if he will make a statement on the matter. [25347/11]

Minister for Education and Skills (Deputy Ruairí Quinn): My Department gives support and funding to a number of VECs to operate Outdoor Education Centres. There are 12 centres in all. The Teachers' Union of Ireland (TUI) lodged a claim with my Department for a substantial pay increase on behalf of the Directors of each of these Centres. Following protracted negotiations, my Department consented to an ad-hoc referral of the claim to the Labour Court. The Labour Court subsequently issued a non-binding recommendation on 9 February 2009 in respect of this claim.

I regret to inform you that, notwithstanding that the recommendation was made prior to the passage of the Financial Emergency Measures in the Public Interest (No. 2) Act, this Labour Court recommendation cannot be implemented in the context of Section 5 (1) of that Act. That subsection provides that where a reduction in pay was made on 1 January 2010 to a public servant's pay rate in accordance with Section 2 of the Act, the resulting pay rate may not be increased. Section 5 (1) states that: "Where a relevant provision [i.e. that sets the pay rate] is taken to have been amended by section 2- (a) a public servant whose remuneration falls to be determined in accordance with the relevant provision is not entitled to receive remuneration of an amount greater than the amount so determined, and (b) no person or body responsible

for paying the remuneration of such a public servant is entitled to pay remuneration to the public servant of an amount greater than the amount so determined.”

It should be noted that the position taken in relation to this particular Labour Court recommendation is in line with government pay policy generally. You will appreciate that public service bodies are obliged to comply with the terms of that legislation, and indeed would be potentially liable to financial penalties, should they purport to act in contravention of its provisions. In this context, I should also point out that, in accordance with the requirements under the Financial Emergency Measures in the Public Interest (No. 2) Act, the Minister for Finance, Mr. Michael Noonan TD, completed a review of the operation, effectiveness and impact of the legislation, having regard to the overall economic conditions in the State and national competitiveness in June 2011. The report concluded that there is a need to continue to apply the reductions provided for under the legislation. The report is available on the Department of Public Expenditure and Reform’s website.

On 20 July 2011, an agreed statement was issued on the part of the Government and the Public Service Committee of the ICTU following the first review under the Public Service (Croke Park) Agreement. That statement noted that as committed to in the Agreement, adjudication findings that were outstanding at the time of the Agreement will be reviewed by the parties. The parties also noted, however, that the review, which is ongoing, will have to have regard to the terms of the Agreement, the moratorium on recruitment and promotion and the terms of the Financial Emergency Measures in the Public Interest (No. 2) Act 2009. Accordingly, my Department is not currently in a position to implement the Labour Court recommendation of 9 February 2009 in respect of the Directors of the VEC Outdoor Education Centres.

Jobs Initiative

46. **Deputy Aengus Ó Snodaigh** asked the Minister for Education and Skills the percentage of the additional places in training, work experience and education opportunities promised in the programme for Government that have a participant in place. [21327/11]

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon): The majority of the additional training places (15,900) for the unemployed contained in the Jobs Initiative which was announced in May 2011 are being delivered by my Department through the following programmes:

- 6,000 places on FÁS Specific Skills Training Courses
- 3,000 places on the Back to Education Initiative (FE)
- 1,000 places on Post Leaving Certificate Courses (FE)
- 5,900 places on the Springboard Initiative (HE) and

5,000 places made available through the National Internship Programme (JobBridge) which is being managed by the Department of Social Protection.

Arrangements for filling these places are at different stages at present. FÁS Specific Skills Training Courses I understand from FÁS that the additional 1,000 places for the longer Specific Skills Training Courses have been identified and scheduled with some courses already commenced and participants for the remainder currently being recruited. FÁS are planning to commence over the next 3 months the remaining short, evening and blended learning, specific skills training courses with the additional 5,000 places. FÁS is confident that it will achieve its target in this area in 2011.

The additional 1,000 Further Education Post Leaving Certificate (PLC) and 3,000 Back to Education Initiative (BTEI) places are being prioritised for the unemployed. These additional places

[Deputy Ciarán Cannon.]

have been allocated to Vocational Education Committees (VECs) and other providers and are being made available to participants for the current academic year. It is expected that the additional 1,000 learners on PLC programmes will be fully utilised by the end of September. Data on enrolments will be notified to my Department as part of the standard 30 September enrolment returns which will be available at the end of the year. The additional BTEI places are designed to provide flexible short term programmes, with priority given to people who are unemployed and who left school prior to completing their Leaving Certificate. VECs are currently in the process of recruiting participants and initiating programmes for the Jobs Initiative. Data on the number of participants availing of these places will be submitted by VECs as part of end of year reports.

Springboard Applications for the 5,900 Springboard places opened on 25 May 2011 through the online applications facility on the Bluebrick.ie. web portal. It is open to applicants to submit multiple applications and to date 16,040 applications have been received from 6,736 people. 3,792 applicants have been accepted and are enrolled on courses and 2,378 applications are currently being processed. As applications are still being submitted and processed, the overall position in relation to uptake will not be known for another few weeks. The majority of Springboard programmes will have commenced by mid October.

JobBridge, the National Internship Scheme came into operation on 1st July 2011. This scheme provides internship opportunities of either 6 or 9 months for up to 5,000 unemployed individuals at any one time in a Host Organisation. I understand from the Department of Social Protection that as of Friday 16th September a total of 2,471 internship opportunities with host organisations were approved and were available on the JobBridge website to be filled. In addition, to date 1,276 interns have commenced an internship under the JobBridge scheme. Of these, 583 individuals have converted their Work Placement Programme placement into a JobBridge internship.

47. **Deputy Peadar Tóibín** asked the Minister for Education and Skills when he expects to see the resourcing of an additional 15,000 places in training, work experience and education opportunities for those out of work in view of the fact that to date the only initiative has been JobBridge. [21151/11]

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon): The majority of the additional places (15,900) for the unemployed contained in the Jobs Initiative which was announced in May 2011 are being delivered by my Department through the following programmes.

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FÁS is confident that it will achieve its target in this area in 2011. The additional 1,000 Further Education Post Leaving Certificate (PLC) and 3,000 Back to Education Initiative (BTEI) places are being prioritised for the unemployed. These additional places have been allocated to Vocational Education Committees (VECs) and other providers and are being made available to participants for the current academic year.

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Pension Provisions

48. **Deputy Brendan Griffin** asked the Minister for Public Expenditure and Reform if he will introduce emergency legislation to deal effectively with the issue of oversized lump sums and pension payments to some senior civil servants; and if he will make a statement on the matter.
[25145/11]

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): The matter of pension arrangements for retiring Secretaries General is at present the subject of a review by my Department, following which I will bring forward proposals in relation to the Top-level Appointments Committee (TLAC) retirement terms. This review is dealing with the terms of future Secretaries General. The Government will be ensuring that the new terms reflect our changed economic circumstances.

As regards the current incumbents of Secretary General posts, their appointments were based on TLAC terms that were agreed by the previous Government at the time of the incumbents' appointments. The Government will be required at the end of the Secretary General's term of office to decide in the case of those under-60 years of age whether they are to be assigned to another Civil or Public Service post, or to grant them TLAC retirement terms. In the case of a retiring Secretary General over 60 years, they are granted the TLAC retirement terms. It should be noted that these terms form part of the terms and conditions of appointment of present Secretaries General.

[Deputy Brendan Howlin.]

The new single public service pension scheme will introduce a career averaging system, rather than one based on final salary. There is no provision in the scheme for enhanced exit terms for Secretaries-General. Legislation on this will be introduced by the Minister for Public Expenditure and Reform shortly.

It should be noted that Secretaries General have had their salaries cut from €285,000 to €214,000 which will have a significant impact on the superannuation benefits of those retiring after February 2012. Those retiring before then will be subject to an average reduction in their pension of around 10 per cent. Lump sums over €200,000 are also being taxed.

Freedom of Information

49. **Deputy Dominic Hannigan** asked the Minister for Public Expenditure and Reform when the heads of the freedom of information (amendment) Bill will be brought to Cabinet to be approved; and if he will make a statement on the matter. [25283/11]

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): The Deputy will be aware of the significant commitments given in the programme for Government to restore the Freedom of Information Act, to extend its remit to other public bodies including the administrative side of the Garda Síochána, subject to security exceptions and to extend the Act to ensure that all statutory bodies and all bodies significantly funded from the public purse, are covered. To this end my Department is currently reviewing the Freedom of Information Acts in light of the programme commitments to inform the preparation of appropriate legislative amendments for my consideration in the first instance and the Government in due course.

50. **Deputy Dominic Hannigan** asked the Minister for Public Expenditure and Reform when the heads of the public interest disclosure Bill will be brought to Cabinet to be approved; and if he will make a statement on the matter. [25284/11]

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): My Department is currently preparing the General Scheme of the Bill to give effect to the commitments in the Programme for Government to introduce whistleblowers legislation. It is planned to submit the Draft Heads to the Government in the autumn of 2011 with a view to securing approval for the drafting of a Bill by the Office of the Parliamentary Counsel.

The objective of the legislation is to provide overarching legislation for enactment by the Oireachtas providing for good faith reporting and protected disclosure on a consistent basis across all sectors of the economy. The proposed legislation is, therefore, intended to provide an overarching legal charter for good faith reporting and protected disclosure for all employees and contractors, in both the public and private sectors. It will seek to ensure that all such parties will be treated equally and fairly within a unitary legislative framework.

In overall terms, the legislation will build on international precedents and best practice as well as the sectoral protections already in place in Ireland. The proposed legislation will address a number of significant issues, including the precise definition of good faith reporting and protected disclosure to be adopted; the scope of issues to be comprehended by whistleblowing; the rights of the complainant; the rights of the person, body or organisation complained of; appeal mechanisms and redress for employees against retributive action by employers.

51. **Deputy Dominic Hannigan** asked the Minister for Public Expenditure and Reform when the heads of the Valuation Act 2001 (Amendment) Bill will be brought to Cabinet to be approved in

view of the need to reduce the costs of the doing businesses; and if he will make a statement on the matter. [25286/11]

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): My Department is currently considering proposals to amend the Valuation Act 2001 to modernise and streamline the valuation process in the interests of both the ratepayers and the local authorities. Preliminary Heads of Bill have been drafted and a significant amount of technical work has already been undertaken in conjunction with the Valuation Office and the Attorney General. My objective is to have the heads of a bill amending the Valuation Act 2001 brought to Government for approval in this session.

52. **Deputy Aodhán Ó Ríordáin** asked the Minister for Jobs, Enterprise and Innovation if he will provide information on his intention to publish a Bill on media diversity; and if he will further provide an outline on the legislation proposed in the Bill. [25341/11]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): Proposals to give effect to the recommendations of the Advisory Group on Media Mergers, which was established in 2008 to review the current legislative framework regarding the public interest aspects of media mergers, will be included in legislation being drafted to, inter alia, merge the Competition Authority and the National Consumer Agency and reform aspects of competition law. It is my intention to publish this Bill early next year.

The remit of the Advisory Group and my public interest role under the Competition Act 2002 relate solely to mergers involving a media business. The Minister for Communications, Energy and Natural Resources and the Broadcasting Authority of Ireland also have a function in relation to media diversity.

Departmental Agencies

53. **Deputy Seán Kenny** asked the Minister for Jobs, Enterprise and Innovation the number of persons employed by the Industrial Development Agency and Enterprise Ireland by grade. [25142/11]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): Between them IDA Ireland and Enterprise Ireland employ a total of 1,058.5 people. IDA employs 251 people, while Enterprise Ireland employs 807.5 whole time equivalents. A breakdown of these numbers by grade, in respect of each of the agencies is set out in the following tabular statements.

Tables showing the number and grades of staff employed by IDA and Enterprise Ireland

Table A: Staff employed by IDA Ireland by grade

Job Title	Number
CEO	1
Executive Director	2
Divisional Manager	5
Department Manager	19
Section Manager	63
Project Executive	97
Assistant Project Executive	29
Executive Assistant	35
Total number of staff employed	251

[Deputy Richard Bruton.]

Table B: Whole Time Equivalent Staff employed by Enterprise Ireland

Job Title	Number
CEO	1
Executive Director	4
Divisional Manager	12
Department Manager	64
Senior Executive	288.5
Executive	140
Administrator	102.5
Executive Asst. /Clerical Asst.	81.5
Local overseas staff / overseas graduates	114
Total W.T.E	807.5

Question No. 54 withdrawn.

Job Creation

55. **Deputy Willie O’Dea** asked the Minister for Jobs, Enterprise and Innovation the number of jobs created by the Industrial Development Agency, Shannon Development, Enterprise Ireland and the community enterprise board in the mid-western region 2010; the cost to create each one of those jobs; and the corresponding job losses in enterprises supported by the various agencies. [25246/11]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): I have been informed by the relevant agencies that, in 2010, the total number of new jobs created by them in the Mid-West region, including the Shannon Free Zone, was 2,086 while the number of jobs lost in the same period was 2,878. The cost per job sustained, which is the key metric by which job costs are measured varies from agency to agency reflecting the different nature and quality mix in any given period. In 2010 this ranged from €6,209 to €14,287. The number of jobs created and lost, together with the cost per job sustained in respect of each of the agencies mentioned by the Deputy, is set out in the following tabular statement.

Table showing the number of jobs created and lost in 2010, together with the cost per job sustained in respect of each of the agencies mentioned by the Deputy

2010	Number of jobs created	Number of jobs lost	Cost per job sustained€
IDA Ireland	204	592	14,287
Enterprise Ireland	608	800	12,254
Shannon Development	362	616	7,552
County Enterprise Boards	912.5	870	6,209.5
Total	2,086	2,878	

Enterprise Support Services

56. **Deputy Willie O’Dea** asked the Minister for Jobs, Enterprise and Innovation his views on the establishment of a money advice and budgeting service for small businesses. [25247/11]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): Suggestions have been made, including under the Credit Suggestions Initiative run by my colleague Minister Noonan in the Department of Finance, for the establishment of an independent body for Small Business, similar to the Money Advice and Budgeting Service (MABS), which would provide ongoing financial and budgeting advice to small and medium enterprises. MABS currently assists people who are over-indebted and need help and advice in coping with debt problems. The role of money advisers is to help clients to assess their financial situation, make a budget plan and deal with creditors.

While there is some attraction in the general idea of a MABS for small business, there is a need to fully consider precisely what role it would play and whether a new structure was needed to assist business people in effectively running their businesses. There are already a number of State agencies supporting the enterprise sector which provide, inter alia, advice in relation to general financing of a business and also cash-flow management. Business accountants and auditors also provide financial advice and input along with many other private sector specialists. In addition, business representative bodies provide assistance to their members in dealing with financial matters. To the extent that such advisory services are already available, it remains to be seen to what extent a MABS for Small Business would be necessary.

In the context of debt management for overly indebted businesses, the need is for such businesses to develop a recovery strategy and to negotiate a solution with creditors, including the banking sector. Opportunities exist for formal and informal debt restructuring arrangements. In the first instance, businesses in difficulty must recognise their difficulty, confront their problems and discuss their position frankly with their creditors. In the current climate, the most significant creditors would tend to be the banks.

I think the idea of a MABS for Small Business needs to be considered more fully in order to determine what interventions are needed by business and who is best equipped to provide those interventions. The current MABS initiative has a budget requirement in excess of €18m and is provided through 52 independent MABS companies operating local MABS services from 65 locations throughout the country. Any consideration would have to include an examination of existing supports, the demand for a new initiative, the resources, and a cost benefit analysis. In developing any proposal, there should be an involvement and contributions from all stakeholders in the process. I do not think that the State alone should be seen as the solution to the issue either in terms of service delivery or underwriting the cost of any initiative.

Departmental Agencies

57. **Deputy Thomas P. Broughan** asked the Minister for Jobs, Enterprise and Innovation the number of persons employed by the National Employment Rights Authority by grade; and if he will make a statement on the matter. [25308/11]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): The following table outlines the current number of persons employed by the National Employment Rights Authority, broken down by grade.

Grade	Number
Director	1
Principal Officer	1
Assistant Principal Officer	4
Solicitor	0.60
Administrative Officer (Labour Inspector)	2

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Grade	Number
Higher Executive Officer (Administration)	3
Higher Executive Officer (Labour Inspector)	6
Executive Officer (Administration)	4.8
Executive Officer (Labour Inspector)	53
Clerical Officer	26.53
Total	101.93

Redundancy Payments

58. **Deputy Patrick O'Donovan** asked the Minister for Social Protection the position regarding a redundancy settlement in respect of a person (details supplied) in County Limerick; and if she will make a statement on the matter. [25162/11]

Minister for Social Protection (Deputy Joan Burton): I can confirm that the notification of redundancy in respect of the individual concerned was received in the Redundancy Payments Section on 4 May, 2011 and is awaiting processing.

Social Welfare Benefits

59. **Deputy Jack Wall** asked the Minister for Social Protection the position regarding an application for social welfare allowance towards the cost of a funeral in respect of a person (details supplied) in County Kildare; and if she will make a statement on the matter. [25130/11]

Minister for Social Protection (Deputy Joan Burton): Under the Supplementary Welfare Allowance (SWA) scheme, the Community Welfare division of the Health Service Executive (HSE) may make a single payment to meet an exceptional need to people on social welfare or health board payments. These payments are known as Exceptional Needs Payments (ENPs) and may be made towards funeral expenses where it is established that there is an inability to meet the costs by the family concerned and the expenses incurred are exceptional. The Executive has advised that an ENP towards the cost of the funeral was made to the person concerned in August 2011.

Question No. 60 withdrawn.

Social Welfare Appeals

61. **Deputy Paul J. Connaughton** asked the Minister for Social Protection when an appeal for a disability allowance application will be finalised in respect of a person (details supplied) in County Roscommon; and if she will make a statement on the matter. [25153/11]

Minister for Social Protection (Deputy Joan Burton): Payment of illness benefit, to the person concerned, was disallowed by a Deciding Officer following an examination by a Medical Assessor of the Department who expressed the opinion that she was capable of work.

An appeal was registered on 12 September 2011 and the Social Welfare Appeals Office has advised me that, in accordance with statutory requirements, the Department was asked for the documentation in the case and the Deciding Officer's comments on the grounds of the appeal. In that context, an examination by another Medical Assessor will be carried out. The person concerned will be notified when arrangements for the examination have been completed.

The Social Welfare Appeals Office functions independently of the Minister for Social Protection and of the Department and is responsible for determining appeals against decisions on social welfare entitlements.

Unemployment Levels

62. **Deputy Eamonn Maloney** asked the Minister for Social Protection the number and percentage of persons currently on the live register who are categorised as teachers; and the breakdown of same between primary and post-primary teachers. [25155/11]

Minister for Social Protection (Deputy Joan Burton): The most recent Live Register data published by the Central Statistics Office relates to the end of August, when most schools were still closed for the summer break. The information requested by the Deputy is set out in the tabular statement below, which shows that there were 13,490 teachers on the Live Register at the end of August, comprising just under 3% of the Live Register. The breakdown of same between primary and post primary teachers is not available.

The number of teachers on the Live Register in July was at broadly similar levels. For comparison purposes, the equivalent data in respect of the end of May is given in a separate table below. This shows that there were 8,222 teachers on the Live Register at that time, comprising just under 2% of the Live Register.

Live Register Analysis for Week Ending:- 28/08/2011

	Teaching Professionals	% of Live Register
Jobseekers Allowance	5,270	1.12%
Jobseekers Benefit	6,047	1.29%
Credits Only	2,173	0.46%
Total	13,490	2.87%

Live Register Analysis for Week-Ending:- 29/05/2011

	Teaching Professionals	% of Live Register
Jobseekers Allowance	3,482	0.79%
Jobseekers Benefit	2,750	0.62%
Credits Only	1,990	0.45%
Total	8,222	1.86%

Social Welfare Code

63. **Deputy Gerry Adams** asked the Minister for Social Protection when a person (details supplied) in County Donegal will become eligible for the JobBridge scheme; if the three-month waiting period is still in existence; and if eligibility commences from the first three-month waiting period from the point a person becomes unemployed, from when he or she first seeks social welfare assistance or from the point he or she first starts receiving social welfare assistance. [25166/11]

Minister for Social Protection (Deputy Joan Burton): It is not appropriate for me to comment on the social welfare status of a specific individual.

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In order for an individual to be eligible to participate in JobBridge, the National Internship Scheme an individual must be:

- currently in receipt of a live claim (Jobseeker's Allowance/Jobseeker's Benefit/Signing for Credits) on the Live Register;
- have been in receipt of Jobseeker's Benefit, Jobseeker's Allowance or signing for Social Insurance Contribution Credits for a total of 78 days or more in the last 6 months.

An individual's eligibility to participate in JobBridge is counted from the time that they first seek social welfare assistance provided that their claim is successful.

Social Welfare Benefits

64. **Deputy Jack Wall** asked the Minister for Social Protection the position regarding an application in respect of a person to include his partner and children on a claim (details supplied) in County Kildare; and if she will make a statement on the matter. [25167/11]

Minister for Social Protection (Deputy Joan Burton): The supplementary welfare allowance scheme (SWA), including rent supplement, is currently administered on behalf of the Department by the community welfare division of the Health Service Executive (HSE). Apart from a number of excluded categories, anyone in the State who satisfies a habitual residency condition and a means test, has registered for employment, unless they have a physical or mental disability, and can prove unemployment may qualify for a weekly payment of SWA.

The Executive has advised that the person concerned is currently in receipt of SWA appropriate to his family circumstances as determined at the time of his application for SWA pending the award of Jobseeker's Allowance. The person concerned should contact his Local Office in the Department of Social Protection if his circumstances have changed in order that they can reassess his entitlements.

Social Welfare Code

65. **Deputy Dan Neville** asked the Minister for Social Protection the position regarding eligibility for a scheme in respect of a person (details supplied) in County Limerick; and if she will make a statement on the matter. [25177/11]

Minister for Social Protection (Deputy Joan Burton): It is not appropriate for me to comment on the social welfare status of a specific individual.

However, in order for an individual to be eligible to participate in JobBridge, the National Internship Scheme an individual must be:

- currently in receipt of a live claim (Jobseeker's Allowance/Jobseeker's Benefit/Signing for Credits) on the Live Register;
- have been in receipt of Jobseeker's Benefit, Jobseeker's Allowance or signing for Social Insurance Contribution Credits for a total of 78 days or more in the last 6 months.

Having reviewed the participant eligibility requirements for JobBridge, the Steering Group of the National Internship Scheme has decided that time spent on Back to Education Allowance, VTOS, FÁS/Fáilte Ireland Training courses, Youthreach, FIT, Community Employment Schemes, TÚS, the Rural Social Scheme, Back to Work Scheme, FÁS Job Initiative or Job Assist may count towards the 78 day qualifying period. This revised criterion will come into effect from Monday 26th September, 2011.

However, individuals must still have signed back on to the Live Register and be in receipt of Jobseeker's Benefit/Allowance or Jobseeker credits immediately before commencing on JobBridge.

66. **Deputy Peadar Tóibín** asked the Minister for Social Protection her plans to amend the rules relating to the JobBridge scheme and allow prospective interns to have completed FÁS or similar training courses within the six months before applying for an internship with a qualifying company. [25192/11]

Minister for Social Protection (Deputy Joan Burton): In order for an individual to be eligible to participate in JobBridge, the National Internship Scheme an individual must be:

- currently in receipt of a live claim (Jobseeker's Allowance/Jobseeker's Benefit/Signing for Credits) on the Live Register;
- have been in receipt of Jobseeker's Benefit, Jobseeker's Allowance or signing for Social Insurance Contribution Credits for a total of 78 days or more in the last 6 months.

Having reviewed the participant eligibility requirements for JobBridge, the Steering Group of the National Internship Scheme has decided that time spent on Back to Education Allowance, VTOS, FÁS/Fáilte Ireland Training courses, Youthreach, FIT, Community Employment Schemes, TÚS, the Rural Social Scheme, Back to Work Scheme, FÁS Job Initiative or Job Assist may count towards the 78 day qualifying period. This revised criterion will come into effect from Monday 26th September, 2011.

However, individuals must still have signed back on to the Live Register and be in receipt of Jobseeker's Benefit/Allowance or Jobseeker credits immediately before commencing on JobBridge.

Unemployment Levels

67. **Deputy Maureen O'Sullivan** asked the Minister for Social Protection if she will provide the numbers of unemployed and unemployment rates, three months, six months, 12 months for each year of the past five years and to date in 2011 for the north inner city and Cabra and Glasnevin areas of Dublin Central; the specific local initiatives driven by current Government policy that will be taken to address the situation; and if she will make a statement on the matter. [25288/11]

Minister for Social Protection (Deputy Joan Burton): Unemployed persons residing in the areas referred to by the Deputy are dealt with by 3 Social Welfare Local Offices in the Dublin area. Accordingly, I have provided a breakdown of each of the offices by duration bands and covering the last 5 years to date in 2011.

With regard to initiatives designed to tackle unemployment I outline below the main programmes which are operating within my Department at the present time. The National Employment Action Plan is the main activation measure for jobseekers and provides for a systematic engagement of the employment services with unemployed people. Under the Plan, all persons between the ages of 18 and 65 years, who are approaching 3 months on the Live Register, are identified by the Department of Social Protection and referred to FÁS for interview with the aim of assisting them to enter/re-enter the labour market.

I also published the plan for the development and implementation of a new National Employment and Entitlements Service (NEES), as provided for in the Programme for Government. The objective is to integrate the benefit payment services currently provided directly by the Department of Social Protection with the employment support services provided by FÁS into a single service. This will provide a 'one stop shop' for people wishing to establish their benefit entitlements, seek employment and / or seek advice about their training options. The

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focus will be very much on the individual, his / her rights to a payment, his / her access to an opportunity to engage in employment, training or upskilling, as appropriate and his / her responsibility to engage with such opportunities as they are provided.

In addition, a number of initiatives have been introduced that seek to assist unemployed people into employment and education. Each is in operation locally. These include:

- JobBridge, the National Internship scheme, which is providing up to 5,000 work experience placements in the private, public and voluntary sectors. The scheme provides work experience placements for a 26 or 39 week period. A weekly allowance of €50 per week on top of the existing social welfare entitlement is paid for the period of the internship.
- Springboard, which offers people the opportunity to study on a part-time basis for higher education qualifications in areas where more employment opportunities are expected to arise as the economy recovers. Programmes vary in duration from several months to three years and are suitable for people who have no prior experience of third level education as well as unemployed graduates who may need to acquire new qualifications to re-enter the workforce.
- Tús, which is a community work placement scheme that provides one-year work opportunities for unemployed people. The work opportunities are provided by community and voluntary organisations in both urban and rural areas. Participants work 19.5 hours per week for 12 months.

In the time available it is not been possible to get information on specific local initiatives in these three local offices but I will write to the Deputy in this regard as soon as possible.

Unemployment Statistics for Period 31/12/2006 — 31/08/2011

	Week Ending	<3mths	3-6mths	6-12mths	>12mths	Total
BALLYMUN	31/12/2006	299	206	281	707	1493
	31/12/2007	279	179	285	740	1483
	31/12/2008	519	322	408	836	2085
	31/12/2009	507	402	735	1166	2810
	31/12/2010	453	360	628	1559	3000
	31/08/2011	460	332	547	1814	3153
KINGS INN STREET	31/12/2006	862	514	612	1427	3415
	31/12/2007	1003	534	627	1338	3502
	31/12/2008	1769	1020	1026	1423	5238
	31/12/2009	1889	1582	2249	2123	7843
	31/12/2010	1500	1349	1834	3312	7995
	31/08/2011	1770	1147	1623	4165	8705
NAVAN ROAD	31/12/2006	585	400	462	1046	2493
	31/12/2007	725	416	501	1054	2696
	31/12/2008	1410	738	776	1178	4102
	31/12/2009	1552	1221	1959	1866	6598
	31/12/2010	1228	1012	1385	2845	6470
	31/08/2011	1514	967	1320	3608	7409

Note:- Numbers above are in respect of Jobseekers Benefit, Jobseekers Allowance and Jobseekers Benefit Credits
Only customers

Social Welfare Benefits

68. **Deputy James Bannon** asked the Minister for Social Protection the position regarding an invalidity pension in respect of a person (detail supplied) in County Longford; and if she will make a statement on the matter. [25295/11]

Minister for Social Protection (Deputy Joan Burton): Invalidity pension is a payment for people who are permanently incapable of work because of illness or incapacity and who satisfy the contribution conditions.

On 28 July 2011 an application for Invalidity Pension was received from the person concerned. While the person concerned satisfies the contribution conditions for Invalidity Pension, her suitability on medical grounds has yet to be established.

A request will issue shortly to the person concerned to submit medical evidence in support of her application. Upon receipt and examination of the requested information, an opinion on medical suitability will be provided to the deciding officer by the department's chief medical advisor. Once the deciding officer receives this opinion regarding medical suitability, a decision regarding entitlement to invalidity pension will be made and the person in question will be notified directly of the outcome.

The person concerned is currently in receipt of illness benefit from my department at a weekly rate of €188.00. Illness benefit is a short-term payment for people who are incapable of work for medical reasons and who satisfy the contribution conditions.

69. **Deputy James Bannon** asked the Minister for Social Protection the reason a person (details supplied) in County Longford who is on a pension of €219 is being refused carer's allowance in respect of his elderly parents, to whom it is being given full-time; and if she will make a statement on the matter. [25299/11]

Minister for Social Protection (Deputy Joan Burton): On 12 September 2011 the person concerned was advised that his claim was under review.

Based on departmental records, his weekly income exceeds the statutory limit of set down in respect of carer's allowance. He was requested, on the same date, to forward any additional evidence of his income that he might have to prove his entitlement to carer's allowance. Any such evidence, once received, will be taken into account before a decision is made on his continued eligibility for carer's allowance.

70. **Deputy James Bannon** asked the Minister for Social Protection the reason carer's allowance and respite grant have been discontinued in respect of a person (details supplied) in County Longford; and if she will make a statement on the matter. [25300/11]

Minister for Social Protection (Deputy Joan Burton): On 01 June 2011, payment of carer's allowance to the person concerned was stopped on the grounds that the person concerned was working outside the home for more than 15 hours per week, contrary to the statutory conditions for receipt of carer's allowance.

She was notified of this decision and the reason for it. Qualification for receipt of the Respite Care Grant is subject to the same condition, that the carer may not work outside the home for more than 15 hours per week.

Social Welfare Appeals

71. **Deputy Bernard J. Durkan** asked the Minister for Social Protection when a review of

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the entitlement to rent support entitlement will take place in the case of a person (details supplied) in County Kildare; and if she will make a statement on the matter. [25301/11]

Minister for Social Protection (Deputy Joan Burton): The answer remains as previously advised in Question Number 165 which I provided to the Deputy on 14th July 2011. The Health Service Executive has advised that on 24th May 2011, the designated Appeals Officer upheld the decision of the Community Welfare Officer not to award a rent supplement to the person concerned on the grounds that the rent payable was in excess of the prescribed limit for a single person.

Pension Provisions

72. **Deputy Bernard J. Durkan** asked the Minister for Social Protection the way it could transpire that an overpayment of old age pension dependant's allowance exists in the case of a person (details supplied) in County Kildare; and if she will make a statement on the matter. [25302/11]

Minister for Social Protection (Deputy Joan Burton): The husband of the person concerned is in receipt of a State pension (contributory) which includes an increase for a qualified adult (IQA) in respect of his spouse. Entitlement to this increase, which had been in payment at the maximum weekly rate, is subject to the means of the spouse continuing to be within the prescribed limits.

Following a review of this case in August 2011, a Deciding Officer determined that the husband was entitled to a reduced rate of IQA for the period 6th April 2000 to 28th July 2011, as the spouse had means from employment over this period ranging from €70.00 to €310.00 per week. The husband was advised on 24th August 2008 that an IQA overpayment of €40,157.34 on his State pension (contributory) had arisen which, under Section 335 (a) of the Social Welfare (Consolidation) Act 2005, is recoverable as a debt due to the State.

A debt recovery proposal issued to the husband of the person concerned on 30th August 2011, and on 13th September 2011 he consented to €50 per week repayment by deduction from his State pension. However, on 14th September he notified the Department of his intention to appeal this decision and the deduction has been suspended pending the outcome of this appeal.

Social Welfare Benefits

73. **Deputy Bernard J. Durkan** asked the Minister for Social Protection the eligibility for payment in respect of the family income supplement scheme in the case of a person (details supplied) in County Kildare; and if she will make a statement on the matter. [25303/11]

Minister for Social Protection (Deputy Joan Burton): Family Income Supplement (FIS) is calculated on the basis of 60% of the difference between the income limit for the family size and the net income of the person(s) raising the child(ren). Net income for FIS purposes comprises total family income less tax, employee PRSI, universal social charge and pension contributions. I can confirm that the person concerned has a been approved for and is being paid FIS in respect of a family of 5 children. A deduction of €25.00 per week is however being made from this weekly entitlement, in repayment of an outstanding overpayment of One Parent Family Payment incurred by the partner of the person concerned.

74. **Deputy Brendan Griffin** asked the Minister for Social Protection when the back to school clothing and footwear allowance will be provided to a person (details supplied) in County Kerry; and if she will make a statement on the matter. [25311/11]

Minister for Social Protection (Deputy Joan Burton): The Back to School Clothing and Footwear Allowance (BSCFA) scheme operates from the beginning of June until the end of September each year. The administrative arrangements for the 2011 BSCFA scheme differ from those that applied in previous years. For this year, the majority of BSCFA entitlements were fully automated with no application form required from customers. 127,000 households in respect of over 250,000 children received their payment automatically in June.

Those customers who did not receive an automated payment are required to complete and return an application form to the Department. The timescale for determining applications for Back to School Clothing and Footwear Allowance claims is dependent on a number of factors including: the number of applications received, when the application is lodged, the availability of the required information such as details of the applicant's income, bank statements and other relevant information regarding an individual's application.

In addition, some aspects of the applications are inevitably time consuming and delays can occur where further investigations or third party evidence is required. Delays can also arise if the applicant is slow to respond to requests for additional information. Staff are working as quickly as possible on clearing the large volume of manual application claims received. Departmental records show that an application form was received from the person concerned on 15th July 2011. The person concerned will be notified of the outcome of her claim when an assessment of her entitlements has been completed.

Social Welfare Appeals

75. **Deputy Pádraig Mac Lochlainn** asked the Minister for Social Protection her views on whether it is acceptable for a person (details supplied) who applied for domiciliary carer's allowance on the 18 of March 2010, was refused and appealed the decision on 9 June 2010, was listed for an oral hearing on the 19 November 2010, and some 15 months later is still waiting for an oral hearing [25313/11]

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 the week commencing 3 October 2011. The person concerned will be notified of the arrangements. 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.

JobBridge Scheme

76. **Deputy Olivia Mitchell** asked the Minister for Social Protection if the criteria for admission to the JobBridge interim programme will be relaxed in the case of a person (details supplied) in County Wicklow; and if she will make a statement on the matter. [25348/11]

Minister for Social Protection (Deputy Joan Burton): In order for an individual to be eligible to participate in JobBridge, the National Internship Scheme an individual must be: · currently in receipt of a live claim (Jobseekers Allowance/Jobseekers Benefit/Signing for Credits) on the Live Register; · have been in receipt of Jobseekers Benefit, Jobseekers Allowance or signing for Social Insurance Contribution Credits for a total of 78 days or more in the last 6 months.

Having reviewed the participant eligibility requirements for JobBridge, the Steering Group of the National Internship Scheme has decided that time spent on Back to Education Allowance, VTOS, FÁS/Fáilte Ireland Training courses, Youthreach, FIT, Community Employment Schemes, TUS, the Rural Social Scheme, Back to Work Scheme, FÁS Job Initiative or Job Assist may count towards the 78 day qualifying period. This revised criterion will come into

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effect from Monday 26th September, 2011. However, individuals must still have signed back on to the Live Register and be in receipt of Jobseekers Benefit/Allowance or Jobseeker credits immediately before commencing on JobBridge.

Environmental Protection

77. **Deputy Catherine Murphy** asked the Minister for Arts, Heritage and the Gaeltacht in view of the fact Ireland has lost roughly half of its farm birds due to human activities if he will ensure that local authorities are made aware of the damage that can be done to numerous bird species by excessive trimming of hedgerows; if he will put in place guidelines to ensure that trimming is carried out in a responsible manner; and if he will make a statement on the matter. [25187/11]

Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan): The Pan-European Common Bird Monitoring Scheme has compiled population figures for common and widespread bird species across Europe between 1980 and 2009. Amongst those species covered, farmland birds were considered the most threatened group and it is asserted that overall numbers are at an all-time low, down by 48% since 1980.

However a review of the substantial amount of data available for Ireland, collected over the period 1998-2008 through the Countryside Bird Survey, shows that the vast majority (85%) of 52 species examined have either increased or remained relatively stable. Hedgerows are an important reservoir of biodiversity and habitat for birds and other wildlife during the summer breeding season. Under Section 40 of the Wildlife Acts, the cutting, grubbing, burning or destruction by other means of vegetation growing on uncultivated land or in hedges or ditches is prohibited during the nesting and breeding season for birds and wildlife from 1 March to 31 August.

My Department writes each year to local authority managers reminding them of the need to plan hedge cutting operations to comply with the Wildlife Acts as referred to above, and to encourage in their organisations, an awareness of and guardianship of hedgerows as a rich and vital reservoir of biodiversity in our rural landscapes. Members of the public are encouraged to contact their local wildlife ranger and report instances where hedgerows are being destroyed during the prohibited period.

Special Areas of Conservation

78. **Deputy Pearse Doherty** asked the Minister for Arts, Heritage and the Gaeltacht if he will reconsider the proposed designation of special areas of conservation in the parish of Cloughaneely, including the island of Toraigh, taking into account the dwindling human population in the area, and in view of the already very strict planning conditions that govern this area. [25318/11]

Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan): My Department is currently engaged in a roll out of Special Protection Areas (SPAs) nationwide. An adverse Judgement delivered by the European Court of Justice against Ireland in December 2007 for failure to comply with the requirements of the Birds Directive means Ireland must deliver on this programme of work in order to meet the requirements of the Judgement and to remedy perceived deficiencies in the designation of existing SPAs.

The area in question is one of a number of Corncrake sites that have been specifically selected to encourage the re-population of these traditional breeding sites for the Corncrake. These sites are of high ornithological importance as they are now strongholds for Corncrake.

The Corncrake is listed on the 2010 International Union for Conservation of Nature (IUCN) Red List of Threatened Species. It should be noted that Oileán Thoraigh had previously been designated as an SPA. The designation of this site as a SPA does not mean there is a prohibition on further development or activities within the site. Development in this area would, as ever, go through normal planning processes and be subject to assessment from an environmental perspective.

Legislative Programme

79. **Deputy Dominic Hannigan** asked the Minister for Arts, Heritage and the Gaeltacht when the Irish Film Board (Amendment) Bill will commence Second Stage; and if he will make a statement on the matter. [25161/11]

Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan): The Irish Film Board (Amendment) Bill 2011 has yet to be published. I intend to seek Government approval to publish the Bill and introduce it in the Oireachtas as soon as possible.

Building Regulations

80. **Deputy Peadar Tóibín** asked the Minister for Communications, Energy and Natural Resources the number of households in the State in need of adequate insulation to meet national standards; and the amount it will cost to fully insulate these homes. [25199/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Acceptable thermal insulation levels for building elements (roofs, walls, floors, doors and windows) are specified in the technical guidance document (TGDL) published to accompany Part L (Conservation of Fuel and Energy) of the Building Regulations introduced by the Minister for the Environment, Community and Local Government. These requirements apply to new dwellings and, in certain circumstances, to works on existing dwellings which involve an extension, a material alteration or a material change of use having previously functioned as a building other than a dwelling. Minimum acceptable thermal insulation levels for new dwellings and existing dwellings, in the specific circumstances referred to earlier, have been revised upwards through amendments to Part L requirements signed into law in 2002, 2007 and 2011.

The recently published revisions to Part L in 2011 will further improve the current requirements ensuring newly built dwellings approved from 1st December 2011 will be constructed to the tightest energy standards in Europe. This will ensure only homes with higher insulation standards, producing lower levels of green house gas emissions are added to the stock in future.

Analysis by the Sustainable Energy Authority of Ireland (SEAI) suggests that a programme to improve over 1 million homes to at least a C2 on the Building Energy Rating (BER) scale could cost in the order of €5.7 billion and lead to lifetime savings of €8.6 billion at an average of €500 saved per dwelling per annum from reduced energy spend. The total capital allocation for Better Energy in 2011 is €91.4 million. Future allocations will be determined in light of the Capital Spending Review and budgetary discussions.

Better Energy: Homes (formerly the Home Energy Savings (HES) Scheme) is administered by the SEAI and provides grant assistance to homeowners for energy efficiency retrofitting measures, including attic and wall insulation, high-efficiency boilers, heating controls and Building Energy Rating (BER) assessments. In 2011 to the end of August, 33,559 homeowners have undertaken 97,957 energy efficiency measures. Since the start of the scheme in May 2009, over €100 million has been paid to homeowners enabling 96,219 homes to undertake 233,822 energy efficiency measures.

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Better Energy: Warmer Homes (formerly the Warmer Homes Scheme (WHS)) is intended to provide energy efficiency improvements at no cost to low-income homes. The scheme has addressed over 71,197 fuel poor homes since 2000 of which 11,197 have been delivered since the start of 2011 to the end of August.

Energy Policy

81. **Deputy Catherine Murphy** asked the Minister for Communications, Energy and Natural Resources the way he justifies his decision to change from the alternative energy requirement scheme, in which the contracted projects contributed to the public service obligation levy fund when the wholesale price of electricity exceeded the contracted price, to the system under the wind REFIT scheme in which the electricity supply companies receive the benefit; and if he will make a statement on the matter. [25176/11]

82. **Deputy Catherine Murphy** asked the Minister for Communications, Energy and Natural Resources the reason the wind REFIT scheme requires generators to enter into a contract with an electricity supply company; the reason these supply companies receive a 15% balancing payment; and if he will make a statement on the matter. [25178/11]

83. **Deputy Catherine Murphy** asked the Minister for Communications, Energy and Natural Resources the way he can justify allowing electricity supply companies, under the wind REFIT scheme, to receive all the upside when the wholesale price of electricity increases, while at the same time imposing a public service obligation levy on the electricity consumer here; and if he will make a statement on the matter. [25179/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I propose to take Questions Nos. 81 to 83, inclusive, together.

The first support scheme introduced in Ireland to support electricity from renewable sources was called the 'Alternative Energy Programme' or AER, which was launched in 1996. It was a programme based on competitive tendering and was funded through the PSO levy. Over the course of the programme, there were 6 tender competitions held. The Programme was designed to support a variety of technologies including onshore and offshore wind and biomass. As the schemes were put in place before the electricity market was liberalised, the contracting party for all of the generators in the AER scheme was the Public Electricity Supplier (PES) ESB. Under the terms of the scheme, ESB was required to enter into Power Purchase Agreements with bidders who were successful in AER. ESB was not allowed to profit from its role in the Programme.

The AER scheme had modest success in encouraging new renewable generation during the course of a decade, with over 500MW of new renewable generation building out under the scheme. One of the acknowledged issues with the scheme was that bidders often bid prices too competitively, such that while they were successful in the competition, they did then not ultimately end up developing the project, as the prices they had bid were too low to obtain finance or have a reasonable rate of return, particularly if there were any delays in building their projects. The tender process was unsatisfactory as it delivered a low level of actual build out from the listed projects.

Under the 2001/77/EC Directive, Ireland was assigned a renewable electricity target of 13.2% by 2010 and the rate of build out of AER was such that the target would not be reached. Following extensive public consultation and consideration, it was decided that in order to reach the 2010 targets, a new scheme was necessary to deliver the build rate required to meet the

renewable electricity directive target level. Experience across Europe clearly showed that feed-in tariffs were proving the most successful of the options available to Member States in terms of encouraging new build. It was for that reason that the REFIT scheme was introduced.

The REFIT scheme achieved its goal, in that at the end of 2010, Ireland had succeeded in surpassing its 2010 target by a small margin. REFIT was announced in 2006 and obtained state aid clearance in 2007. Given our extremely challenging legally binding renewable energy targets for 2020, a scheme that can sufficiently incentivise new renewable generation is crucial going forward.

By the time the REFIT scheme was announced, there had been significant liberalisation of the electricity sector. ESB as the dominant domestic electricity company had to reduce its share of the market and REFIT was therefore designed around developers entering into a Power Purchase Agreement with any supply company in the market.

Under the terms of REFIT, the supplier and generator enter into a Power Purchase Agreement, the terms of which are a matter of commercial negotiation between both parties. REFIT is paid to the supplier on the basis of the terms and conditions of the scheme and relevant legislation and the supplier then pays the generator on the basis of the commercially negotiated Power Purchase Agreement (PPA.)

It is not true to claim that in REFIT the supplier retains all the benefit, including any market payment above the REFIT payment. That would be a matter for negotiation in the PPA and the generator is free to negotiate with all suppliers in the market to obtain the best PPA deal possible. Similarly while a 15% payment was introduced to compensate suppliers in the REFIT scheme, it is a matter for negotiation in the PPA what element of this, if any, is payable to the generator, who is free to negotiate with all suppliers on the market to obtain the best deal.

In the State Aid clearance for REFIT in 2007, DG Competition inserted a clause whereby a generator, despite having a 15 year off-take contract, could leave the contract and go to the open market either by agreement with the supply company or by serving twelve months notice. This clause enables generators to go directly into the market themselves if there is any prolonged 'upside' available in the market. The reason generators do not avail of this clause en masse, is that the electricity wholesale price has proved to be extremely volatile over the last few years, in particular falling significantly around the time of the economic slowdown.

A balancing payment for suppliers was introduced in the design of the REFIT scheme in order to ensure that suppliers are compensated for acting as an intermediary in the REFIT scheme on behalf of generators and for dealing with the intermittent nature of much of the generation and fluctuations in the market payment that may not be offset by REFIT payments in the year in which they are incurred.

New renewable electricity generation is supported in every Member State and is necessary to underpin delivery of the European Union's ambitious renewable energy and climate change targets. It also displaces imported fossil fuels in our electricity generation and improves our overall security of supply. In Feb 2011, EirGrid and the Sustainable Energy Authority of Ireland published a study entitled "Impact of Wind Generation on Wholesale Electricity Costs in 2011". Key messages from that study show that:

- The wind generation expected in 2011 will reduce Ireland's wholesale market cost of electricity by around €74 million.
- This reduction in the wholesale market cost of electricity is approximately equivalent to the sum of Public Service Obligation (PSO) costs, estimated as €50 million, and the increased constraint costs incurred, due to wind in 2011.

Pension Provisions

84. **Deputy John O'Mahony** asked the Minister for Communications, Energy and Natural Resources if a person (details supplied) in County Mayo is entitled to a pension; and if he will make a statement on the matter. [25188/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): In general, all civil servants are eligible for superannuation benefits on reaching minimum retirement age provided they satisfy the qualifying conditions outlined in the Superannuation Schemes. My Department is responsible for payment of these benefits in respect of civil servants who resigned from the former Department of Posts and Telegraphs on or after 1st June 1973 and before 1st January 1984 (Vesting Day). These former employees are entitled to have any Superannuation benefits to which they may be entitled preserved and these become payable on reaching minimum retirement age, i.e. age 60 or 65 depending on which Scheme they are members of.

It is not possible to say from the limited information provided if the officer in question has any such entitlement but the Human Resources Division of my Department will make direct contact with her to establish this.

Onshore Exploration

85. **Deputy Jack Wall** asked the Minister for Communications, Energy and Natural Resources his views on a submission (details supplied) regarding hydraulic fracturing; and if he will make a statement on the matter. [25256/11]

86. **Deputy Michael Healy-Rae** asked the Minister for Communications, Energy and Natural Resources his views on a matter (details supplied) regarding hydraulic fracturing; and if he will make a statement on the matter. [25337/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I propose to take Questions Nos. 85 and 86 together.

No company currently holds an exploration authorisation that permits exploration drilling onshore, including exploration drilling that would involve hydraulic fracturing.

In February of this year, my Department granted onshore Licensing Options to three companies over parts of the Lough Allen and Clare Basins. The Licensing Options are for a two year period from March 2011 to the end of February 2013.

The Licensing Options are preliminary authorisations and are different to exploration licences. The purpose of the licensing options is to allow the companies assess the natural gas potential of the acreage largely based on studies of existing data from previous petroleum exploration activity. This work is largely office/desktop based and does not involve exploration drilling or hydraulic fracturing. The Licensing Options also confer on the companies involved a first right of refusal for an exploration licence over the areas concerned.

By the end of the Option period in February 2013, the companies will have to decide whether to apply for a follow-on exploration licence or relinquish their acreage. In the event that any of the companies involved decide to apply for an exploration licence that proposes hydraulic fracturing, the application would have to be set out in detail and be supported by an environmental impact statement.

My Department would then undertake a full assessment of the application, including an environmental impact assessment and public consultation. My Department would also consult

with other relevant statutory authorities such as the EPA, NPWS, Local Authorities etc, in reaching any decision.

Work under these Licensing Options is at an early stage and it is too soon to conclude whether or not these authorisations will proceed to the exploration licence stage.

Register of Electors

87. **Deputy Brendan Griffin** asked the Minister for the Environment, Community and Local Government his plans to introduce a mechanism by which Irish passport holders residing abroad will be facilitated to vote in all elections here; and if he will make a statement on the matter. [25148/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): In order to be able to vote at elections and referenda in this jurisdiction, a person's name must be entered in the register of electors for a constituency in the State in which the person ordinarily resides.

Postal voting is provided for in electoral law in respect of certain categories of persons who are entered in the register of electors. The Electoral Act 1992 provides for postal voting by whole-time members of the Defence Forces, members of the Garda Síochána, and Irish diplomats serving abroad and their spouses/civil partners. Subsequent legislation enacted by the Oireachtas has extended postal voting to other categories: electors living at home who are unable to vote because of a physical illness or a physical disability (the Electoral (Amendment) Act 1996); electors whose occupation, service or employment makes it likely that they will be unable to vote in person at their local polling station on polling day and full-time students registered at their home who are living elsewhere while attending an educational institution in the State — (the Electoral Act 1997); certain election staff employed at the poll outside the constituency where they reside (the Electoral (Amendment) Act 2001); and electors who because of the circumstances of their detention in prison pursuant to an order of a court are likely to be unable to go in person on polling day to vote (the Electoral (Amendment) Act 2006).

The Programme for Government sets out a comprehensive range of constitutional reform measures including the review by a Constitutional Convention of the Dáil electoral system and giving citizens the right to vote at Irish embassies in presidential elections. I will bring forward proposals for change to electoral law in light of the decisions for change which may arise from these processes.

Local Authority Staff

88. **Deputy Patrick O'Donovan** asked the Minister for the Environment, Community and Local Government his plans to introduce a voluntary redundancy scheme for employees of local authorities. [25287/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): I refer to the reply to Question No. 522 of 14 September 2011 which sets out the position in this matter.

Tourism Promotion

89. **Deputy James Bannon** asked the Minister for the Environment, Community and Local Government the reason County Westmeath is to lose its tourism development officer, despite

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the fact that the county and the general midlands region are consistently at the bottom of every tourism league table published; and if he will make a statement on the matter. [25297/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan):

The embargo on the filling of posts in local authorities was introduced on 24 March 2009 and my Department received a delegated sanction from the Department of Finance in August 2009 for implementation of the moratorium across local authorities. Where vacancies arise, local authorities must consider all options for reorganisation and reallocation of work to meet requirements. Any exceptions to this principle require sanction from my Department.

Local authorities have reduced numbers, in terms of whole time equivalent staff, by around six and a half thousand since June 2008. The work carried out by departing staff has been absorbed by remaining staff delivering very significant savings in terms of sustainable remuneration costs.

Under section 159 of the Local Government Act 2001, each County and City Manager is responsible for staffing and organisational arrangements necessary for carrying out the functions of the local authorities for which he or she is responsible. In this regard, it is a matter for County and City Managers, in the first instance, to ensure that the reduction in staff numbers is managed so that the appropriate service level is maintained.

My Department has not received a request for sanction in relation to the filling of a position of Tourism Development Officer from Westmeath County Council.

Waste Management

90. **Deputy Niall Collins** asked the Minister for the Environment, Community and Local Government the reason Fingal County Council is selling its domestic waste collection service; if his attention has been drawn to the fact that AES-Bord na Móna has tendered for that business; if he has discussed AES-Bord na Móna's strategy for purchasing loss-making domestic waste collection services from local authorities with the Department of Communications, Energy and Natural Resources; if he will clarify the purpose of the public service obligation levy applied to householders' electricity bills; the extent to which AES-Bord na Móna is in receipt of funds generated by the levy; the extent to which AES-Bord na Móna is subsidised by the State; if AES-Bord na Móna has or is using its subsidy to buy domestic waste collection services from local authorities; and if he will make a statement on the matter. [25132/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan):

Advanced Environmental Solutions (Ireland) is a subsidiary company of Bord na Móna, and currently offers household waste collection services primarily in markets in the Midlands, South-East and Mid-West. Questions concerning the funding and the strategic direction of Advanced Environmental Solutions (Ireland) are a matter for Bord na Móna and the Minister for Communications, Energy and Natural Resources.

Many local authorities have withdrawn from the provision of household waste collection services. Fingal County Council's intention to cease household waste collection services is a matter for the County Council; any queries concerning that process should be directed to the County Council in the first instance.

As regards policy concerning household waste collection generally, the Programme for Government includes a commitment to introduce competitive tendering for household waste collection, whereby service providers will bid to provide waste collection services in a given area, for a given period of time and to a guaranteed level of service. A public consultation designed to inform the policy development process has recently concluded. The responses

received are currently being examined and I intend to bring policy proposals to Government before the end of the year.

Motor Taxation

91. **Deputy Anthony Lawlor** asked the Minister for the Environment, Community and Local Government the progress that has been made to close the off-the-road loophole with regard to drivers avoiding paying motor tax by receiving a stamp from An Garda Síochána declaring that their car has not been in use without proof of same; when proposals to deal with the matter will be enforced; and if he will make a statement on the matter. [25157/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): I am concerned at the high level of off-the-road declarations being made and I am aware that current procedures governing the making of such declarations may be open to potential abuse. The General Scheme of a Motor Tax Bill, which will include provisions in relation to off-the-road declarations, is at an advanced stage of preparation in my Department and will be brought forward as soon as possible.

More generally, the Motor Tax Bill will consolidate and modernise motor tax law generally and will reform the administration of the motor tax system to ensure consistency, resource efficiency and best customer practice in service delivery.

Proposed Legislation

92. **Deputy Anthony Lawlor** asked the Minister for the Environment, Community and Local Government his views on the introduction of container deposit legislation in view of the fact that such legislation will not only reduce the incidence of plastic, glass bottle and aluminium can littering, as has occurred in other EU countries such as Germany and Denmark, but which will also create jobs in recycling centres; and if he will make a statement on the matter. [25158/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): Directive 94/62/EC of the European Parliament and of the Council on packaging and packaging waste (the Packaging Directive) classifies items such as bottles, drink cans and containers as packaging. Deposit and refund schemes on such items can reduce litter and contribute to the recovery rates for packaging waste.

The Packaging Directive is based on the concept of producer responsibility, which effectively requires producers to contribute to the waste management costs of products which they have placed on the market. Under the Directive, the recovery rate of packaging waste required by Ireland in 2011 is 60%. Ireland had already achieved a rate of 70% in 2009. The material specific recycling targets for glass of 60% and for metals of 50% had also been achieved by Ireland in 2009 — the recycling rate for these materials being 76% and 50% respectively.

Rather than being content with this level of performance, the Programme for Government contains a commitment to drive a waste reduction programme as part of a sustainable waste strategy. One of the possible elements of this waste reduction programme is a levy on packaging.

I recently consulted with industry, other stakeholders and the public on a possible levy on packaging. This consultation closed on Friday 5 August 2011 and the submissions and comments received are currently being examined. Any decision regarding deposit and refund schemes will be taken as part of the overall response to dealing with the issue of packaging.

Waste Disposal

93. **Deputy Brian Stanley** asked the Minister for the Environment, Community and Local Government the criteria that must be satisfied for an organisation to receive an exemption of paying the landfill levy; and if he will make a statement on the matter. [25165/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): The Waste Management (Landfill Levy) Regulations 2011 provide for exemptions from the landfill levy for the disposal, to an authorised landfill facility, of certain types of wastes. The Regulations do not provide for exemptions from the landfill levy for particular organisations.

The following types of waste are exempt from the levy under Regulation 6(1) of the 2011 Regulations, providing they are disposed of at an authorised landfill facility:

(a) non-hazardous waste from construction and demolition activity, comprising concrete, bricks, tiles, road planings or other such similar materials, with a particle size of 150mm or less, which is used for landfill site engineering, restoration or remediation purposes;

(b) excavation spoil comprising clay, sand, gravel or stone, which is used for landfill site engineering, restoration or remediation purposes;

(c) stabilised waste arising from the composting of the biodegradable fraction of municipal waste, to which fraction sewage sludge may have been added;

(d) waste arising from street cleaning activities carried on by or on behalf of a local authority;

(e) waste which has been deposited elsewhere without appropriate authorisation and is subsequently removed by or on behalf of a local authority or the EPA for disposal, for the purpose of preventing environmental pollution (but not including waste which has been deposited elsewhere without appropriate authorisation and is subsequently required to be removed for disposal by a person at the direction of a local authority or the EPA);

(f) waste arising from local clean-up activities carried on by community or environmental groups, where such activity is approved in advance by the relevant local authority for the purposes of exemption of such waste arising from the levy;

(g) residues from filtration during the extrusion of recycled polymeric material;

(h) non-metallic residues arising from the shredding of end-of-life vehicles, white goods and other metal waste;

(i) waste arising from a process which meets the energy efficiency threshold specified in paragraph R1 of the Fourth Schedule to the Act; and

(j) dredge spoil from inland waterways and harbours.

The following types of waste are also exempt from the levy under Regulation 6(2) of the 2011 Regulations:

(a) the disposal of waste in a landfill facility, where such a facility is connected or associated with an activity specified in the First Schedule of the Environmental Protection Agency Acts 1992 and 2003 and is subject to a licence or revised licence granted by the EPA under section 83 of the Environmental Protection Agency Acts 1992 and 2003; and

(b) the deposition in a quarry of natural material arising from the excavation of that quarry, where such material is in a chemically unaltered state.

Unfinished Housing Developments

94. **Deputy Pádraig Mac Lochlainn** asked the Minister for the Environment, Community and Local Government the reason County Donegal, the county with the most ghost estates, has received no funding to date. [25304/11]

Minister of State at the Department of the Environment, Community and Local Government (Deputy Willie Penrose): I have established and am chairing the National Co-ordination Committee on Unfinished Housing Developments to oversee implementation of the Report of the Advisory Group on Unfinished Housing Developments, together with the Government's response to the recommendations.

The Committee is meeting on a regular basis with the aim of publishing a report on progress achieved within the next 12 months. In the meantime, work is ongoing on implementation of the Report of the Advisory Group and real progress is already being made with regard to the public safety works required to improve the living conditions of existing residents on some unfinished estates.

To date, my Department has made allocations totalling some €2.16 million to fifteen local authorities from the €5 million funding allocation made available to address immediate safety issues. The types of works that have been approved to date include the fencing off of unsecured and hazardous areas, capping of pipes, installation of street lighting, and other works to secure sites. My Department will be making further allocations as applications are received from local authorities and assessed.

Planning authorities are also making progress in securing the co-operation of developers, financial institutions and/or bond holders, thereby obviating the need to use Exchequer resources to fund such work.

Developers and owners of unfinished housing developments (or their receivers, where appointed) have the primary legal obligation in addressing outstanding problems associated with these developments. Any public funds expended under this provision should ultimately be recouped from the developer/receiver.

Estates which fall under the direct control of NAMA, or receivers appointed by NAMA, are being managed by them and as a consequence do not fall within this scheme.

The recent national survey of Unfinished Housing Developments identified 103 unfinished housing developments in County Donegal. However, to date Donegal County Council has not identified any of these estates as falling into Category 4 — the only category being considered for funding under the public safety initiative — and have therefore not received any funding.

Community Development

95. **Deputy Brendan Griffin** asked the Minister for the Environment, Community and Local Government his plans for the administration of funding that was previously the responsibility of Meitheal Forbartha na Gaeltachta; and if he will make a statement on the matter. [25317/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): Meitheal Forbartha na Gaeltachta (MFG) took a decision to cease trading on 7 September 2011 on the basis of insolvency.

My Department and Pobal met with MFG on 9 September 2011. This meeting was used to establish the facts in relation to the specific decisions taken by the company and its progress

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on implementing these decisions. The company was strongly encouraged to avail of financial advice, alongside legal advice. My Department and Pobal are awaiting a written update on foot of the advice received by MFG and are examining mechanisms to support the continuation of services previously supplied by MFG within the Gaeltacht areas.

Public Order Offences

96. **Deputy Seán Kenny** asked the Minister for Justice and Equality the amount of alcohol seized by the Garda from persons drinking alcohol in a public place for the years 2008, 2009, 2010 and to date in 2011; the monetary value of the alcohol seized by the Garda; and the additional steps being taken to deal with same. [25136/11]

Minister for Justice and Equality (Deputy Alan Shatter): Sections 8A and 8B of the Criminal Justice (Public Order) Act 1994, inserted by section 19 of the Intoxicating Liquor Act 2008, provide members of An Garda Síochána with certain powers in relation to persons who are found in possession of intoxicating substances in a place, other than a place used as a private dwelling.

I am informed by the Garda authorities that information regarding the amount of alcohol seized is not readily available and would necessitate the disproportionate expenditure of Garda time and resources to provide.

Garda Operations

97. **Deputy Seán Kenny** asked the Minister for Justice and Equality the powers and equipment available to the Garda when dealing with a vehicle which has tinted windows. [25138/11]

Minister for Justice and Equality (Deputy Alan Shatter): I am informed by the Garda authorities that provisions of the Road Traffic (Construction, Equipment and Use of Vehicle) Regulations 1963, made by the Minister for Transport, allow members of An Garda Síochána to prosecute drivers whose windows fail to provide a view of the road and traffic on the road, as is necessary to enable him or her to drive safely.

Article 23 of the Regulations provides that every vehicle shall be so constructed that the driver, while controlling the vehicle in motion, can at all times have such a view of the road and of other traffic on the road in front and to the sides of the vehicle as is necessary to enable him or to drive safely. Article 34(2)(b) provides that all glass and all safety glass fitted to a vehicle shall be maintained in such a condition that it does not obscure the vision of the driver while the vehicle is being driven and shall be free of inessential objects or inessential stickers.

Following a tendering process, appropriate equipment capable of measuring tinted glass, in line with the relevant EU Council Directive, was purchased and is being utilised in all Garda Divisions since December, 2010.

Garda Transport

98. **Deputy Seán Kenny** asked the Minister for Justice and Equality the number of additional Garda vans and Garda motorbikes purchased in 2007, 2008, 2009, 2010 and to date in 2011. [25139/11]

Minister for Justice and Equality (Deputy Alan Shatter): I am informed by the Garda authorities that the following table outlines the number of vans and Garda motorbikes purchased in 2007, 2008, 2009, 2010 and to date in 2011.

	2007	2008	2009	2010	2011
Vans	49	52	0	0	3
Motorbikes	90	0	0	6	0

Citizenship Applications

99. **Deputy Jim Daly** asked the Minister for Justice and Equality if he is in receipt of correspondence from a person (details supplied) in relation to Irish citizenship; and if he will make a statement on the matter. [25200/11]

Minister for Justice and Equality (Deputy Alan Shatter): I am advised by the Citizenship Division of the Irish Naturalisation and Immigration Service (INIS) that a valid application for a certificate of naturalisation was received from the person referred to by the Deputy in June, 2009 and my predecessor decided in his absolute discretion to refuse the application. The person concerned was informed of that decision in a letter issued to his solicitor in July, 2010. A letter dated 4 July, 2011 was received from the applicant appealing the decision not to approve the application. There is no provision under the Irish Nationality and Citizenship Act 1956 as amended for appeal in relation to an application for a certificate of naturalisation.

However, the person concerned may make a new application to INIS at any time. It is not possible nor is it appropriate to give any indication of the likely success or otherwise of an application before processing has been finalised and the case submitted to me for decision.

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.

Garda Investigations

100. **Deputy Denis Naughten** asked the Minister for Justice and Equality if, in view of new medical evidence being uncovered, he will ensure that the Garda investigation will be reopened into the death of a person (details supplied); and if he will make a statement on the matter. [25274/11]

Minister for Justice and Equality (Deputy Alan Shatter): I am informed by the Garda authorities that the incident to which the Deputies refer was the subject of investigation by An Garda Síochána, which resulted in the submission of an investigation file to the law officers, who directed that a person be charged with manslaughter and assault. At the subsequent trial, directions to acquit were given by the judge.

I understand that following the publication of an article in October, 2010, representations were made requesting an investigation of the matters raised in it. The Commissioner arranged for a Detective Superintendent to meet the author of the article and the persons making the representations to make an assessment whether there was any evidence not available to the original investigation team and further investigation was required in this case. As a result, a number of lines of inquiry are currently being pursued.

Garda Retirement

101. **Deputy Thomas P. Broughan** asked the Minister for Justice and Equality if he will

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increase the retirement age for Garda sergeants, inspectors and superintendents; and if he will make a statement on the matter. [25309/11]

Minister for Justice and Equality (Deputy Alan Shatter): Retirement of members of An Garda Síochána is governed by statutory provisions which set the mandatory retirement age for all members at 60 years of age. I have no plans to extend that age at this time.

Of course members with 30 years service may retire on a full pension at any time once they reach 50 years of age, for those who joined prior to 2004, or 55 years of age for those who joined since then.

Garda Vetting of Personnel

102. **Deputy Pádraig Mac Lochlainn** asked the Minister for Justice and Equality if his attention has been drawn to the difference in the processing time for Garda clearances for voluntary youth workers here compared to that of the PSNI which processes such applications within a few weeks and at a time when the uptake of volunteerism is increasing, his plans to review this process with a view of reducing the processing time. [25314/11]

Minister for Justice and Equality (Deputy Alan Shatter): I am informed by the Garda Authorities that at present the average processing time for vetting applications received at the Garda Central Vetting Unit (GCVU) is approximately 10 weeks. I appreciate that it is important to process these applications in as timely a manner as possible and that the length of time currently being taken is a matter of concern which I am determined to address.

A number of immediate steps are being taken to improve the situation. The sanction of the Department of Finance has been obtained to retain the services of ten temporary employees in the GCVU. A further ten temporary employees have recently commenced work in the GCVU. Other measures aimed at improving turnaround times are also under consideration. All of this should have a positive impact on processing times.

I should mention that, in processing an individual vetting application, additional time may be required in cases where clarification is needed as to the details provided or where other enquiries need to be made, for example, when the person in question has lived and worked abroad. It should be understood that while the Gardaí make every effort to reduce the time to the minimum possible consistent with carrying out what are very necessary checks, there will always be a reasonably significant period required to process a vetting application and registered organisations have been advised to take account of this in their recruitment and selection processes.

In addition, the average processing time for vetting applications also fluctuates in line with periods of increased demand.

The GCVU has managed a substantial increase over recent years in the numbers of vetting applications it receives from almost 188,000 in 2007 to almost 292,000 in 2010. At present, there are approximately 55,000 applications in the course of being processed. I am further informed by the Garda Authorities that at present there is a total of five Gardaí, 76 full-time Garda civilian personnel and twenty temporary civilian personnel assigned to the GCVU. This represents a very significant increase in the level of personnel assigned to the unit, which stood at only 13 before the current process of development in Garda vetting began in 2005.

The Deputy will be aware that the Government has approved the draft scheme of a National Vetting Bureau Bill. The Bill will establish a statutory basis underpinning vetting procedures for persons to work with children and vulnerable adults. The Bill will be published in accord-

ance with the Government's Legislative programme. The National Vetting Bureau to be established will take over the work of the GCVU.

Criminal history disclosure services in Northern Ireland are provided by Access NI which works with the Police Service of Northern Ireland (PSNI). The Deputy will appreciate that it would not be a matter for me to comment on the operation of that service but I can assure him that in respect of vetting applications which contain addresses in Northern Ireland, the Garda Central Vetting Unit (GCVU) has a long-standing and successful reciprocal arrangement in place with the PSNI.

Legal Profession

103. **Deputy Anne Ferris** asked the Minister for Justice and Equality the number of solicitors that have switched careers to become barristers and *vice versa* in the past ten years; if he will provide a breakdown by year; and if he will make a statement on the matter. [25316/11]

Minister for Justice and Equality (Deputy Alan Shatter): Under the law as it stands I have no function in the matter of solicitors and barristers switching careers.

However, the Law Society has provided me with the following information regarding the number of solicitors who have had their names voluntarily removed from the Roll of Solicitors, and of barristers who have applied to have their names added. While solicitors must make an application to the Solicitors Disciplinary Tribunal in order to have their name removed from the Roll of Solicitors prior to making an application to King's Inn's in order to be called to the Bar, the Society cautions that it does not have information on the reasons for these particular individuals having applied to have their names removed.

Year	No. of solicitors who have had their name voluntarily removed from Roll of Solicitors*	No. of barristers who have applied to have their name admitted to the Roll of Solicitors
2001	3	3
2002	8	3
2003	4	2
2004	1	2
2005	3	4
2006	6	4
2007	2	3
2008	5	11
2009	7	9
2010	3	6
2011 (as at 19/09/2011)	9	0
Total	51	47

* The Society is unable to state the reason why each solicitor has had his or her name voluntary removed from the Roll of Solicitors.

I am awaiting the corresponding data from the Honourable Society of King's Inns and I will arrange to have the material forwarded to the Deputy as soon as it becomes available.

Court Staff

104. **Deputy Catherine Murphy** asked the Minister for Justice and Equality the locations at

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which vacancies exist for judges at District Court level; if and when it is intended to appoint persons to these vacancies; and if he will make a statement on the matter. [25328/11]

Minister for Justice and Equality (Deputy Alan Shatter): There are three vacancies in the District Court: in District Number 14 (Limerick), District Number 20 (Cork) and District Number 22 (Carlow/Kilkenny).

Due to upcoming retirements two additional District Court vacancies will shortly arise in the Dublin Metropolitan District and District Number 23 (Wexford).

The current procedures for judicial appointments are set out in the Courts and Court Officers Act, 1995. I should mention that I have asked my Department to examine the judicial appointment procedure and this review is currently in train. It is the Government's intention to fill the vacancies as soon as possible.

Courts Service

105. **Deputy Catherine Murphy** asked the Minister for Justice and Equality the average waiting times for hearing family law cases, by district court location; in locations at which the wait is very long, the action he intends to take to reduce the delays; and if he will make a statement on the matter. [25329/11]

Minister for Justice and Equality (Deputy Alan Shatter): The management and administration of the courts including responsibility for maintaining and publishing court statistics is a matter for the Courts Service. However, in order to be of assistance to the Deputy, I have had enquiries made and the Courts Service has provided the following table which shows the most recently available data, from May 2011, in relation to waiting times for Family Law cases in District Courts within the administrative area of the District Court offices detailed in the Table. Figures relate to weeks.

Office	Family Law Domestic Violence Applications	Family Law Maintenance/ Guardianship Applications
Athlone	2	4
Ballina	Next sitting	Next sitting
Ballinasloe	1	4
Bray	1 to 3	3 to 6
Carlow	8	8
Carrick on Shannon	Next sitting	Next sitting
Castlebar	Next sitting	6
Cavan	Next sitting	8
Clonakilty	Next sitting	Next sitting
Clonmel	4 to 8	8 to 12
Cork	10	10 to 12
Derrynea	Next sitting	3
Donegal	2 to 5	4 to 6
Drogheda	Next sitting	4
Dublin	8	8
Dundalk	1	3
Ennis	2	4
Galway	1	3
Kilkenny	2 to 4	4 to 8

Office	Family Law Domestic Violence Applications	Family Law Maintenance/ Guardianship Applications
Killarney	Next sitting	4 to 6
Letterkenny	4	8
Limerick	3 to 5	6 to 8
Listowel	4	4
Longford	1	4
Loughrea	Next sitting	8
Mallow	Next sitting	Next sitting
Monaghan	Next sitting	Next sitting
Mullingar	2 (1)	4
Naas	2	8
Nenagh	Next sitting	Next sitting
Portlaoise	Next sitting	8 to 12
Roscommon	Next sitting	Next sitting
Sligo	2	4
Tralee	4	4
Trim	4 to 8	4
Tullamore	Next sitting	4
Waterford	12	12
Wexford	Next sitting	4
Youghal	8	8

I am informed that urgent interim applications are dealt with on the next sitting day in every District. The waiting time given is the time from receipt of application to listing for hearing. The Courts Service keeps waiting times under constant review in consultation with the President of the District Court and the local District Court Judge and special sittings can be scheduled to deal with backlogs.

I might also mention that in line with the commitment in the Programme for Government I intend, when resources permit, to arrange for the publication of a Bill to amend the Constitution to provide for the establishment of a distinct and separate system of family courts to streamline family law courts and to make them more efficient and less costly.

Coroners Service

106. **Deputy Michael Healy-Rae** asked the Minister for Justice and Equality his views on a matter in respect of a person (details supplied) in County Offaly. [25330/11]

Minister for Justice and Equality (Deputy Alan Shatter): The Coroner for County Offaly has confirmed to me that the file in relation to this matter has not been destroyed or burned and is fully intact. He is at a loss to know why this question has arisen.

Defence Forces Strength

107. **Deputy Seán Kenny** asked the Minister for Defence the number of persons currently in the Air Corps and Naval Service by rank. [25143/11]

Minister for Defence (Deputy Alan Shatter): The following table shows the number of persons in the Air Corps and Naval Service by rank, as at 31 August 2011, the latest date for which figures are available.

[Deputy Alan Shatter.]

Rank	Air Corps	Naval Service
Major General	1	0
Brigadier General	1	1
Colonel	2	2
Lieutenant Colonel	13	11
Commandant	29	38
Captain	66	64
Lieutenant	35	39
Sergeant Major	5	5
Battalion Quartermaster Sergeant	4	5
Company Sergeant	39	58
Company Quartermaster Sergeant	11	14
Sergeant	124	193
Corporal	177	177
Privates	276	382
Cadets	3	16
Total	786	1,005

National Sail Training Scheme

108. **Deputy Terence Flanagan** asked the Minister for Defence the position regarding the *Malcolm Miller* ship (details supplied); and if he will make a statement on the matter. [25154/11]

Minister for Defence (Deputy Alan Shatter): The position is that the previous Government decided in the context of settling the Estimates for the Department of Defence for 2010 that the national sail training scheme operated by Coiste an Asgard would be discontinued as recommended in the Report of the Special Group on Public Service Numbers and Expenditure.

In light of the above and in the context of the current economic climate, my Department has no plans to purchase the Malcolm Miller.

Defence Forces Property

109. **Deputy Bernard J. Durkan** asked the Minister for Defence the extent to which military installations decommissioned in previous years have been disposed of and benefits realised for the Exchequer; the extent to which any such buildings are retained and for what purpose; and if he will make a statement on the matter. [25258/11]

Minister for Defence (Deputy Alan Shatter): On 15 July 1998 the then Government approved a programme of the closure and sale of six barracks considered surplus to military requirements. The barracks in question were located at Ballincollig, Fermoy, Naas, Castleblayney, Kildare, and Islandbridge, Dublin.

The sale of 97 acres approximately at Murphy Barracks, Ballincollig was completed in 2003 for a total of €42 million. The bulk of the lands were purchased by O'Flynn Construction. The sale of a site comprising c.2.7 acres to the Southern Heath Board for €1.73 million was completed in December 2004 and the sale of a further site comprising c.1.7 acres to the HSE South for a consideration of €1.1 million approximately was completed shortly thereafter. A half-acre site is being transferred to the Office of Public Works (OPW) for a consideration of €1.45

million to facilitate extension of the existing Garda Station located on Main Street, Ballincollig. As was agreed at the time of the closure and sale of Murphy Barracks, an area comprising approximately 27 acres of the property was transferred to Cork County Council for community use.

An area comprising 19 acres approximately at the former Fitzgerald Camp, Fermoy, was sold to Cork County Council in 2001 for close to €1 million for economic development of the site in conjunction with the IDA.

Castleblayney Military Post, Co. Monaghan, comprising c. 10 acres, was sold to the North Eastern Health Board for €0.8 million approximately in 2002.

An area comprising 7 acres approximately at Devoy Barracks, Naas, Co. Kildare, was ceded free of charge to Naas Urban District Council, while a further 14 acres were sold to that authority for €8.9 million approximately. The balance of the Barracks lands — one acre — was sold to Kildare County Council for approximately €0.4 million in 2002.

Clancy Barracks, Dublin, comprising 13.6 acres approximately, was sold to Florence Properties Ltd. for €25.4 million in 2004.

The value of sales/disposals completed to date, in respect of the aforementioned five barracks is in the region of €80 million. The Government decided on 1st July 2003 that the former Magee Barracks in Kildare Town would be among the State lands released for inclusion in the Sustaining Progress Affordable Housing Initiative. On foot of this announcement Kildare County Council prepared a local area plan for the site, which encompassed a range of uses including community activities. The Department had been involved in the process of transferring ownership to Kildare County Council and a final Contract of Sale was sent to the Solicitors for the Council in 2009. However, the local authority subsequently contacted the Department to state that it no longer wished to proceed with the development and had no interest in taking possession of the property. The property now remains with the Department of Defence in its entirety. The property will be disposed of by the Department, taking account of the market conditions, so as to maximise the return to the Defence Forces.

In the Budget of October 2008 the closure of Longford and Monaghan Barracks, Rockhill House (Letterkenny), Lifford Military Post and St. Bricins Hospital Dublin was announced.

The sale of Monaghan to the local VEC for €3.1m was completed on 24 August 2010 while the sale of part of Longford to the VEC for €0.95m was completed on 16 July 2010.

The position with Lifford and Rockhill is that discussions are at an advanced stage with Donegal County Council on the basis of them acquiring both premises over a 3-4 year period. Longford County Council has expressed some interest in acquiring Connolly Barracks and discussions with the Council are at a preliminary stage in this regard. The closure of St Bricin's Hospital was linked to the decentralisation programme. It cannot be progressed until issues arising from the cancellation of the transfer under that programme, of Defence Forces Headquarters to the Curragh, have been addressed.

The total realised to-date in terms of sales of surplus property is €84m approx. This, together with income from the sale of other smaller military properties and married quarters has been re-invested in providing equipment and infrastructure for the Defence Forces.

Defence Forces Personnel

110. **Deputy Bernard J. Durkan** asked the Minister for Defence the age profile of the Defence Forces at all ranks; and if he will make a statement on the matter. [25259/11]

Minister for Defence (Deputy Alan Shatter): I am advised by the Military Authorities that the average age of all personnel in the Permanent Defence Force is 36.8 years with 60.3% of all personnel aged under 40 years. The 2000 White Paper on Defence and the earlier Defence

[Deputy Alan Shatter.]

Force Review Implementation Plan both identified the requirement to address the high age profile in the Defence Forces. The key element in military life is the need for personnel to maintain a level of fitness for combat readiness. This requirement must be balanced with the need to retain the expertise and experience, particularly at managerial level in the Defence Forces. The upper age limit for enlistment in the Army is under 25 years of age on the date of enlistment and for the Naval Service it is under 27 years of age on the date of enlistment. These limits are determined on the basis that the essential functions of the Permanent Defence Force requires that its members be composed of able bodied personnel of an age which is commensurate with the functional requirements of the organisation.

The following table outlines the average ages by rank in the Permanent Defence Force as at 19 September 2011.

Average ages by rank in the Permanent Defence Force as at 19 September 2011.

Rank	Average Age
Major General	58.6
Brigadier General	58.0
Colonel	57.3
Lieutenant Colonel	53.2
Commandant	45.1
Captain	33.1
Lieutenant	27.4
Sergeant Major	54.3
Battalion Quartermaster Sergeant	54.2
Company Sergeant	50.9
Company Quartermaster Sergeant	49.9
Sergeant	44.0
Corporal	37.0
Private (includes Recruits & Cadets)	33.1

Defence Forces Training

111. **Deputy Bernard J. Durkan** asked the Minister for Defence the extent to which ongoing upskilling and training in line with requirements or anticipated requirements continues in respect of the Army, Navy and Air Corps; and if he will make a statement on the matter. [25260/11]

Minister for Defence (Deputy Alan Shatter): The Defence Forces conducts training and education under three (3) broad categories — skills training; career training and education; and collective training.

Skills training is the medium through which the Defence Forces ensures that its personnel have the requisite individual, specialist, and crew skills to permit the development of organisational capabilities. Career training provides the organisation with the necessary pool of leaders and commanders at all levels from Section Commander to Brigade Commander. Collective Training operationalises individual, crew, specialist and career training by moulding Sub-Units, Units and Formations into integrated and coherent combat forces thereby providing the Defence Forces with the capabilities required to fulfil its roles and missions both at home and overseas.

Training is at the core of all things military. I am satisfied with the ongoing actions to keep military training techniques up to date in all respects and Defence Forces training plans structured to provide the capabilities needed to execute the roles assigned by Government.

Defence Forces Strength

112. **Deputy Bernard J. Durkan** asked the Minister for Defence the current strength of the Army, Navy and Air Corps; the extent to which these numbers have altered in each of the past five years and to date in 2011 and for whatever purpose; and if he will make a statement on the matter. [25261/11]

Minister for Defence (Deputy Alan Shatter): I am advised by the Military Authorities that the strength of the Permanent Defence Force as at 31 August 2011, the latest date for which figures are available, was 9,513 comprising 7,722 Army, 786 Air Corps and 1,005 Naval Service Personnel.

In the five year period from 1 January 2006 to 31 December 2010 the overall strength of the Permanent Defence Force reduced from 10,446 to 9,550. This represents an 8.6% decrease over the period. The latest monthly strength figures (31 August 2011) show a further decrease in strength of 37 personnel.

The Government is currently undertaking a Comprehensive Review of Expenditure and my Department has submitted a report as part of that process. The outcome of the Comprehensive Review of Expenditure will determine the future envelope available for Defence.

I am advised that at this time the Defence Forces retain the capacity to undertake the tasks laid down by Government both at home and overseas.

A table outlining the end of year strengths of the Permanent Defence Force from 2005 to 2010 together with the latest end of month strength (31 August 2011) is set out below.

Strength of the Defence Forces

31 December 2005

	TOTAL OFFRS	TOTAL NCOS	PTES	CADETS	TOTAL
ARMY	1052	3060	4340	87	8,539
AIR CORPS	134	403	294	21	852
NAVAL SERVICE	163	471	404	17	1,055
TOTAL	1349	3934	5038	125	10,446

31 December 2006

	TOTAL OFFRS	TOTAL NCOS	PTES	CADETS	TOTAL
ARMY	1064	3030	4371	71	8,536
AIR CORPS	136	383	320	26	865
NAVAL SERVICE	158	506	397	15	1,076
TOTAL	1358	3919	5088	112	10,477

[Deputy Alan Shatter.]

31 December 2007

	TOTAL OFFRS	TOTAL NCOS	PTES	CADETS	TOTAL
ARMY	1049	2947	4446	70	8,512
AIR CORPS	137	383	301	24	845
NAVAL SERVICE	159	487	415	16	1,077
TOTAL	1345	3817	5162	110	10,434

31 December 2008

	TOTAL OFFRS	TOTAL NCOS	PTES	CADETS	TOTAL
ARMY	1071	2970	4394	71	8,506
AIR CORPS	147	380	291	14	832
NAVAL SERVICE	160	495	402	13	1,070
TOTAL	1378	3845	5087	98	10,408

31 December 2009

	TOTAL OFFRS	TOTAL NCOS	PTES	CADETS	TOTAL
ARMY	1041	2836	4152	66	8,095
AIR CORPS	142	371	282	6	801
NAVAL SERVICE	164	475	379	19	1,037
TOTAL	1347	3682	4813	91	9,933

31 December 2010

	TOTAL OFFRS	TOTAL NCOS	PTES	CADETS	TOTAL
ARMY	1027	2655	4018	52	7,752
AIR CORPS	149	349	263	5	766
NAVAL SERVICE	161	450	403	18	1,032
TOTAL	1337	3454	4684	75	9,550

31 August 2011

	TOTAL OFFRS	TOTAL NCOS	PTES	CADETS	TOTAL
ARMY	1027	2689	3985	21	7,722
AIR CORPS	147	360	276	3	786
NAVAL SERVICE	155	452	382	16	1,005
TOTAL	1329	3501	4643	40	9,513

113. **Deputy Bernard J. Durkan** asked the Minister for Defence the total number of promotions pending or position waiting to be filled at all levels in the Defence Forces; when it is expected that all such positions will be filled and appointments concluded; and if he will make a statement on the matter. [25262/11]

Minister for Defence (Deputy Alan Shatter): Official confirmation and details relating to the Employment Control Framework (ECF) were received on 18 October 2010 from the Department of Finance. The ECF is based on a figure of 10,000 all ranks Permanent Defence Force personnel, appropriately configured across the Army, Naval Service and Air Corps to enable them meet the roles assigned by Government.

The number of positions by rank in the Permanent Defence Force as of 31 August 2011 currently waiting to be filled, as compared with the Employment Control Framework for the Permanent Defence Force, are outlined in the attached tabular statement. Officials from the Department together with the Military Authorities are in the process of reviewing the structures and posts required to meet the operational requirements of the Permanent Defence Force in accordance with the upper limits in ranks provided for in the ECF subject to a final decision on the estimates for Defence.

In this regard the Government is currently undertaking a Comprehensive Review of Expenditure and this will inform the resource envelope available for Defence over the coming years and the priorities within Defence.

The expenditure review and the ongoing review of structures and posts required to meet the operational requirements of the Defence Forces are factors which must be considered in any future decision relating to the filling of promotional vacancies.

Strength of the Permanent Defence Force, as at 31st August, 2011 as compared with ECF figures

	LT GEN	MAJ GEN	BRIG GEN	COL	LT COL	COM DT	CAPT/ LT	SM/ BQMS	CS/ CQMS	SGTS/ CPLS	PTES/ CADETS	TOTAL
Strength at 31 August 2011	1	2	7	35	131	332	821	72	430	2,999	4,683	9,513
ECF	1	2	9	43	152	370	774	96	540	3,250	4,763	10,000
Vacancies by rank	-	-	-2	-8	-21	-38	+47	-24	-110	-251	-80	-487
Posts held for possible overseas appointments			1	2	4	15						22
Net Vacancies by rank	0	0	-1	-6	-17	-23	+47	-24	-110	-251	-80	-465

Defence Forces Equipment

114. **Deputy Bernard J. Durkan** asked the Minister for Defence the degree to which upgrading of equipment has been identified or is required in the Army, Navy and Air Corps; the extent to which it is expected to meet such requirements in the short, medium and long term; and if he will make a statement on the matter. [25263/11]

116. **Deputy Bernard J. Durkan** asked the Minister for Defence the extent to which the Defence Forces continue to be equipped with the most modern technology in terms of communications, body armour or other equipment with particular reference to the needs of those serving overseas; and if he will make a statement on the matter. [25265/11]

Minister for Defence (Deputy Alan Shatter): I propose to take Questions Nos. 114 and 116 together.

Investment in new equipment for the Defence Forces is provided for under various Subheads of the Defence Vote relating to defensive equipment, mechanical transport, aircraft, Naval Service ships and stores, communications and Information Technology equipment.

The provision for defensive equipment for 2011 allows, inter alia, for the acquisition of a range of equipment, e.g. Chemical Detection Equipment, Body Armour, Force Protection Equipment, Rifle enhancement, Communication Equipment etc. in order to maintain the Defence Forces capabilities. The provision also allows for the acquisition of a range of different ammunition types necessary to maintain stocks given the training and overseas requirement throughout the year.

A particular focus is maintained in ensuring that modern and effective equipment is available for overseas peace support operations. In this regard, the personal equipment, which the individual soldier in the Defence Forces has at his / her disposal in Lebanon is second to none and compares very favourably with the equipment in use by other countries.

One of the most significant allocations provided for this year, and which will be required in the coming years, relates to the Naval Service subhead which provides for the development and provision of two new Off Shore Patrol vessels, the first of which is to be delivered in 2014.

With regard to the Air Corps, the equipment and aircraft available are of a high standard and are maintained by the Air Corps in accordance with best practice. The main expenditure in the Air Corps in 2011 relates to the maintenance and Power by the Hours contracts set up to keep the fleet fully operational.

The acquisition of new equipment for the Defence Forces is a matter that will be kept under continuous review. It is, however, imperative that the Department and the Defence Forces look to whatever efficiencies can be made taking into account the current difficult economic environment and the overall financial envelope available for the Department for the acquisition of new equipment and for upgrading and refurbishment programmes for equipment over the coming years. The budgetary situation will dictate the level of funding available for new equipment and upgrades in that period and decisions will be made accordingly. The priority this year and in the coming years is on maintaining the capability of the Defence Forces to deliver effective services across all of the roles assigned by Government.

Defence Forces Strength

115. **Deputy Bernard J. Durkan** asked the Minister for Defence the number of promotions by rank throughout the Defence Forces in each of the past five years and to date in 2011; and if he will make a statement on the matter. [25264/11]

Minister for Defence (Deputy Alan Shatter): In relation to the number of promotions by rank throughout the Defence Forces in each of the past five years and to date in 2011, it has not been possible at this time to source all the necessary information in order to fully answer this question.

I will revert with a complete answer at the earliest possible opportunity.

Question No. 116 answered with Question No. 114.

Overseas Missions

117. **Deputy Bernard J. Durkan** asked the Minister for Defence the extent to which the UN has fully reimbursed the State in respect of overseas troop deployment; and if he will make a statement on the matter. [25266/11]

Minister for Defence (Deputy Alan Shatter): The only mission in which the Defence Forces is currently participating and for which Ireland is due reimbursement by the UN is the United Nations Interim Force in Lebanon (UNIFIL). An Irish Battalion was deployed to UNIFIL as recently as last June. The Department of Defence is in the process of concluding a Memorandum of Understanding (MoU) with the UN for Ireland's contribution of Defence Forces personnel and equipment to UNIFIL. The MoU is expected to be signed shortly and payment of troop and equipment costs is expected to commence in the final quarter of 2011. The costs of deployment of the Battalion have been claimed from the UN. The total amount owing to the Department of Defence by the United Nations as at 31 August 2011 in respect of contributions towards troop and other costs associated with the participation of Defence Force personnel in UN missions was calculated at €9.7 million approximately. This figure includes deployment costs (€0.9 million) and troop and equipment costs (€1.7 million) in respect of the current UNIFIL mission, repatriation costs of both personnel and equipment from the MINURCAT mission in Chad (€6.7 million approximately) and costs associated with the participation in the UNIFIL mission in 2006/2007 (€0.39 million approximately).

Defence Forces Equipment

118. **Deputy Bernard J. Durkan** asked the Minister for Defence the extent to which all equipment including sea going vessels available to the naval service is fully modernised and up to date in line with requirements to meet any emergencies; and if he will make a statement on the matter. [25267/11]

119. **Deputy Bernard J. Durkan** asked the Minister for Defence the extent to which the Air Corps is fully modernised in terms of aircraft, equipment and skilled personnel with particular reference to requirements arising from overseas deployment or emergencies such as air rescue or surveillance; and if he will make a statement on the matter. [25268/11]

Minister for Defence (Deputy Alan Shatter): I propose to take Questions Nos. 118 and 119 together.

As the Deputy will be aware the Irish Coast Guard has overall responsibility for the provision of Search and Rescue, (SAR) services within the Irish Search and Rescue region. In accordance with the roles assigned to them by Government in the White Paper on Defence, the Defence Forces are committed to providing support to the civil authorities including in relation to Search and Rescue. In this regard, the Air Corps provides support to the Coast Guard as the need arises and within its available capability. Air Corps assets are not deployed on overseas service.

On the issue of equipment for the Naval Service and Air Corps, a contract was awarded to Babcock Marine for the provision of two new Offshore Patrol Vessels (OPVs) for the Naval

Service. Preparations for the construction of these new vessels have commenced and the first new vessel is scheduled for delivery in early 2014. The second vessel will follow one year later. The acquisition of these modern new vessels, combined with a continuous process of refurbishment and repair, will ensure that the operational capability of the Naval Service is maintained at a satisfactory level and that the most up to date equipment is available to Naval Service personnel for their various roles.

The equipment and aircraft available to the Air Corps are of a high standard and are maintained by the Air Corps in accordance with best practice. The main expenditure in the Air Corps in 2011 relates to the maintenance and Power by the Hours contracts set up to keep the fleet fully operational. There are no plans for the purchase of new aircraft for the Air Corps at present.

120. **Deputy Bernard J. Durkan** asked the Minister for Defence if he is satisfied that sufficient provision is being made in terms of skills, equipment and aircraft and sea going vessels to provide the highest level of coastal surveillance and air/sea rescue services; and if he will make a statement on the matter. [25269/11]

Minister for Defence (Deputy Alan Shatter): The primary day-to-day tasking of the Naval Service is to provide a fishery protection service in accordance with the State's obligations as a member of the European Union. However, as the need arises, Naval Service vessels are deployed to other duties such as aid to the civil power, search and rescue or recovery and drug interdiction operations.

The current Exclusive Fishery Limits, or the Irish Exclusive Economic Zone, extend to 200 miles offshore and cover an area of 132,000 nautical square miles. The Naval Service currently patrols the entire 200-mile limit and periodically patrols beyond these limits to protect specific fisheries. The Naval Service is committed to having at least three vessels on patrol within the Irish Exclusive Economic Zone at any one time and a high level of coastal surveillance is carried out during the fishery protection patrols.

The Irish Coast Guard has overall responsibility for the provision of maritime search and rescue services within the Irish search and rescue region. In accordance with the roles assigned to them in the White Paper on Defence, the Air Corps and the Naval Service are committed to providing support to the civil authorities including in relation to search and rescue. In this regard, the Air Corps and the Naval Service provide support to the Coast Guard as the need arises and within their available capabilities.

A Service Level Agreement is in place with the Irish Coast Guard which sets out the search and rescue assistance that the Air Corps and Naval Service can provide, within their capabilities, to the Coast Guard. The provision of assistance during mountain rescue operations and fixed wing top cover by the Air Corps Casa aircraft to Coast Guard helicopters is included in the agreement. Assistance that is provided by the Naval Service to the Coast Guard during maritime search and rescue and recovery operations is also covered in the SLA.

A contract has been placed for the provision of two new Offshore Patrol Vessels (OPVs) for the Naval Service, each of which will be almost 90 metres in length. The acquisition of these larger vessels will ensure that the Service can continue to carry out all its taskings in increasingly difficult and dangerous sea conditions in the Atlantic. Preparations for their construction have commenced at Appledore in the UK and the first vessel is scheduled for delivery in early 2014. The second new vessel will follow one year later. The two Air Corps Casa aircraft also have an important surveillance capability which offers aerial assistance to the Naval Service in patrolling the Exclusive Economic Zone. These aircraft both underwent mid-life upgrades that were completed in 2008 at a cost of €16.5m. The upgrades included the fitting of state of the art surveillance and communication equipment.

[Deputy Alan Shatter.]

I am satisfied that both the Air Corps and Naval Service have the necessary resources to meet all their operational requirements including coastal surveillance taskings and search and rescue assistance to the Coast Guard.

Grant Payments

121. **Deputy John Deasy** asked the Minister for Agriculture, Fisheries and Food the grants available to persons who are involved in growing commercial produce; the section of his Department that deals with same; and if he will make a statement on the matter. [25134/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): Through the Scheme of Investment Aid for the Development of the Commercial Horticulture Sector, my Department provides grant aid for horticultural growers who are making capital investments in specialist plant and equipment.

The main objectives of the scheme are to improve the quality of products, facilitate environmentally friendly practices and promote diversification of on-farm activities in response to market demand. Apart from improving the quality of products, investments under the scheme have also significantly extended the growing season for Irish produce.

This is a competitive grant aid scheme so funding is only provided for the very best projects which will achieve scheme objectives. The closing date for the latest round of the Scheme was Friday 18th February 2011 and €4 million was allocated to 157 projects. The grant aid covers all areas of the horticultural industry and will assist in funding investments of approximately €10.2 million in 2011.

Further details of the Scheme are available from the Crop Policy, Production & Safety Division of my Department, who can be contacted at 01-5058801.

A decision has not yet been taken on whether a similar scheme will operate in 2012.

There is also a Scheme of Grant Aid for the development of the Organic Sector which provides financial assistance towards projects which help to improve the production, handling and preparation of organic produce.

The main objective of the Scheme is to facilitate the development of the organic sector so as to ensure a regular supply of high quality organic produce to the market. This Scheme is open at present and approximately €180,000 has been allocated to organic projects so far in 2011.

Further details of the Scheme are available from the Organics Unit of my Department, who can be contacted at 053-9163400.

122. **Deputy Mattie McGrath** asked the Minister for Agriculture, Fisheries and Food when the remaining 25% of REP scheme 4 payment will be made in respect of a person (details supplied) in County Tipperary; and if he will make a statement on the matter. [25135/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): The person named commenced REPS 4 in 2008 and has received full payments for the first two years of his contract.

In addition, 75% of the third year payment issued on 21st March 2011 for the amount of €5,361.94. An area based discrepancy was discovered following a cross check between the Single Payment Scheme application for 2010 from the person named and the REPS agri-environmental plan. This discrepancy has resulted in the imposition of a penalty and a delay in processing the final 25% payment under REPS 4 for 2010.

My Department is currently making arrangements to process outstanding payments to farmers of the 25% due in respect of 2010 in the cases where penalties were incurred and I expect payments to commence in these cases in October.

Milk Quota

123. **Deputy Pat Breen** asked the Minister for Agriculture, Fisheries and Food the position regarding an application in respect of a person (details supplied) in County Clare; and if he will make a statement on the matter. [25144/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): Allocations of milk quota from the National Reserve are granted on the basis of recommendations from the Milk Quota Appeals Tribunal. The Tribunal examines and makes recommendations on applications for additional quota from individual producers.

The named person submitted an application to the Tribunal seeking an allocation of additional quota under the Hardship category. This application was examined on 15th September 2011 and an allocation of 5,000 litres of additional milk quota was made from the National Reserve. The named person and his Co-op have been notified in this regard.

Teagasc Review

124. **Deputy Jim Daly** asked the Minister for Agriculture, Fisheries and Food when a definitive conclusion is expected to be reached in relation to a case (details supplied); and if he will make a statement on the matter. [25168/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): I understand that it is expected that the review of this case will be finalised in the near future and Teagasc will then inform the person concerned.

Milk Quota

125. **Deputy Pat Breen** asked the Minister for Agriculture, Fisheries and Food the position regarding an application for an additional milk quota in respect of a person (details supplied) in County Clare; and if he will make a statement on the matter. [25190/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): Allocations of milk quota from the National Reserve are granted on the basis of recommendations from the Milk Quota Appeals Tribunal. The Tribunal examines and makes recommendations on applications for additional quota from individual producers.

The people named submitted an application to the Tribunal seeking an allocation of additional quota under the Hardship category. This application was examined on 14th September 2011. The Tribunal did not recommend an allocation of additional quota on this occasion. The people named have been notified of the outcome.

Planting Programme

126. **Deputy John O'Mahony** asked the Minister for Agriculture, Fisheries and Food when a person (details supplied) in County Mayo will receive authorisation to plant trees in County Mayo; and if he will make a statement on the matter. [25193/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): The person named received approval to proceed with planting on 13 April 2011, subject to the planting being completed by 30 June 2011. However, he was unable to complete planting by that date and the application was withdrawn on his behalf by his registered forester on 27 July 2011.

[Deputy Simon Coveney.]

In the event that an autumn planting programme is approved, it would be open to the person in question to re-apply for financial approval at that time. He should contact his registered forester to arrange for the submission of such application.

Agri-Environment Options Scheme

127. **Deputy Heather Humphreys** asked the Minister for Agriculture, Fisheries and Food the reason a person (details supplied) in County Monaghan who submitted maps for the agri-environment options scheme in April 2011 was only informed on 7 September 2011 that there was a problem with their map; the further reason they were previously informed by his Department that their application looked clear and that they could expect payment; and if he will make a statement on the matter. [25272/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): I refer to my previous reply dated 14th September in relation to the above named person. The person named was approved for participation in the Agri-Environment Options Scheme (AEOS) with effect from 1st September 2010.

Under the EU Regulations governing the Scheme and other area-based payment schemes, a comprehensive administrative check, including cross-checks with the Land Parcel Identification System, must be completed before any payment can issue. As previously advised claimed areas under AEOS must match the Single Payment Scheme (SPS) application. The person named submitted an amendment form to SPS requesting that two separate plots be redigitised. Following the redigitisation of these two plots, further queries regarding discrepancies between the areas claimed have arisen. Officials in my Department have been in contact with the person named to clarify this and the application will be processed further when the query is resolved.

Proposed Legislation

128. **Deputy Denis Naughten** asked the Minister for Agriculture, Fisheries and Food his plans to introduce farm partnership legislation; the discussion he has had with the Department of Jobs, Enterprise and Innovation on the reform of the existing partnership law; and if he will make a statement on the matter. [25293/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): Farm partnerships have the potential to play an important role in the development of the agriculture sector in the coming years. As well as bringing improved economic returns and social benefits to farm families, a wider adoption of the partnership model can improve the competitiveness of the sector as a whole and help to achieve increased scale at lower cost. This will result in greater productivity and increased agri-food exports, thereby supporting our export led economic recovery.

One of the key recommendations of the Food Harvest 2020 strategy is that obstacles to farm partnership should be removed insofar as possible. My Department is actively working towards the removal of these administrative obstacles to farm partnership formation. It is also engaged in an ongoing dialogue with farming organisations and with Teagasc on how to encourage the formation of more farm partnerships in Ireland. The question of partnership legislation may indeed be considered in this context, and may involve engagement with the Minister for Jobs, Enterprise and Innovation. In the meantime, I am pleased to note that Teagasc will organise a publicity campaign promoting the positive benefits and experiences of partnership, followed by information seminars to provide more in-depth and practical advice to individuals interested

in entering a farm partnership. I would encourage all farmers to reflect on the potential benefits of partnership and other forms of collaboration.

Food Safety Standards

129. **Deputy Ciara Conway** asked the Minister for Agriculture, Fisheries and Food his views on the option of regulating the sale of raw milk, rather than leaving Ireland in the unique position whereby the product is banned outright; his further views on a system whereby the product is sold with visible health warnings in line with practices in other EU countries; the economic implications of allowing a situation whereby raw milk is banned in the context of the burgeoning artisan food sector; and if he will make a statement on the matter. [25346/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): The proposed ban on the sale of raw milk for direct human consumption is not new. Sale of raw cows milk was banned for many years (from 1997 till 2006) by my Department; and previously by most local authorities. The ban lapsed due to a change in EU legislation in 2006.

The independent scientific committee of the Food Safety Authority of Ireland and my Department's own dairy science and veterinary experts have strongly advised that there are serious health risks associated with drinking raw milk. Disease risks include TB, Brucellosis, E. coli O157, Campylobacter and Salmonella. There have been incidents of these in Ireland and other countries in recent years. Resulting illnesses can be serious and on occasion fatal.

The FSAI has therefore recommended that the sale of unpasteurised milk from all farm animals which is intended for direct human consumption should be prohibited; and advises that the most effective way to protect public health is to ensure that such milk is pasteurised.

The prevalence of TB in herds in Ireland puts us in a different position to most other Member States in the EU where the disease has been eradicated. It is inappropriate that Ireland should adopt the same approach to the consumption of raw milk as countries that do not have the same difficulty with TB and therefore have no associated risk.

A public consultation process was held in 2008 in relation to the proposed extension of the ban to goats and sheep milk. Seventeen submissions were received. On being reviewed, they did not provide justification to change the expert advice that a complete ban was necessary.

An outright ban will not be unique in the EU. I understand for example that Denmark and Scotland apply such a ban.

The ban will not apply to the consumption of raw milk which has not been placed on the market — e.g. a dairy farmer drinking milk from his/her own cows. Such a ban is not possible under the law and in any event would be unenforceable. However, it is recommended to avoid this practice for health reasons.

Regarding the economic implications, Ireland exports over €2bn worth of dairy products each year, and is the leading producer of infant formula with about 15% of the world market. Any food scare associated with raw Irish milk could have major implications for our dairy industry. The recent E. coli outbreak in Germany, resulting in 46 deaths, 782 cases of HUS (haemolytic uraemic syndrome, a serious kidney condition) and 3,128 known cases of VTEC, indicates the scale of possible risks associated with raw food.

It is important to note in this context that the ban will not apply to making cheese using raw milk. The cheese making process takes time and this provides an opportunity to withdraw product from sale in the event of a problem arising with the source milk. The cheese making process also prevents growth of pathogens and in some cases encourages slow decline in numbers of some pathogens. I would also like to point out that some artisan food producers

[Deputy Simon Coveney.]

are pasteurising raw whole milk and are licensed by my Department in this regard. These artisans are very successfully marketing liquid whole milk, ice cream, different flavoured yoghurts and artisan farmhouse cheeses. I am advised by the FSAI that meaningful differences in nutritional value between pasteurised and unpasteurised milk have not been demonstrated and these artisans clearly show that pasteurised whole milk can be used in the manufacture of safe and quality dairy products.

Section 54 of the Health Act of 1947 has been identified as the appropriate primary legislation for the renewal of the ban and it is intended to bring forward a Statutory Instrument under that Act for signature by the Minister for Health. The latest indicative timeframe for the introduction of the S.I. is end 2011, which includes allowance for a 3-month EU notification period.

Children in Care

130. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Children and Youth Affairs further to Parliamentary Question No. 809 of 14 September 2011, when the information on the number of children placed in relative care by social workers, promised in her reply to Parliamentary Question 145 of 23 June 2011 but not provided in the Health Service Executive's direct reply of 19 July 2011, will be provided by the HSE. [25175/11]

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): My Office is advised by the HSE that the information on the number of children placed in relative care by social workers will issue to the Deputy today.

Medical Cards

131. **Deputy Jim Daly** asked the Minister for Health the position regarding a medical card application in respect of a person (details supplied) in County Cork; and if he will make a statement on the matter. [25319/11]

Minister of State at the Department of Health (Deputy Róisín Shortall): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

132. **Deputy Jim Daly** asked the Minister for Health the position regarding an appeal for a medical card in respect of a person (details supplied) in County Cork; and if he will make a statement on the matter. [25321/11]

Minister of State at the Department of Health (Deputy Róisín Shortall): As this is a service matter it has been referred to the Health Service Executive for direct reply to the Deputy.

Health Services

133. **Deputy Billy Kelleher** asked the Minister for Health the number of new fittings of hearing aids carried out by the Health Service Executive in 2009 and 2010. [25119/11]

134. **Deputy Billy Kelleher** asked the Minister for Health the number of reviews of hearing impaired persons carried out in 2009 and 2010. [25120/11]

135. **Deputy Billy Kelleher** asked the Minister for Health the number of audiologists currently employed by the Health Service Executive; the cost to the State of same; and if he will provide a breakdown by HSE area. [25121/11]

136. **Deputy Billy Kelleher** asked the Minister for Health the number of adults waiting for a hearing test; the length of time they have been waiting; and if he will provide a breakdown by Health Service Executive area. [25122/11]

137. **Deputy Billy Kelleher** asked the Minister for Health the number of children waiting for a hearing test; the length of time they have been waiting; and if he will provide a breakdown by Health Service Executive area. [25123/11]

138. **Deputy Billy Kelleher** asked the Minister for Health the number of adults waiting to be fitted with a hearing aid; the length of time they have been waiting; and if he will provide a breakdown by Health Service Executive area. [25124/11]

139. **Deputy Billy Kelleher** asked the Minister for Health the number of children waiting to be fitted with a hearing aid; the length of time they have been waiting; and if he will provide a breakdown by Health Service Executive area. [25125/11]

140. **Deputy Billy Kelleher** asked the Minister for Health the cost of a hearing aid device to the Health Service Executive. [25126/11]

141. **Deputy Billy Kelleher** asked the Minister for Health the frequency with which patient reviews take place once a hearing aid is fitted. [25127/11]

142. **Deputy Billy Kelleher** asked the Minister for Health the number of patient visits made to Health Service Executive audiologists in the years 2009 and 2010; and the number of these that were new patients. [25128/11]

143. **Deputy Billy Kelleher** asked the Minister for Health the supply cost that is the service element and the hardware cost of hearing aids to the Health Service Executive in the years 2009 and 2010. [25129/11]

Minister of State at the Department of Health (Deputy Róisín Shortall): I propose to take Questions Nos. 133 to 143, inclusive, together.

The information sought by the Deputy, in relation to the number of new fittings of hearing aids carried out by the Health Service Executive in 2009 and 2010; the number of reviews of hearing impaired persons carried out in 2009 and 2010; the number of patient visits made to Health Service Executive audiologists in the years 2009 and 2010 and the number of these that were new patients, is not readily available. I have asked the HSE to supply this information to me and I will forward it to the Deputy as soon as possible. In the meantime, *Table 1* provides indicative figures for audiology service activity for the month of October 2009.

Table 1

From 1st — 31st October 2009	Numbers receiving initial assessment	Numbers receiving fitting service	Numbers receiving review service	Number of hearing aids issued	Patient did not attend	Total Activity in month
Children 0-4 years	425	85	211	105	93	721
Children 5 — 17 years	183	49	281	30	94	513
Adults 18 +	915	608	887	529	267	2,410
	1,523	742	1,379	664	454	3,644

[Deputy Róisín Shortall.]

Table 2 provides details of the numbers of audiologists by HSE area. The Whole Time Equivalent (WTE) data is being checked at present. A report is due to be completed by the end of October 2011. The WTE data and staffing costs will be forwarded to the Deputy once the data is available.

Table 2

	HSE South	HSE DML	HSE West	HSE DNE	TOTALS
Audiologists	6.5	1.17	5	3.91	16.58
Senior Audiologists	2	3.4	9.5	5	19.9
Chief Audiologists	2.5	5.5	2	3	13
Audiological Scientist			2		2
Senior Audiological Scientists	5	4	0.8	3	12.8
Associate Audiologists				0.5	0.5
Assistant Audiologists	0.86				0.86
Technician		0.3			0.3
Senior Clinical Engineering Technicians				3	3
Principal Clinical Engineering Technicians				1	1
	16.86	14.37	19.3	19.41	69.94

Table 3 provides details of the numbers of adults and children waiting for hearing tests and waiting to be fitted with hearing aids in June 2011.

Table 3

	HSE South	HSE DML	HSE West	HSE DNE	Total
Adults Awaiting Hearing Test	1,708	2,485	2,153	835	7,181
Children Awaiting Hearing Test	1,899	1,468	2,613	432	6,412
Adults Awaiting Hearing Aid Fitting	282	304	585	97	1,268
Children Awaiting Hearing Aid Fitting	5	72	25	23	125

The majority of adults are waiting more than 10 months for assessment while children are waiting from 3 months to over 10 months. Data on waiting times to be fitted with a hearing aid has not been validated and will be provided to the Deputy when available.

Once a hearing aid is fitted a patient typically gets a routine appointment to ensure that the hearing aid is suitable. Further appointments are arranged as required.

The current cost to the HSE of a hearing aid device ranges from €88 to €399.

The total budget for hearing aids, ear moulds and accessories provided by the HSE in 2009 was approximately €1.9m and for 2010 it was €1.5m. I will provide the cost of the service element to the Deputy when it is provided by the HSE.

144. **Deputy Catherine Murphy** asked the Minister for Health his views on assessment of Aviva and VHI that there are adequate facilities already available for persons with eating disorders beyond those offered by the Lois Bridges Eating Disorder Treatment Centre; and if he will make a statement on the matter. [25133/11]

Minister for Health (Deputy James Reilly): Each private health insurance provider in the Irish market has the right to determine which private health care providers and facilities they will cover. It is a matter for each insurer to determine how much capacity in any particular area is purchased by them to deliver the services required by their customers. It is not the role of the Minister for Health to determine or direct which private facilities are covered by any private health insurer.

The national policy document for mental health ‘A Vision for Change’ sets out the framework for the development of mental health services generally. HSE services for people with eating disorders are embedded in the Community Mental Health Teams and with Primary Care.

The HSE has developed a Mental Health in Primary Care accredited training programme for primary care practitioners with Dublin City University. The skills included in this programme are designed to enhance the capacity of primary care to recognise, assess and treat a range of mental illnesses within the primary care setting. As individuals with Eating Disorders frequently present to the primary care practitioner with complications of their condition, early intervention at this level greatly improves outcomes.

Community based Adult Mental Health Services receive referrals from Primary Care and provide assessment and treatment to individuals with eating disorders. Child and Adolescent Mental Health Teams provide a similar role for their cohort of referrals.

Where the individual’s psychiatric or medical needs are more acute, in-patient admission is offered within the local psychiatric services or acute medical care where necessary.

Following the recommendation of the Consultant Psychiatrist, the HSE can and has worked with service providers in the independent sector to provide specialised care, on an in-patient and/or an out-patient basis. In a limited number of cases, referrals to specialised eating disorder services in Dublin or the UK can be clinically recommended and supported in appropriate circumstances subject of course to the necessary resources being available.

Ambulance Service

145. **Deputy Noel Harrington** asked the Minister for Health his plans for the ambulance service in west Cork; the changes planned for this service; and if he will make a statement on the matter. [25150/11]

Minister for Health (Deputy James Reilly): As this is a service matter, it has been referred to the HSE for direct reply.

Prescription Drugs

146. **Deputy Denis Naughten** asked the Minister for Health the steps which have been taken to implement the report of his Department’s benzodiazepine committee; the total cost of benzodiazepine prescribing to the health service; and if he will make a statement on the matter. [25156/11]

Minister of State at the Department of Health (Deputy Róisín Shortall): The Benzodiazepine committee was set up by the Department of Health and Children in June 2000 to examine the prescribing and use of benzodiazepines and to make recommendations on good prescribing

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and dispensing practice. The Committee's report was published in August 2002. It made a number of recommendations for implementation by the Department, the Health Service Executive (HSE), the Irish Medicines Board, the Irish College of General Practitioners and the Pharmaceutical Society of Ireland. The majority of the recommendations have been implemented in full or in part, the main one being the preparation and issuing of Good Practice Guidelines to all GPs. In addition GPs can audit their prescribing of benzodiazepines through systems put in place by the HSE's Primary Care Reimbursement Service; the systems also allow GPs to compare their prescribing practices with that of their peers.

I am aware that the consumption of benzodiazepines in Ireland is high and tackling the inappropriate prescribing of benzodiazepines is a priority area for me. It is intended to develop proposals to amend the Misuse of Drugs legislation to introduce stricter controls on benzodiazepines. In addition, the HSE has been asked to look at prescribing patterns for benzodiazepines in order to identify those areas which are out of line with best practice.

I have asked the HSE for information in relation to the cost of benzodiazepine prescribing to the health service and I will revert to the Deputy with this information.

Mental Health Services

147. **Deputy Derek Nolan** asked the Minister for Health the funding available to allow a person (details supplied) in County Galway to access intensive dialectical behaviour therapy for emotionally unstable personality disorder in the UK; if similar treatment is available here; if so, the location of same; and if he will make a statement on the matter. [25163/11]

Minister of State at the Department of Health (Deputy Kathleen Lynch): As this is a service matter the question has been referred to the HSE for direct reply.

Hospital Services

148. **Deputy Billy Kelleher** asked the Minister for Health if he will outline his plans, draft or otherwise, to change, amend or diminish the range of services delivered at Our Lady's Hospital, Navan, County Meath. [25171/11]

149. **Deputy Billy Kelleher** asked the Minister for Health his plans to transfer orthopaedic services from Our Lady's Hospital, Navan, County Meath, to Cappagh Hospital in Dublin. [25172/11]

150. **Deputy Billy Kelleher** asked the Minister for Health his plans to reduce the emergency department in Our Lady's Hospital, Navan, County Meath, to a 12-hour service. [25173/11]

151. **Deputy Billy Kelleher** asked the Minister for Health his plans to transfer all surgery from Our Lady's Hospital, Navan, County Meath, to Louth County Hospital. [25174/11]

Minister for Health (Deputy James Reilly): I propose to take Questions Nos. 148 to 151, inclusive, together.

The HSE is assessing services in the Louth/Meath Hospital Group, including Navan Hospital, in the context of the need to improve service quality, effectiveness and patient access, address patient safety issues and ensure that patient care is provided in the service setting most appropriate to individuals' needs. The assessment is focusing on the HSE Acute Medicine Programme, the Peyton Report and HIQA's reports on Ennis and Mallow in this regard. My Department understands that draft documentation has been prepared by the HSE at local

level in this regard but that no definitive plans have been made regarding changes to services for patients.

In relation to the Emergency Department at Navan Hospital, I have emphasised that any changes need to be carried out in a planned way and that all changes will be fully communicated.

The HSE has advised that it has no plans to transfer all surgery from Navan to Louth County Hospital. Currently patients with acute or complex surgical problems are assessed at Navan Hospital and if requiring admission are transferred to one of the receiving hospitals in Dublin North East.

The HSE is determined to provide orthopaedic services at Navan and wants to ensure that the service continues in the most effective and safe manner for patients having regard to the implications of the reports by HIQA on Ennis and Mallow.

152. **Deputy Denis Naughten** asked the Minister for Health when a person (details supplied) will receive an appointment for surgery; the reason for the delay; and if he will make a statement on the matter. [25182/11]

Minister for Health (Deputy James Reilly): The scheduling of patients for hospital treatment is a matter for the consultant concerned in each case and is determined on the basis of clinical need. Should the patient's general practitioner consider that the patient's condition warrants an earlier appointment, he/she would be in the best position to take the matter up with the consultant involved. As this is a service matter it has been referred to the HSE for direct reply.

153. **Deputy Denis Naughten** asked the Minister for Health the current waiting time for appointments for reviews in relation to certain surgery (details supplied); if such reviews are being carried out at present; and if he will make a statement on the matter. [25183/11]

Minister for Health (Deputy James Reilly): My Department has asked the HSE for the detailed information sought by the Deputy and I will be in further communication with him when it is to hand.

Nursing Homes Support Scheme

154. **Deputy Billy Kelleher** asked the Minister for Health if there have been any changes to the processing or qualification criteria for the fair deal scheme since the restoration of said scheme; and if he will make a statement on the matter. [25241/11]

Minister of State at the Department of Health (Deputy Kathleen Lynch): There have been no changes to the processing or qualification criteria for the Nursing Homes Support Scheme since the HSE recommenced issuing approvals for financial support in June.

The criteria for the care needs assessment and for the financial assessment are set out in the legislation underpinning the scheme and can only be amended by primary legislation.

Hospital Waiting Lists

155. **Deputy Thomas P. Broughan** asked the Minister for Health the number of persons on the waiting list for a colonoscopy at Beaumont Hospital, Dublin 9; the average time on the waiting list; the steps being taken to reduce waiting list; the average waiting time across the country for a colonoscopy; and if he will make a statement on the matter. [25248/11]

Minister for Health (Deputy James Reilly): In 2009 the HSE provided hospitals with national guidelines on managing colonoscopies. This included a definition to prioritise patients referred for colonoscopy services into two groups — urgent and non-urgent. The target time frame for urgent cases to be seen is within 4 weeks. For the month of June, 98.1% of patients waiting for an urgent colonoscopy had the procedure within the 28 day target. Nationally, 5 patients were outside the 28 day target. This is a slight improvement on the May figure when the rate was 97.8% with 20 people outside the 28 day target.

For non-urgent colonoscopy, figures from the National Treatment Purchase Fund show that over 1,600 people are waiting between 3-6 months and a total of 2,418 are waiting up to 12 months and longer for the procedure.

The HSE has put in place a specific waiting list initiative to deal with this issue. This will see an additional 3,000 endoscopies (that is colonoscopies and upper endoscopies) take place by the end of the year, in hospitals where there are waiting lists. The aim of this initiative is to increase access to routine colonoscopies for patients. A second phase of this initiative will bring the total additional number of endoscopies to be undertaken to 7,000.

With regard to the Deputy's questions in relation to colonoscopies at Beaumont Hospital specifically, I have asked the HSE to respond directly to him on these matters.

Pharmacy Services

156. **Deputy Dominic Hannigan** asked the Minister for Health the amount of money that would be saved if the 2009 level of 16.4% of generic drugs was increased to the Netherlands figure of 57% use of generic drugs; and if he will make a statement on the matter. [25249/11]

Minister of State at the Department of Health (Deputy Róisín Shortall): The Government is fully committed to increasing the usage of generic medicines to achieve greater value for money in pharmaceutical expenditure and to help reduce the cost to individuals of their medications.

In 2008 approximately 8% (€67.12 million) of the total ingredient cost of drugs dispensed under the GMS scheme was spent on generic drugs. Approximately 4% (€15.32 million) of the total ingredient cost of drugs dispensed under the Drug Payment and Long Term Illness Schemes in 2008 was spent on generic drugs.

Under the GMS Scheme in 2008 the ingredient cost of proprietary drugs with no generic equivalent was approximately €658.67 million, representing 73% of the total ingredient cost. Under the Drug Payment and Long Term Illness Schemes the ingredient cost of proprietary drugs with no generic equivalent was approximately €301.04 million, representing 79% of the total ingredient cost. 19% (€163.36 million) of the total ingredient cost of medicines was spent on proprietary products where there was an equivalent generic product available on the GMS scheme. 17% (€64.40 million) of the total ingredient cost of medications was spent on proprietary drugs where there was an equivalent product available under the Drug Payment and Long Term Illness Schemes.

The potential savings arising from using generic drugs instead of proprietary drugs, where there is an equivalent generic product available, is dependent on a number of factors, in particular, the price differential between the proprietary drugs and the equivalent generic drugs. Therefore, it is not possible to provide an answer to the question posed by the Deputy. The Department of Health has finalised the Heads of the proposed Health (Pricing and Supply of Medicines) Bill. This legislation will introduce a system of reference pricing and generic substitution for prescribed medicines. A number of high volume medicines are expected to come off

patent in the coming years and this will increase the scope for savings through the greater use of generic medicines. It is expected that the legislation will promote price competition among suppliers and ensure that lower prices are paid for these medicines resulting in significant savings for taxpayers and patients.

Prescribing practices are a significant factor in the usage of generic medicines. The HSE is working in partnership with key health professionals to develop pathways for quality prescribing, promoting an extended role of the use of clinical protocols for the delivery of evidence-based prescribing, developing the role of community pharmacists and promoting the introduction of patient-held prescribing records. In addition, the HSE Primary Care Reimbursement Service has introduced an on-line facility for GPs to review and self-audit their individual prescribing practice in comparison with the national average, which has been standardised for the individual GP's patient profile.

I intend to undertake a closer examination of prescribing patterns and I hope to finalise the details of this initiative shortly.

Legislative Programme

157. **Deputy Dominic Hannigan** asked the Minister for Health when he will bring the heads of the Health (Pricing and Supply of Medicines) Bill to the Cabinet; and if he will make a statement on the matter. [25250/11]

Minister of State at the Department of Health (Deputy Róisín Shortall): The Draft Heads of the proposed Health (Pricing and Supply of Medicines) Bill have been finalised and will be submitted to the Government for approval shortly. This legislation will introduce a system of reference pricing and generic substitution for drugs prescribed under the GMS and community drug schemes.

Hospital Services

158. **Deputy Ciarán Lynch** asked the Minister for Health when a person (details supplied) in County Cork will receive an appointment; and if he will make a statement on the matter. [25282/11]

Minister for Health (Deputy James Reilly): The scheduling of patients for hospital treatment is a matter for the consultant concerned in each case and is determined on the basis of clinical need. Should the patient's general practitioner consider that the patient's condition warrants an earlier appointment, he/she would be in the best position to take the matter up with the consultant involved. As this is a service matter it has been referred to the HSE for direct reply.

159. **Deputy Charles Flanagan** asked the Minister for Health when a person (details supplied) in County Offaly will receive an appointment for an operation; and if he will make a statement on the matter. [25292/11]

Minister for Health (Deputy James Reilly): As this is a service matter, it has been referred to the Health Service Executive for direct reply.

160. **Deputy James Bannon** asked the Minister for Health if transport could be arranged for a person (details supplied); and if he will make a statement on the matter. [25298/11]

Minister for Health (Deputy James Reilly): As this is a service matter, it has been referred to the HSE for direct reply.

Hospital Charges

161. **Deputy Thomas P. Broughan** asked the Minister for Health the amount generated through car-parking fees at each of the six major hospitals in the Dublin region for the years 2008, 2009, 2010 and to date in 2011; the way the money received in each hospital car park was spent in each of these years; and if he will make a statement on the matter. [25307/11]

Minister for Health (Deputy James Reilly): I have referred this matter to the Health Service Executive for Direct Reply.

Accident and Emergency Services

162. **Deputy Finian McGrath** asked the Minister for Health his plans to address the delays at the accident and emergency department in Beaumont Hospital, Dublin (details supplied). [25322/11]

Minister for Health (Deputy James Reilly): As this is a service matter, it has been referred to the Health Service Executive for direct reply.

Hospital Services

163. **Deputy Billy Timmins** asked the Minister for Health the position regarding a procedure in respect of a person (details supplied) in County Wicklow; and if he will make a statement on the matter. [25335/11]

Minister for Health (Deputy James Reilly): As this is a service matter, it has been referred to the Health Service Executive for direct reply.

164. **Deputy Billy Timmins** asked the Minister for Health if the transfer of a person (details supplied) in County Wicklow will be urgently requested; and if he will make a statement on the matter. [25336/11]

Minister of State at the Department of Health (Deputy Kathleen Lynch): 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.

165. **Deputy Billy Timmins** asked the Minister for Health if a person (details supplied) in County Wicklow will be seen as a matter of urgency; and if he will make a statement on the matter. [25338/11]

Minister for Health (Deputy James Reilly): As this is a service matter, it has been referred to the Health Service Executive for direct reply.

166. **Deputy Billy Timmins** asked the Minister for Health if a person (details supplied) in County Wicklow will be seen as a matter of urgency; and if he will make a statement on the matter. [25339/11]

Minister for Health (Deputy James Reilly): As this is a service matter, it has been referred to the Health Service for direct reply.

Vaccination Programme

167. **Deputy Paschal Donohoe** asked the Minister for Health the position regarding plans

for the provision of a cervical vaccine programme for school going girls; and if he will make a statement on the matter. [25345/11]

Minister for Health (Deputy James Reilly): The HPV vaccination programme has been operational in second level schools since 2010 for girls in first year and second year. A catch-up programme for the vaccination of all girls in secondary schools, as committed for action in the first 100 days of the Government's term commenced last week. This will be repeated for the following two years in September 2012 and 2013 and will result in all girls in the senior cycle of secondary school being offered HPV vaccine. The HPV vaccination programme for first year girls will continue.

Air Accident Investigations

168. **Deputy Willie O'Dea** asked the Minister for Transport, Tourism and Sport the reason an investigation into an aircraft accident during a military training exercise on 12 October 2009 at Crumlin East, Cornamona, County Galway, resulting in two deaths is not complete and the report still not published; his views on the fact that investigations of this nature are usually completed within 12 months and that 23 months seems an inordinate delay; if he appreciates the anxiety that this is causing to the victim's family; and when the report will be published. [25245/11]

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): The Minister for Defence, at the time of the accident, and together with the then Minister for Transport agreed that the investigation would be conducted by the Air Accident Investigation Unit (AAIU) of my Department. A Preliminary Report was issued by the AAIU one month after the accident. Following a complex and detailed investigation and in accordance with Regulations 18 of S.I. 205 of 1997, a notice of findings that included a Draft Report on the accident was issued on 14 July 2011 to all interested parties associated with the accident. This included the families of the deceased pilots. All parties made formal comments and these require detailed consideration and response by the AAIU. While I fully understand that the delay in publication is causing anxiety to the immediate families, nevertheless, I am sure the Deputy appreciates that due process, including the formal procedures of response to these detailed comments, is required prior to finalising the report.

National Car Test

169. **Deputy Seán Kenny** asked the Minister for Transport, Tourism and Sport the current waiting time to access the national car test at each test centre nationwide. [25140/11]

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): Under the Road Safety Authority Act 2006 (Conferral of Functions) Order 2006 (S.I. No. 477 of 2006) the Road Safety Authority has responsibility for the delivery of the National Car Test (NCT). Noting this, I have referred the Deputy's question to the Road Safety Authority for direct reply. Please advise my private office if you do not receive a reply within 10 working days.

International Events

170. **Deputy Seán Kenny** asked the Minister for Transport, Tourism and Sport the additional steps being taken to attract major international events to be held here in 2012; and the budget allocated for same. [25141/11]

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): The matter raised is an operational matter for Fáilte Ireland. I have referred the Deputy's Question to Fáilte Ireland

[Deputy Leo Varadkar.]

for direct reply. Please advise my private office if you do not receive a reply within ten working days.