

DÁIL ÉIREANN

Dé Céadaoin, 5 Deireadh Fómhair 2011.

Wednesday, 5 October 2011.

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

Paidir.

Prayer.

Leaders' Questions

Deputy Micheál Martin: Last week a completely different version of NewERA was announced. We have now learned this new version of NewERA, with the strategic investment fund, will be established as a branch of the National Treasury Management Agency on a non-statutory basis. I suggest to the Taoiseach that this represents a fundamental breach of a clear promise given by his party prior to the general election. In 2009 his initial promise concerned the creation of more than 105,000 jobs over four years to be financed by the sale of State assets plus up to €7 billion from the National Pension Reserve Fund. I acknowledge that shortly afterwards the Minister for Finance, Deputy Noonan, dismissed the jobs mentioned in the plan as “a public relations add-on”. The then Labour Party spokesperson, the Minister for Social Protection, Deputy Burton, went further in describing it as having ten quangos and said it had been dreamed up by someone in the PR office of Fine Gael. However, the Minister for Agriculture, Fisheries and Food, Deputy Coveney, launched it with great solemnity and it was pushed very strongly during the general election campaign.

Deputy Simon Coveney: It is happening.

Deputy Micheál Martin: We are now looking at a totally different NewERA — basically, a senior executive, notably appointed without any interview being held or without the position being opened up to outside competition to take control of strategic State assets. More fundamental is the change in approach to key strategic assets and State companies such as the ESB, Bord na Móna, Coillte, Bord Gáis Éireann and EirGrid. The focus will change to being on a short-term financial return as opposed to the long-term strategic interest of the State which will become secondary.

An Ceann Comhairle: May we have the Deputy's question, please?

Deputy Micheál Martin: It could, for example, lead to serious underinvestment in the energy grid. Tremendous investment is taking place as a result of the efforts of State companies. Does the Taoiseach agree that this fundamental change in approach to strategic State assets is flawed?

The Taoiseach: No, I do not. As the Deputy is aware, the Ministers for Public Expenditure and Reform and Finance announced the establishment of NewERA and the appointment of

[The Taoiseach.]

Dr. Eileen Fitzpatrick as its director. It is true that NewERA was the subject of a fundamental commitment given in the programme for Government and the relevant Ministers have been working very hard to set that programme in place and begin the process of making Ireland more competitive and a country in which more jobs are created. The Government made the decision to establish NewERA quickly and on the basis of it being non-statutory. It is not a new quango like the ones we used to have for years. It is part of the NTMA which has done a very good job.

As the Deputy is aware, NewERA has been given a fundamental responsibility by the Government in the context of looking at propositions the Government is considering for the disposal of State assets. The Deputy is also aware that the programme for Government commits the Government to the sale of €2 billion worth of assets over the period of the programme. The McCarthy list was well in excess of that figure and it is well known that the troika will look for substantially more than it. NewERA and Dr. Fitzpatrick have been given responsibility for the accurate evaluation of the value of assets, the economic impact and the timelines involved. NewERA will report to the Minister for Public Expenditure and Reform and the Government will make its decision, with the line Minister involved if, for example, it related to any of the semi-State assets the Government considered it was appropriate to sell.

I do not accept this represents any downgrading of the position. NewERA is a branch of the NTMA and managed and advised largely by NTMA personnel who are all exceptionally well qualified. This is not a new costly quango which is being set up to deal with this issue. The Deputy has a habit of harking back to before the general election. He talks about individual party programmes. I accept parties are entitled to have individual perspectives on how they see the future——

Deputy Michael McGrath: Blame each other so.

The Taoiseach: The record shows that some of the comments the Deputy mentioned were made, but we are now talking about the programme for Government and how Government assesses it. We have set up NewERA within the NTMA with a particular responsibility. Dr. Fitzpatrick is eminently qualified to carry out this task and I have no doubt she will do an outstanding job.

Deputy Micheál Martin: I note the comment that individual parties have individual party programmes in advance of elections. However, to put it another way, the Taoiseach seems to be suggesting we should ignore what any political party states or does before an election.

Deputy Bernard J. Durkan: One in particular.

A Deputy: The Deputy has a degree in it.

Deputy Pat Rabbitte: He has a PhD in it.

Deputy Micheál Martin: The Taoiseach is confirming that the NewERA originally announced with great fanfare bears no relationship to what was announced two weeks ago. I have spoken to many in the investment world and people with experience of State companies——

Deputy Brendan Howlin: Our experience was gained in talking to investors, in driving the economy.

Deputy Micheál Martin: All of them are emphatic that this is not the time to sell strategic State assets.

An Ceann Comhairle: Will the Deputy ask a supplementary question, please?

Deputy Micheál Martin: This is certainly not the time to sell strategic State assets. It was in a memo the Taoiseach has told us he renegotiated with the IMF and the EU that has led to a commitment to sell strategic State assets to the tune of €2 billion. In terms of the ESB, I put it to the Taoiseach——

An Ceann Comhairle: Could I have your question please?

Deputy Micheál Martin: I am entitled to ask a question on a matter raised.

An Ceann Comhairle: You are not entitled to make a statement.

Deputy Micheál Martin: I most certainly am.

Deputy Jerry Buttimer: He is looking to the media for affirmation.

An Ceann Comhairle: This is a supplementary question in which you have one minute, yet you are 11 seconds over that time already. Please get on with it.

Deputy Simon Harris: His time is up.

Deputy James Bannon: Phone a friend.

An Ceann Comhairle: I will handle this myself, without the help of Deputies. Will you please ask a question?

Deputy Micheál Martin: I would like to make a point of order.

An Ceann Comhairle: You cannot do that. You know as well as I do you are not in accordance with standing orders. This is a supplementary question to a leader's question. You are now nearly a minute over your time.

Deputy Micheál Martin: I have a minute to raise a supplementary question.

An Ceann Comhairle: You are over it now. You will not make statements.

Deputy Micheál Martin: I have a minute to raise a supplementary question on a matter raised under standing orders. You know that and I know it, and that is what I am trying to do.

An Ceann Comhairle: Will you please put your question?

Deputy Micheál Martin: I am making a simple point in respect of the sale of State assets, especially in respect of the ESB, that what we are getting here is a fundamental breach of a commitment and a cynical breach of promises, but of more importance to the public interest, a fundamental shift and change in approach to strategic State assets——

An Ceann Comhairle: Could I have your question?

Deputy Micheál Martin: ——without any debate, without any clarity and without any advertisements to external interests.

An Ceann Comhairle: Is there a question?

Deputy James Reilly: Ní raibh aon ceist ann.

Deputy Pat Rabbitte: The Deputy's party signed away the country and not just the State assets.

Deputy Micheál Martin: No we did not.

Deputy Pat Rabbitte: They signed away the country and the Deputy is no position to lecture anyone on economics.

(Interruptions).

Deputy Micheál Martin: The Deputy and his party welched on those who supported them.

An Ceann Comhairle: Will Deputies please settle down?

The Taoiseach: The NewERA concept was always about the opportunities that presented themselves to sell State assets that were not necessary for strategic State ownership, and to use the resources of those sales for investment in infrastructure and the creation of jobs. When the NewERA concept was launched, the extent of money in the National Pension Reserve Fund was somewhat different than it is now, and it is necessary to spend considerable sums of money from the National Pension Reserve Fund to finance banks as a result of what had gone on previously and what had been allowed to go on. The Deputy might reflect on that.

The Government has no intention to rush out to sell State assets. We have made it perfectly clear that in the programme for Government, the opportunity in that programme is to achieve a sale of assets to the value of €2 billion. To do that, the Government will consider which assets are not strategic. We will focus on a number of those and NewERA will carry out the evaluation of that in consultation with all of those concerned——

An Ceann Comhairle: Thank you, Taoiseach.

The Taoiseach: ——the time lines that might be involved, the economic impact and so on, and this will go back to the Government and we will reflect on that.

Nobody in the Government has ever said that there will be a fire sale of State assets. These are always to be done at the appropriate time, when the Government considers it prudent to do so.

An Ceann Comhairle: Thank you.

Deputy Micheál Martin: The Government is moving to a shareholder basis. That is a fundamental shift.

The Taoiseach: In accordance with the memorandum of understanding, it will be necessary to negotiate with the troika on the amount of funds raised from the sale of any State asset which can be used for infrastructure, job creation and job initiatives, as distinct from throwing it into debt reduction.

An Ceann Comhairle: Thank you, Taoiseach.

The Taoiseach: There is a very clear process and it is directed now by Dr. Eileen Fitzpatrick, who is very eminently qualified. I have no doubt she will do an outstanding job.

An Ceann Comhairle: You are overtime, thank you.

Deputy Micheál Martin: That is not what the Government signed up to.

Deputy Brendan Howlin: The last Government signed up to it.

Deputy Micheál Martin: We did not. There is nothing in the original agreement like that. This Government signed up to it. The Deputies should look at the April document.

The Taoiseach: In its own way and in its own time, the Government will be back before the House to discuss any of those decisions.

An Ceann Comhairle: Thank you. I call on Deputy Adams, without interruption.

Deputy Gerry Adams: Sular tháinig an Taoiseach in oifig, dúirt sé go raibh othair ag fáil báis ar liostaí feithimh do na hospidéal. Dúirt an Tánaiste ag an am céanna nach raibh an HSE ag obair. Bhí an ceart ag an Taoiseach agus ag an Tánaiste ag an am ach cad a tharla ó shin? Sin í an cheist mhór.

On Monday, Councillor Imelda Munster and I went to the hospital in Drogheda. There were 53 patients on trolleys, some of whom had been there for five days. In the first six months of this year, there were 3,266 patients on trolleys, on chairs and sometimes on the floor. These are not just statistics. These are family members, neighbours and friends. They are also citizens. One man told me he waited on Saturday for eight hours to see a doctor. On Monday, he was still on a trolley and he was not complaining. He said there were others waiting who were worse off.

All of this is happening before winter comes. The staff are doing heroic work, but this needs the Taoiseach's urgent intervention. I have two suggestions for him. First, he should re-open medical ward No. 3 in Louth County Hospital to take the clinically discharged patients from Drogheda. Second, he should give a firm commitment today not to close the emergency Department at Our Lady's Hospital, Navan.

The Taoiseach: Deputy Adams is well aware that the restructuring of health services is one of the fundamental priorities of the Government. That is not an easy task. I have been at a number of hospitals recently, speaking to nurses, patients and other personnel working on the front line. I know exactly what the Deputy is talking about. I have been to Our Lady of Lourdes Hospital in Drogheda over the years on many occasions and people working on the front line there have always told me about the pressure due to the throughput in that hospital. The Deputy is well aware of that, as one of the Deputies up there.

The Minister for Health has set up a special delivery unit which has carried out an assessment of the situation as of October 2011, and the number of patients on waiting lists and on trolleys is greater than we would like at this stage. The special delivery unit has now made recommendations to hospital management on things they can do now which will have an impact on the situation.

HIQA received a letter last Friday about the emergency department at Drogheda and it will respond to the authors of that letter on the issues raised. The authority is engaging at the moment with the HSE north east on quality and safety issues, and its officials will soon discuss concerns raised about the emergency department with the HSE through this process. Our Lady of Lourdes Hospital in Drogheda is currently implementing a two-pronged approach to the management of overcrowding in the emergency department. First, it is working closely with the recently established special delivery unit to achieve capacity planning throughout the hospital, to make the best of the facilities there. Second, it is actively engaged in the implementation of the HSE's national clinical care programmes, which will focus on extending the hospital's acute medical assessment unit facility.

[The Taoiseach.]

The Minister for Health is quite well aware of the concerns the Deputy has raised here, which apply in many hospitals. That is why the special delivery unit was set up; to make an immediate impact on the recommendations it has made. I hope that the management in hospitals will react positively to suggestions that can happen now. However, there is a much bigger question of shifting the structure of the delivery of health services nationally, and that will not happen between now and the end of the year.

Deputy Gerry Adams: One of the problems with Leaders' Questions is that the Taoiseach ignores the question. He referred to the letter to HIQA. An Teachta Peadar Tóibín and I wrote that letter. It is our letter. We wrote to HIQA, asking for a full investigation, and to Lourdes——

Deputy Colm Keaveney: What about strikes in Northern Ireland?

(Interruptions).

An Ceann Comhairle: Please allow the Deputy to continue. What was in your corn flakes this morning? Please allow the Deputy to put his question.

Deputy Gerry Adams: What is particularly offensive is that Labour Party Deputies heckle when a Deputy raises a question about 3,266 citizens who cannot get a hospital bed.

(Interruptions).

I ask the Taoiseach to respond to the two suggestions I put to him which he ignored. When we raised these issues in June, during another crisis in the health system, he announced the establishment of a sub-committee on health at Cabinet level. Having failed to meet for the past four months, the sub-committee will have its first meeting today.

An Ceann Comhairle: Does the Deputy have a question?

Deputy Gerry Adams: The crux of the current difficulty is the reconfiguration of services in the region and the failure to address the fair deal debacle created by the Minister for Health. The Taoiseach should intervene directly and open a vacant ward up the road in Dundalk to take in those patients who have been clinically discharged from the hospital in Drogheda. I ask him to respond to my proposals.

The Taoiseach: We have changed the pattern of doing business in the House. Deputies now have an opportunity to raise a specific issue, on which they will receive specific detail from the Minister for Health. Long before Deputy Adams's time in the House, the reconfiguration of the health structure in the north east between Cavan, Monaghan, Navan, Dundalk and Drogheda hospitals was an ongoing issue.

Deputy Micheál Martin: The Fine Gael Party opposed it tooth and nail.

The Taoiseach: We even had announcements where one hospital vied with another for the building and creation of a brand new regional entity. These were followed swiftly by someone saying there was not one red cent available to build the entity. The reconfiguration of health services in the north east is a critical issue, the effect of which does not benefit patients who are sitting on trolleys today. What we must do now is have these patients treated as quickly, efficiently and professionally as we can. That is the reason the special delivery unit which only carried out its assessment in the past couple of weeks has made recommendations to hospital

management on steps it can take to benefit patients who are waiting for assessment or lying on trolleys in various parts of the country. This is an immediate issue which can be dealt with now.

I do not have before me the management file on ward closures and so forth at Our Lady of Lourdes Hospital. As we have pointed out, hospitals are expected to live up to the specific budgets they signed up for at the beginning of the year. It is not easy to stand up here because I know many people, as Deputy Adams does, who are waiting for treatment. However, given the structure of the health service which has been *in situ* for a long time, great courage and many decisions will be required to make the shift that will benefit everybody. The Deputy knows that this is the case.

Deputy Pádraig Mac Lochlainn: The Taoiseach should answer the question.

Deputy Gerry Adams: He ignored the two suggestions I made in response to his request for proposals.

The Taoiseach: I suggest management in the hospital take into account the recommendations made by the special delivery unit for immediate effect and I am sure it will do so. In the meantime, the Minister for Health is working with all the relevant agencies to deal with the capacity problem being experienced and that will arise again during the winter as a result of the winter flu, vomiting bugs and other issues, including the backlog which, for a particular set of reasons, always begins in January and causes great trouble in terms of increased waiting lists.

Deputy Gerry Adams: Having asked the Opposition to make constructive suggestions, the Taoiseach has ignored two proposals I made.

The Taoiseach: The Joint Committee on Health and Children will meet today. I stated last week that I had called in the Department and the HSE and had what used to be called full and frank discussions with them on a number of issues.

Deputy Gerry Adams: Will the Taoiseach have a full and frank discussion with us?

The Taoiseach: If the Deputy wants a constructive reply, I will see to it that the question he raised is dealt with at today's committee meeting.

An Ceann Comhairle: I call Deputy Ross.

Deputy Caoimhghín Ó Caoláin: The minor injuries unit in Monaghan General Hospital has been further—

An Ceann Comhairle: Did the Deputy hear me call Deputy Ross?

Deputy Shane Ross: Two weeks ago I raised an issue about the vast payment of €700,000 to the Secretary General of the Department of the Taoiseach on his retirement. I was given a plausible, albeit unconvincing, response that it was a legacy issue resulting from a deal negotiated under the previous Government. I propose to touch on something Deputy Martin addressed which is not a legacy issue. It is related to NewERA which was established last week and which the House has discussed. What interests me is not the merits of the case for setting up NewERA but the appointment of its director. Is the procedure by which the director was appointed to the job satisfactory to the Government? The procedure was as follows: there was none. There was no advertising, competition or interview and the National Treasury Management Agency which for some reason has been given charge of NewERA refused to reveal the salary of the person appointed.

[Deputy Shane Ross.]

While a decision made behind closed doors in this manner is unacceptable, for a chief executive or director of a State body who is paid, in my estimate, in the region of €300,000 or €400,000 to be appointed in this way is completely unacceptable. The result — the appointment by the NTMA of one of its insiders — indicates that little has changed in the appointment of persons under the new Government. Does the person involved have the job specification and specialist knowledge necessary? The new body is not in charge of fund management, the area she was in charge of previously, but the sale of State assets. I have not seen any evidence that anybody in the NTMA is qualified to advise or give directions on the sale of State assets. Why does the Government not direct the agency to advertise the position and hold an interview to find someone who is not an insider or at least give a chance to someone who is not an insider to take charge and advise on what is a vital part of Government policy?

The Taoiseach: I reminded the Deputy previously of where he had strayed in commenting on the qualifications and business of others. He used to be a cheerleader for Fitzpatrick and Michael Fingelton and did so in writing.

Deputy Timmy Dooley: We have heard this before.

The Taoiseach: These are the stellar performances that should apply. NewERA has been set up under the direction of Dr. Fitzpatrick at no extra cost. She is eminently qualified to do this job. As the Deputy is aware, NewERA will cover the ESB, Bord Gáis, EirGrid, Bord na Móna and Coillte. We will not wake up one morning to find the Government has suddenly made a knee-jerk decision to sell off whatever it might consider it should sell off.

Deputy Micheál Martin: It has already done so in the case of the ESB.

The Taoiseach: NewERA under Dr. Fitzpatrick has a specific remit and responsibility and will work with all of those involved with whatever asset is being considered for sale, including the relevant Minister, and report to the Minister for Public Expenditure and Reform. Only on that basis will the Government make its decision.

As I informed Deputy Martin, this is not the creation of some new quango but a body within the NTMA with specific responsibilities. The internal process of appointment applied and Dr. Fitzpatrick is eminently qualified to do the job.

Deputy Timmy Dooley: The Taoiseach should answer Deputy Ross's question. How was the appointment made?

The Taoiseach: If Deputy Ross wants to go down the road of setting up a separate quango and all that process entails, we would have a different story to tell.

Deputy Mattie McGrath: How was Dr. Fitzpatrick appointed?

Deputy Brendan Howlin: The elected Government appointed her.

Deputy Pat Rabbitte: Does Deputy McGrath want the county enterprise board to do the job?

The Taoiseach: The responsibility and job Dr. Fitzpatrick has are strictly in the context of the Government's decision as part of the programme for Government to realise €2 billion from the disposal of assets over the period of the programme. They are the assets that will be considered by the Government after the process has been completed. Dr. Fitzpatrick, in her capacity as director of NewERA, will work with all of those who should be consulted before reporting to the Minister. The Government will make its decision on the basis of her report. It

will also have to negotiate with the troika on the extent to which the proceeds, on an individual basis, can be allocated towards job creation and what can be allocated for debt reduction.

I do not accept there is anything underhand here. This is part of getting on and dealing with the reality of what the country faces, not involving ourselves in setting up new quangos that operate at a distance. It is right at the heart of the central programme for Government to realise infrastructure, create jobs and get our country moving. I am sure the Deputy supports that.

An Ceann Comhairle: Deputy Ross has one minute.

Deputy Shane Ross: I thank the Taoiseach for not addressing the question in any way. Will he answer it? I will put it very simply to him and ask him not to give me a lecture on quangos. Is the Taoiseach happy there was no competition and no advertising for this job, that an insider was appointed and that no interview took place?

Deputy Simon Harris: Interesting.

Deputy Shane Ross: Is this the procedure over which he will continue to acquiesce with the NTMA and other State bodies? This person presumably got a salary — perhaps the Taoiseach will tell the House what it was because the NTMA will not. That is unacceptable as well. I suspect it is equivalent to those of bankers and has a bonus attached.

The Taoiseach: I do not know how many interviews were held for the appointment of the business editor of the *Sunday Independent* but that is a matter——

(Interruptions).

Deputy Shane Ross: Wait until this week.

Deputy Micheál Martin: Be careful, Taoiseach. The paper was quite supportive.

The Taoiseach: To answer Deputy Ross's question directly, I am happy that Dr. Eileen Fitzpatrick is eminently qualified to do this job.

Deputy Mattie McGrath: Jobs for the girls.

The Taoiseach: I am happy that her appointment by the Government will allow her to do an outstanding job. When we reach a point where Government actually makes decisions in respect of the programme for Government on this matter, the House will have its opportunity to debate those decisions. I am sure the Deputy will join me in wishing Dr. Eileen Fitzpatrick the best in what is a critical responsibility as part of our programme for Government.

Deputy Shane Ross: What about the procedures?

Order of Business.

The Taoiseach: It is proposed to take No. 1, Road Traffic (No. 2) Bill 2011 [Seanad] — Second Stage (resumed); and No.5, statements on the recent developments in the eurozone. It is proposed, notwithstanding anything in Standing Orders, that No. 15 shall be taken at 6 p.m. and the proceedings thereon shall, if not previously concluded, be brought to a conclusion at 7.30 p.m. and the following arrangements shall apply: statements shall be confined to a Minister or Minister of State and to the main spokespersons for Fianna Fáil, Sinn Féin and the Technical Group, who shall be called upon in that order, and who may share their time, and shall not exceed 15 minutes in each case; a Minister or Minister of State shall take questions for a period

[The Taoiseach.]

not exceeding 30 minutes. Private Members' Business shall be No. 28 — motion re closure of Army barracks (resumed) — to conclude at 9 p.m. if not previously concluded.

An Ceann Comhairle: Is the proposal for dealing with No. 15 agreed to? Does Deputy Boyd Barrett wish to make his case on behalf of the People before Profit party?

Deputy Richard Boyd Barrett: I do. The eurozone economy is plunging yet further into crisis. The more certain countries impose their stupid policies of austerity and bank bailouts the worse it gets. The Minister for Finance, Deputy Noonan, lives in a land of delusion and thinks the Irish economy can thrive when the rest of the European economy is going down the toilet. Faced with this unprecedented crisis all we get is an hour and a half to discuss the situation. We need much more time for a full and proper debate on this most serious crisis which will effectively determine the future of our economy and society for years to come. We should be given a little more time for a proper debate on this matter than the Taoiseach has allowed.

An Ceann Comhairle: Does Deputy Martin disagree with this motion?

Deputy Micheál Martin: Yes. I raised the matter yesterday and last week. Without question, the euro crisis is the most grave crisis facing not only this country but the European Union and the European monetary system. It is extraordinary that in this House we are giving so little time to proper debate and questions in regard to the most fundamental issues now facing the euro currency. I find it extraordinary that over the past month we have had precious little time for this, even in terms of debating the outcome of the July summit. It would have been normal for the Taoiseach to have reported on it to the House at this stage. The forthcoming October summit will clearly be the key summit in terms of the Greek crisis, the Italian downgrade and international questions raised about the eurozone itself.

Yesterday I asked if the Taoiseach would be taking questions on this subject today. I may have picked it up wrong but I understood he said he would participate in the debate. However, I note from the Order of Business that questions will be taken by the Minister. I realise the Taoiseach has taken a very hands-off approach to the entire issue, given his failure to meet eurozone leaders and so on. The Taoiseach should take questions today at the end of the debate. I ask him to do so, given the gravity of what is before us. It is the leaders of Europe who will have to deal with this in the forthcoming summit in a comprehensive and resolute way, something they have not done to date. There has been a fundamental failure of vision and leadership at the top of the European Union. There is an obligation on the Taoiseach to come before the House, answer questions and give the Government's approach to the forthcoming summit and to the current euro crisis.

Deputy Gerry Adams: I have a slightly sharper point to make. It is the mark of this Government not to have a full debate. We raised this issue of a debate on the euro crisis at least twice, perhaps three times, before the Taoiseach conceded it should be allowed. Given the news that came overnight about Italian bonds, does the Government's original budget target of €3.6 billion to be taken out of the economy in December still stand?

An Ceann Comhairle: At this stage we are only debating the time available.

The Taoiseach: I assure Deputy Martin that I am here. He had first choice in today's Leaders' Questions to ask me a question about the eurozone if he had so wished.

Deputy Micheál Martin: There is to be a debate.

The Taoiseach: He chose not to do that. He made a suggestion about answering questions. He had the first choice today——

Deputy Micheál Martin: This is just playing games.

The Taoiseach: ——to ask a question about the eurozone crisis if he thought it was important. The second point ——

(Interruptions).

An Ceann Comhairle: Allow the Taoiseach reply, please.

The Taoiseach: The Deputy's colleagues had an argument last week about wanting a debate on the eurozone crisis. They are getting that today. Now, judging by what the Deputy said, he wants me to take the full debate and answer the questions. I want him to understand this. Before the Heads of Government meet later this month the House will debate this matter, and again afterwards, so the Deputy's party can have its full say and give its views. We have had to renegotiate the deal that party made.

Deputies: Hear, hear.

Deputy Billy Kelleher: Is the Taoiseach saying he cannot have time?

Deputy Timmy Dooley: Is he taking responsibility for the memorandum?

The Taoiseach: I do not find it in any way extraordinary, because we changed the rules. We will have debates both before and after European Council meetings take place. We did not have one after the July meeting. I concede that is the case but we are having the debate today.

In answer to Deputy Adams's question, the Minister for Finance has made it perfectly clear on numerous occasions that in order to get to the 8.6% deficit we may have to have an extraction from the economy of between €3.6 billion and €4 billion. We do not yet know what the figure is because all the information relevant to making that decision is not yet available. However, these are matters the Deputy can raise. I look forward to hearing his contribution on how the Sinn Féin party proposes to deal with the situation in which the country finds itself and to hearing its suggestions for getting ahead of the curve of the markets in the European context. It will be very interesting to hear what Sinn Féin has to say. I note the party, which is an all-island one, is party in the North to serious cuts.

A Deputy: That is right.

The Taoiseach: ——in education and health.

Deputy Aodhán Ó Ríordáin: Austerity stakes.

A Deputy: Strikes. All out.

Deputy Aodhán Ó Ríordáin: Resistance.

The Taoiseach: It seems that down here the impact of the Cooley Mountains means that Deputy Adams objects to everything that has to be rearranged or changed.

Deputy Boyd Barrett spoke about confidence, and all the rest of it. The live register figures for September 2011, to be published at 11 a.m., show 437,441, or 32,272 fewer than the August 2011 total.

Deputy Dessie Ellis: That is wrong.

A Deputy: They got jobs in London.

The Taoiseach: It is 4,976, and 1% lower than the September 2010 figure.

Deputy Richard Boyd Barrett: They are in New Zealand, Canada and Australia.

The Taoiseach: It is the first year on year fall in the live register since April 2007.

Deputy Micheál Martin: Surely the Taoiseach is not claiming credit for that.

The Taoiseach: I admit that there are many young people whom I do not want to see leaving the country. However, this is genuinely good news for Ireland. It is replicated——

Deputy Richard Boyd Barrett: Some six hours will be devoted to the Second Stage debate on the Road Traffic (No. 2) Bill 2011 this week and the Taoiseach is only allocating 90 minutes for the debate on the crisis in Europe.

The Taoiseach: The Deputy knows a great deal about matters relating to road traffic on foot of the number of protests, etc., he organises.

Deputy Richard Boyd Barrett: The Taoiseach will be seeing a few more of those in the coming months.

Deputy Barry Cowen: The Taoiseach should come to Mullingar at the weekend.

(Interruptions).

An Ceann Comhairle: I remind Deputies that we cannot enter into a debate on this matter, which merely relates to the allocation of time. In that context, I must put the question.

Question put: “That the proposal for dealing with No. 15 be agreed to.”

The Dáil divided: Tá, 94; Níl, 44.

Tá

Barry, Tom.
Breen, Pat.
Broughan, Thomas P.
Bruton, Richard.
Burton, Joan.
Butler, Ray.
Buttimer, Jerry.
Byrne, Catherine.
Byrne, Eric.
Carey, Joe.
Coffey, Paudie.
Collins, Áine.
Conaghan, Michael.
Connaughton, Paul J.
Conway, Ciara.
Coonan, Noel.
Corcoran Kennedy, Marcella.
Costello, Joe.
Creed, Michael.
Daly, Jim.
Deasy, John.
Deenihan, Jimmy.
Deering, Pat.

Doherty, Regina.
Donohoe, Paschal.
Dowds, Robert.
Doyle, Andrew.
Durkan, Bernard J.
English, Damien.
Farrell, Alan.
Feighan, Frank.
Ferris, Anne.
Fitzpatrick, Peter.
Flanagan, Charles.
Griffin, Brendan.
Hannigan, Dominic.
Harrington, Noel.
Harris, Simon.
Hayes, Brian.
Hayes, Tom.
Heydon, Martin.
Hogan, Phil.
Howlin, Brendan.
Humphreys, Kevin.
Keating, Derek.
Keaveney, Colm.

Tá—*continued*

Kelly, Alan.
 Kenny, Enda.
 Kenny, Seán.
 Kyne, Seán.
 Lawlor, Anthony.
 Lynch, Ciarán.
 Lynch, Kathleen.
 Lyons, John.
 McCarthy, Michael.
 McFadden, Nicky.
 McGinley, Dinny.
 McHugh, Joe.
 McLoughlin, Tony.
 Maloney, Eamonn.
 Mitchell, Olivia.
 Mitchell O'Connor, Mary.
 Mulherin, Michelle.
 Murphy, Dara.
 Murphy, Eoghan.
 Nash, Gerald.
 Naughten, Denis.
 Neville, Dan.
 Nolan, Derek.
 Noonan, Michael.

Ó Ríordáin, Aodhán.
 O'Donnell, Kieran.
 O'Donovan, Patrick.
 O'Dowd, Fergus.
 O'Sullivan, Jan.
 Phelan, Ann.
 Quinn, Ruairí.
 Rabbitte, Pat.
 Reilly, James.
 Ring, Michael.
 Ryan, Brendan.
 Shatter, Alan.
 Sherlock, Sean.
 Shortall, Róisín.
 Spring, Arthur.
 Stagg, Emmet.
 Stanton, David.
 Timmins, Billy.
 Tuffy, Joanna.
 Twomey, Liam.
 Varadkar, Leo.
 Wall, Jack.
 Walsh, Brian.
 White, Alex.

Níl

Adams, Gerry.
 Boyd Barrett, Richard.
 Browne, John.
 Calleary, Dara.
 Collins, Joan.
 Collins, Niall.
 Colreavy, Michael.
 Cowen, Barry.
 Daly, Clare.
 Donnelly, Stephen.
 Dooley, Timmy.
 Ellis, Dessie.
 Ferris, Martin.
 Flanagan, Luke 'Ming'.
 Fleming, Sean.
 Fleming, Tom.
 Grealish, Noel.
 Halligan, John.
 Healy, Seamus.
 Healy-Rae, Michael.
 Higgins, Joe.
 Kelleher, Billy.

Kitt, Michael P.
 Mac Lochlainn, Pádraig.
 McConalogue, Charlie.
 McDonald, Mary Lou.
 McGrath, Mattie.
 McGrath, Michael.
 Martin, Micheál.
 Moynihan, Michael.
 Murphy, Catherine.
 Ó Caoláin, Caoimhghín.
 Ó Cuív, Éamon.
 Ó Fearghaíl, Seán.
 Ó Snodaigh, Aengus.
 O'Brien, Jonathan.
 O'Dea, Willie.
 Pringle, Thomas.
 Ross, Shane.
 Smith, Brendan.
 Stanley, Brian.
 Tóibín, Peadar.
 Troy, Robert.
 Wallace, Mick.

Tellers: Tá, Deputies Emmet Stagg and Joe Carey; Níl, Deputies Aengus Ó Snodaigh and Seán Ó Fearghaíl.

Question declared carried.

Deputy Micheál Martin: Will the Taoiseach update us on the banning of corporate donations Bill which was committed to by the Government? The Opposition brought forward such a Bill, but it was voted down by the Government parties. I presume the reason was to allow corporate donations to flow in for the presidential campaign. Will the Taoiseach outline the timetable for the Bill which was committed to by the Government?

The Taoiseach: It will not be introduced in this session. We wanted to make it a priority, but because of the requirements of the troika legislation which had to be published and dealt with, it was pushed back a little, although not far.

Deputy Micheál Martin: The Bill is available.

The Taoiseach: Yes, and the Minister, Deputy Hogan, has done much work on it. It will probably be introduced in next session.

Deputy Timmy Dooley: There is too much money flowing in.

Deputy Micheál Martin: The Taoiseach could have accepted our very comprehensive Bill.

The Taoiseach: It would not deal with the matter in the way the Government's Bill will.

Deputy Gerry Adams: I will make two points. The first concerns how debates, questions and answers are provided for. I took the opportunity to examine the work done by the last Government, when former Deputies Bertie Ahern and Brian Cowen held the post of Taoiseach, and it is almost as if places have been switched. Many of the remarks made by the Taoiseach and the leader of the Labour Party when in opposition reflected the same frustration I am voicing. It is very difficult to have a proper debate. Earlier I cited the eurozone crisis as an example. Another is what has been referred to as the sale of non-strategic assets, in respect of which the Government has set out its intention to sell off such assets. Although it has qualified its intentions, we want to see the details. What will it do about Coillte, Bord Gáis and so on?

An Ceann Comhairle: This is the Order of Business. We are dealing with promised legislation.

Deputy Gerry Adams: When will there be a debate on these issues?

An Ceann Comhairle: Has a debate been promised on the sale of the assets mentioned?

The Taoiseach: As I said to Deputy Martin, the Government has as part of its programme the realisation of €2 billion from the sale of State assets. These assets would be considered to be non-strategic which it would be appropriate to sell at the proper time in accordance with the best evaluation to be made. There will be negotiations with the troika as to how the proceeds should be used; the troika's preference would be that they be directed towards debt reduction, while the focus of the Government would be on job creation and investment in infrastructure.

Deputy Richard Boyd Barrett: Is the figure €2 billion or €5 billion?

The Taoiseach: We have not planned a discussion on this issue, but if and when decisions are arrived at, there will be a debate. Deputy Adams mentioned Coillte. There is no question of the ground and the land being sold. If a decision is made, it will be in respect of the crop. There has been no decision made. On any potential sales there will be a proper discussion following evaluation by NewERA and the Department of Public Expenditure and Reform, as well as consideration by the Government, including the relevant Ministers, and everybody else involved. The Deputy will have his chance, but no specific debate has been promised on the issue.

An Ceann Comhairle: I remind the House that the Order of Business is a technical exercise to deal with questions on legislation.

Deputy Niall Collins: With regard to NewERA, mention has been made of the potential disposal of the remaining shareholding in Aer Lingus. Given the importance of the Heathrow Airport landing slots to business and balanced regional development——

An Ceann Comhairle: The Deputy should get to the relevant legislation.

Deputy Niall Collins: ——will the Taoiseach bring forward legislation, in the context of disposal of the shareholding in Aer Lingus, to ring-fence the landing slots at Cork, Shannon and Dublin airports?

An Ceann Comhairle: That is not relevant to the Order of Business. The Deputy should table a parliamentary question.

Deputy Niall Collins: The question deals with proposed legislation.

An Ceann Comhairle: No legislation has been proposed in that regard.

The Taoiseach: The Minister for Transport, Tourism and Sport will consider the matter and the Deputy could table a question to receive an update. He would have it by next week.

An Ceann Comhairle: The Deputy knows that very well, as he comes from a long-standing political family. Deputy Ferris on the Order of Business. No statements please, Deputy.

Deputy Martin Ferris: With regard to selling strategic assets on foot of the demands from the IMF and legislation that is due to come before the House, the stated purpose of the forestry Bill is to support the development of the modern forestry sector——

An Ceann Comhairle: Just ask the question.

Deputy Martin Ferris: ——which enshrines the principles of sustainable forest management and protection of the environment. How in the name of God can the purpose of that Bill——

An Ceann Comhairle: The Deputy did not hear what I said. This is about when legislation——

Deputy Martin Ferris: This is a Bill that is due to come before the House.

An Ceann Comhairle: Table a parliamentary question.

Deputy Martin Ferris: The purpose of the Bill is being undermined by the intent to sell assets.

An Ceann Comhairle: Please resume your seat. I call Deputy Fleming.

Deputy Sean Fleming: In view of the number of small subcontractors who are facing bankruptcy due to their participation in publicly funded contracts, when can we expect the Construction Contracts Bill to be brought before the Dáil?

The Taoiseach: The heads of the Forestry Bill mentioned by Deputy Ferris were approved on 10 March 2009.

Deputy Martin Ferris: What about the purpose?

The Taoiseach: Yes.

Deputy Martin Ferris: The purpose has changed.

An Ceann Comhairle: We do not deal with the purpose, Taoiseach.

Deputy Martin Ferris: I am trying to get answers.

The Taoiseach: It is now expected to be published early in 2012. Second Stage of the Construction Contracts Bill will be taken in the Dáil.

Deputy Sean Fleming: When?

The Taoiseach: If Deputy Fleming will ask his party Whip to raise it at the next Whips meeting, a date can be arranged.

An Ceann Comhairle: There are only approximately 49 seconds left. I ask Deputy Mac Lochlainn to be quick.

Deputy Bernard J. Durkan: Do not forget me, a Cheann Comhairle.

Deputy Pádraig Mac Lochlainn: The Government has said it will transpose——

An Ceann Comhairle: Do not mind what the Government said. Just ask the question.

Deputy Pádraig Mac Lochlainn: With regard to the EU directive to be transposed into law this year, will the Government ensure that rural dwellers will be assisted if they must replace their septic tanks? Will that legislation be introduced this year?

An Ceann Comhairle: That is for a parliamentary question. I call Deputy Ellis. We do not deal with parliamentary questions on the Order of Business.

Deputy Pádraig Mac Lochlainn: What is the purpose of it then?

An Ceann Comhairle: It is to ask about when legislation is to be taken.

Deputy Dessie Ellis: The Taoiseach will remember Fianna Fáil's waste——

An Ceann Comhairle: Do not mind what Fianna Fáil said. Just ask about legislation.

Deputy Dessie Ellis: I will ask the question but I must have a lead-in to it.

An Ceann Comhairle: Please get to the question. We are over time.

Deputy Dessie Ellis: I cannot just ask the question without a lead-in to it.

An Ceann Comhairle: You can ask, actually; it is very simple. Just ask when the legislation is due.

A Deputy: He has a script, a Cheann Comhairle, and must read it.

Deputy Dessie Ellis: The Taoiseach will remember Fianna Fáil's Waste Management (Amendment) Act 2001, which Fine Gael and the Labour Party opposed.

An Ceann Comhairle: The Deputy should resume his seat.

Deputy Dessie Ellis: It took powers relating to waste management away from elected representatives. There are thousands of citizens in this city——

An Ceann Comhairle: I call Deputy Flanagan.

Deputy Dessie Ellis: —dependent on waivers, such as senior citizens, the old, social welfare recipients and those on low pay.

An Ceann Comhairle: Do not mind that. You must resume your seat.

Deputy Dessie Ellis: Has the Government any plans to amend the Waste Management (Amendment) Act 2001?

An Ceann Comhairle: No. Table a parliamentary question.

Deputy Dessie Ellis: What plans does it have, if any, to introduce legislation providing for a national waiver scheme?

An Ceann Comhairle: Please, resume your seat, Deputy. You will not be called again if you continue like this. You know well what the story is.

Deputy Luke ‘Ming’ Flanagan: With regard to NewERA and the 100,000 jobs it is planned to create in the next five years, can the Taoiseach tell us what the other 350,000 people are to do?

An Ceann Comhairle: No, he cannot tell you.

Deputy Luke ‘Ming’ Flanagan: No, he cannot, even if he tried.

An Ceann Comhairle: Table a parliamentary question.

Deputy Luke ‘Ming’ Flanagan: I agree with you, a Cheann Comhairle. He cannot tell us.

A Deputy: You are sharper than we thought.

The Taoiseach: I would never make a joke about people who are unemployed.

An Ceann Comhairle: I call Deputy Boyd Barrett.

Deputy Luke ‘Ming’ Flanagan: I did not hear his answer.

Deputy Richard Boyd Barrett: On promised legislation and promised debates,——

Deputy Luke ‘Ming’ Flanagan: Is it not relevant? It probably is not.

Deputy Richard Boyd Barrett: ——I must correct the Taoiseach because before the summer break he promised we would have a chance to debate the sale of State assets. I ask him to keep that promise.

An Ceann Comhairle: I am sure he will.

Deputy Richard Boyd Barrett: What sort of debate is it if we do not get a chance to debate in this House the merits or demerits of selling off the family silver——

Deputy Barry Cowen: The ESB is for sale.

An Ceann Comhairle: I am sure you will. Thank you, Deputy.

Deputy Richard Boyd Barrett: ——before the decision is made? Can we not have a democratic debate before a decision? We want to know if Bertie Ahern will end up owning the forests in this country.

An Ceann Comhairle: We will now move on to the Road Traffic (No. 2) Bill——

Deputy Bernard J. Durkan: A Cheann Comhairle, you have missed me.

An Ceann Comhairle: We are a minute and 42 seconds over time.

Deputy Dessie Ellis: A Cheann Comhairle, I asked about legislation for a national waiver scheme. Can I get an answer?

An Ceann Comhairle: You cannot. It is not on the Order of Business.

Deputy Dessie Ellis: That is ridiculous. I am asking about legislation.

Deputy Bernard J. Durkan: That is not promised legislation.

The Taoiseach: The Deputy should table a question to the Minister for the Environment, Community and Local Government.

Deputy Dessie Ellis: It is promised legislation.

An Ceann Comhairle: I am sorry but we are out of time. When people call for divisions, they use up the time.

Deputy Bernard J. Durkan: You missed me, a Cheann Comhairle. You listen to all of them over there.

Road Traffic (No. 2) Bill 2011 [Seanad]: Second Stage (Resumed)

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

An Ceann Comhairle: The next speaker is Deputy Mary Mitchell O’Connor. She is sharing time with Deputies Dara Murphy, Tony McLoughlin and Áine Collins.

Deputy Mary Mitchell O’Connor: I fully support the measures in this Bill to reduce the legal blood-alcohol limit while driving from 80 mg to 50 mg per 100 ml of blood and to provide for a reduced rate of 20 mg per 100 ml of blood for learner and professional drivers. These measures had cross-party support when they were introduced in the Road Traffic Act 2010.

For too long drink driving was the scourge of our society and our nation’s roads. Road safety statistics show that 2010 was the safest year on our roads on record. I commend the work of the Road Safety Authority in this regard. In the Seanad last week, the Minister for Transport, Tourism and Sport mentioned a striking statistic, that in 1972 a total of 640 people died on Irish roads. This equates to more than 50 deaths per month. A total of 212 people were killed in 2010. While that is still far too many, it represents the lowest figure since records began in 1959. Drink driving incidents fell by 14% between 2009 and 2010. However, we cannot become complacent. Any death that occurs on our roads owing to the consumption of alcohol is one death too many.

An Automobile Association, AA, survey published in August showed that 87% of motorists believed that drink driving is shameful. This is clearly a positive trend, but what worried me about this survey is that while many people would not drink and drive, more than one in four young people say they have taken a lift from someone they knew to be over the drink driving limit. What does this say about our behaviour and the risks we are willing to take? Does it mean it is the fear of being caught that is reducing drink driving incidents rather than a concern for health and safety? Reducing the legal blood-alcohol limits to such a low level will reinforce

in the minds of drivers that any level of alcohol consumed affects the ability to drive. It puts the driver, their passengers and everyone else on the road at risk.

The same AA survey revealed that more than half of 17 to 24 year olds say they have driven the morning after a night's drinking while unsure if the alcohol they consumed had cleared from their system. The new levels will also make drivers more aware of their ability to drive the morning after a great deal of alcohol has been consumed. The timing of the introduction of this new lower limit is very important. I am pleased the legislation will come into force in time for the October bank holiday weekend. It sends a strong message and one hopes we will no longer hear bank holiday news headlines reporting high numbers of road tragedies.

I support the provision for mandatory testing but I wonder if we can take it further. Will the Minister consider the introduction of mandatory drug testing? A two-pronged approach is necessary to tackle this problem, legislation requiring mandatory testing for drugs and an increased focus by the Road Safety Authority on the dangers of driving while under the influence of drugs. The Minister said in the Seanad that there is as yet no reliable technology to provide for roadside testing for drugs. He also said that where someone has taken drugs, they will probably also be drunk, so we can catch them for one offence if not the other. I am concerned that this might not always be the case and I hope the Minister will seek to address that.

I commend the measures in the Bill. I congratulate the Road Safety Authority on the improving statistics.

Deputy Dara Murphy: Like my colleague, I welcome the opportunity to speak on the Bill. Obviously, we are discussing lowering the limits and endorsing the mandatory testing system at accidents involving injuries. I especially welcome the provisions in the Bill for dealing differently with young people. Driving is already a difficult part of growing up and life.

It is something we all must learn and gain experience in. It is already difficult enough without introducing the scourge of alcohol into the mix. Perhaps this is the first step in how we, as a society, address the issue of alcohol consumption among young people. We have seen a significant change in how people, in particular young people, engage in alcohol consumption. There has been a move away from beverages with a lower alcohol content such as beers to those with a higher alcohol content such as spirits. As a society, it is time we engaged in a debate on how people of a relatively young age — those aged 18 years to those in their early 20s — are able to purchase and consume spirits and alcopops without any limits. We are effectively introducing a zero alcohol limit for drivers. Perhaps our society will now be willing to engage in a debate on introducing people to alcohol which can be consumed in an enjoyable and a responsible fashion at a slower pace. Many people drive for a living, while many others spend many hours behind the wheel, particularly in driving young people and or in public service vehicles. The limit for such drivers should be reduced to zero.

We must acknowledge that there has been significant societal and cross-party support for many of the measures introduced. The Minister noted that in 1972 there was the extraordinary number of 640 road deaths, while last year there were 212. It is difficult to celebrate the reduction to 212, but in 2010 more than 400 people were alive than there would have been in 1972. When one multiplies this figure, it shows there has been a significant improvement.

Society can engage in many ways to prevent deaths and the Government has a big role to play in that regard. The ending of the Troubles resulted in a reduced number of unwanted deaths in the North and this country. Maximising the effectiveness of the health service, as well as social, education and justice and policing services, has helped to reduce the numbers of drug

deaths, murders and so on. The two main issues in which society is most engaged are deaths by suicide and road deaths, an entirely preventable scourge. There are two ways to reduce them. What must run in parallel with legislation is training in schools, as well as further improvements in education in the driving test system. I compliment the work recently done by the Road Safety Authority. At the recent National Ploughing Championships yellow high visibility vests were given out at many stalls. I encourage schools and teachers to engage with young people as the days get shorter. My children frequently have their lunch boxes checked to ensure they do not have crisps and other unwanted and unhealthy foods in them. Teachers could ensure every child has a yellow high visibility vest or an armband when he or she comes to school because they unquestionably work.

There is no doubt the issues being addressed and the new levels being provided for by the Minister will discommode people but so too did the wearing of seats belts, the penalty points system, the camera network and many other measures. They caused them minor difficulties and inconvenience. However, we must focus on the fact that gardaí have called to many thousands of families at night to bring them the bad news of the loss of life as a result of alcohol consumption. These measures will deny them that experience and this is the reason the legislation is being brought forward. I compliment those responsible on the great progress that has been made in this regard. We must continue to try to reduce the number of people who die on the roads.

Deputy Tony McLoughlin: I welcome the opportunity to speak to this Bill and would like to concentrate on two measures which will have the effect of reducing the numbers of road deaths and serious injuries as a result of driving under the influence of alcohol. Section 3 refers to the offence of knowingly driving a dangerous and defective vehicle, an offence applicable to the driver and the owner of the vehicle. I warmly welcome this measure. People who have driven vehicles which were not fit for purpose and in a dangerous condition have often offered the defence that they were not the owners of the vehicle. However, the Bill will give the power to the Garda to prosecute the driver as well as the owner of such vehicles. This will help to deter some young drivers from buying vehicles which were only fit for scrappage for sums of money in the region of €100 or less and then taking to the roads, often ending up involved in serious accidents. We have seen evidence of this where the condition of a vehicle resulted in serious injuries to the driver and passengers. Vehicles have been shown to have defective tyres, suspension system, steering and chassis which, if involved in an accident, would literally disintegrate on impact. It is important to get the message out that people must be responsible when they dispose of such vehicles and ensure they are properly scrapped at the designated centres in every county and local authority area.

The measures in the Bill will no longer allow drivers to get away without being prosecuted when their names are not on the vehicle ownership form. As legislators, we must send a warning to parents who have children of 17 and 18 years who desire to purchase a vehicle to ensure the necessary checks are made and that, at a minimum, vehicles have an up-to-date NCT certificate.

Alcohol consumption in Ireland continues to be significant in comparison with other EU countries. For many years this was reflected in the driving habits of the nation and included driving while under the influence. Successive Governments have identified this as a major cause of accidents and because of measures introduced, Ireland has seen a significant fall in the numbers of road deaths and injures. Up to last week, 138 people, unfortunately, had died in road accidents this year. That is down by 13 for the same period last year. The number of collisions has also been reduced. We have seen a steady fall since 2003 which, whether it is a coincidence, is in line with the steady reduction in the blood alcohol level during the years. In

2003 it was estimated that 37% of all road deaths were alcohol-related. That figure was reduced to 31% by 2005.

Two out of three accidents occur between 10 p.m. on a Friday and 8 a.m. on a Monday, which tells its own story. I advocate increased vigilance by the traffic corps of the Garda Síochána between these times. The accidents mostly involve young men. I am glad to state the vast majority of young people believe that if one goes out to drink and party, one should arrange transport as part of one's plan. That is a sea change in attitudes from the 1970s and 1980s. However, the boy racer culture is a source of concern in many areas. If we are to reduce the number of road deaths, measures to tackle speed, dangerous driving and, in many cases, drink and drug driving must be considered by the Government in any future road traffic Bill.

Will the Minister consider further measures to deal with drivers who drive under the influence of drugs? Considerable thought and research must go into tackling this problem. It is estimated that two out of five deaths of 25 to 40 year olds between 2000 and 2007 were drug-related. In Canada one in three road deaths is attributed to drug use. Further study by the Government is warranted. Section 7 deals with testing drivers in hospital. The Bill provides for mandatory testing of a driver involved in a serious traffic collision resulting in death or serious injury. Over the years, victims of drunk drivers have expressed their frustration that the drivers were able to escape convictions because of the inability of gardaí to test for blood-alcohol levels. This has been an anomaly and I welcome this section of the Bill.

I welcome the Bill but I suggest to the Minister that he should take account of the views expressed in devising future measures to enhance road safety.

Deputy Áine Collins: I thank the Minister for bringing this Bill before the House and welcome the opportunity to speak on it. It will add much needed clarity to road traffic law and bring Ireland's regulation of drinking and driving in line with the vast majority of countries in the EU and the developed world. It clarifies outstanding elements of the Road Traffic Act 2010, which allows for mandatory testing of alcohol at lower limits. The equipment needed to record lower blood-alcohol levels was not in place when the 2010 Act was introduced but it has since become available to the Garda.

The Bill enables the policy decisions already taken under the Road Traffic Acts 2010 to 2011. Under the previous legislation, mandatory testing was for higher levels of blood-alcohol but the Bill provides for lower thresholds. It will allow gardaí to administer tests in cases where they have good reason to suspect that a driver has consumed alcohol having been involved in a collision in which someone has died or incurred an injury requiring medical attention. This is a welcome development.

There is considerable evidence to demonstrate that even low levels of alcohol consumption can seriously affect an individual's ability to drive safely. That road fatalities have dropped substantially here as a result of lower acceptable alcohol limits lends further support to this argument. The decrease in fatalities is due in no small part to the Road Traffic Act 2006, which reduced the acceptable amount of blood-alcohol in drivers from 100 mg to 80 mg. In 1998, 448 people were killed on our roads but that figure had dropped to 299 by 2006. While this was partly due to road safety campaigns and increased vigilance over road speeds, reduced alcohol levels also played an important part.

Drink driving is an emotive subject for many people on this island. Many families and communities have been devastated by the tragic loss of young and old alike. Drivers need to be aware of the danger involved in getting behind the wheel of a car while under the influence of alcohol or drugs.

[Deputy Áine Collins.]

In October 2011, the Road Safety Authority held a conference on the effect of drugs on driving. Much of the evidence presented at the conference came from Canada but we can identify a number of similarities with that country's experience of drink driving and drug driving. The Canadian research indicated that drug driving mainly occurs at weekends. Between 2000 and 2007, drug driving was found to be a contributory factor in one third of driver deaths. While there is an absence of empirical evidence from Ireland, I suspect we will record similar results. I urge the Minister to strengthen the legislation on drug driving and bring clarity on the drug driving testing methods open to the Garda.

As a rural Deputy from Cork North-West I am acutely aware of the impact the further reduction in blood-alcohol limits will have on those who enjoy driving to their local pubs for a pint or two. The limits create difficulties for those who do not have access to public transport or alternative options for travelling to their local pubs, which are in many cases their only social outlets. I recognise the impact the Bill will have on their socialising habits but there is no easy answer. I ask the Minister to look favourably on the communities and publicans who, I am sure, will show an entrepreneurial spirit in setting up small local taxi or minibus services to provide affordable transport. An incentive scheme, such as reduced insurance premiums, could be put in place for those who provide rural public transport services.

While the decrease in the alcohol limit will impact on rural communities and their socialising habits, the loss of life caused by drink driving has done untold damage to families and communities alike. These accidents also impact negatively on emergency services, including the Garda, ambulance staff, doctors and nurses. Road deaths cause countless ripples within our communities and all efforts to reduce their number are to be commended. The Bill clarifies breath testing laws, brings Ireland in line with best practice throughout the developed world and will have the welcome effect of reducing road deaths and injuries. For these reasons, I commend it to the House.

Deputy John Halligan: I congratulate the Minister for bringing the Bill before the House. I welcome in particular the provisions that deal with the accepted norm that one can drink and then drive. There is no need for me to rehearse the statistics on the numbers of individuals and families who have been damaged by drink driving.

However, concerns arise in regard to section 7 which provides for mandatory testing of drivers in hospital. Perhaps the Minister can provide further clarification on the section in his concluding remarks. Has the section been tested in terms of civil liberties? It would, for example, be traumatic enough for an elderly couple to be taken to an emergency department after an accident without being asked by a garda to provide a blood or urine sample. As gardaí and other front line services will attest, many emergency departments experience exceptional levels of violence on Saturday nights. A garda would have to visit an emergency department in which 60 or 70 patients are being treated to demand a blood or urine sample from an individual who had been involved in an accident. This will give rise to difficulties for the staff of the department, the gardaí tasked with administering the test and the individuals being treated for injuries. If the test has to be administered, perhaps it could be done in a separate room. Many of those involved in accidents suffer injuries that are not serious in nature and they may only require stitches or treatment for bruises. My interpretation of the Bill is that gardaí will have to come into emergency departments.

I am also concerned that the Bill does not require testing where the garda is of the opinion that the individual concerned should be arrested. This measure needs further clarification. Will the garda make a decision in the hospital that an individual is under the influence? For the sake of the garda who must go to the emergency department, the staff who work there and the

individuals who may be involved in an accident through no fault of their own, we must proceed carefully in this area. It is unacceptable that an individual who is over the limit could get away with an accident by presenting to an emergency department but perhaps we need to tighten the wording of the section in regard to dealing with patients.

The number of cars that are not in road worthy condition is increasing.

Another Deputy alluded to that in the House yesterday. We should remember that where there is a car on the road we help the economy through tax, buying petrol and the purchase of the car. In the present economic circumstances therefore it is in our interest for people to buy cars and keep them on the road.

Does the Minister accept that many people find it extremely difficult to keep a car on the road at present? Cars are essential for people to bring children to school and to go to work. Perhaps we should consider making it obligatory for local authorities and insurance companies to allow people to pay tax and insurance every week or month. If it were easier to pay, people might not be in arrears or break the law. Nobody should break the law but people are under severe pressure. Statistics indicate that many people drive without insurance and tax, which they should not do. We cannot deny the statistics. Many people need and want cars but they cannot afford them. Perhaps the Minister could consider the introduction of legislation that would allow people to pay tax on a weekly basis rather than a three monthly basis. I do not know whether one can pay car tax on a monthly basis but we must make it easy for people to pay so that they will not be outside the law. I am not sure whether insurance companies accept a monthly payment but the Minister's office could make a recommendation to make it easy for people to pay who are outside the law, who do not wish to be, but are because of economic circumstances. One might well say they should not drive but we need people to drive cars and buy second-hand cars as it helps the Exchequer and helps the economy to grow.

We should consider making it obligatory for schools to include an educational programme on driving because of the number of people who have been caught drink driving and all those who have drugs in their system while driving which we are not currently able to detect. I refer in particular to students in leaving certificate year as an education programme for those who are about to leave school and may wish to buy a car might not go astray. It could help to further reduce the impact of those driving with drink and drugs.

It is not often that I compliment the Government but I compliment the Minister on what he has done. I know he is sincere in his attempts to ensure that everyone drives a properly functioning car without faults and to tackle those who feel it is the norm to drive while under the influence of drink or drugs.

Deputy Mattie McGrath: I too am delighted to comment on the Bill. I made many points previously in the Dáil on road traffic legislation, some of which were elaborated on when reported in the media. I do not condone drink driving and never did. Contrary to the message that went out during the debate on a previous Bill I still have concerns on the matter.

I welcome the Minister's appointment, his introduction of the Bill and his engagement. However, I have concerns about sections of the Bill and the Bill in general. Will the Minister indicate when mandatory testing will be introduced for those suspected of driving under the influence of drugs? That is a problem. The laws we pass must be fair and cover all types of offence and be seen to be fair to every citizen.

There was much debate prior to the passage of the Road Traffic Act 2011. Various comments and promises were made. I speak from a rural perspective as I live in a rural constituency. It is difficult to get taxis, buses or any form of transport in rural areas. I am disappointed that

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nothing is included in the Bill or the forthcoming budget to provide incentives to publicans, business people or taxi owners to buy seven-seater vehicles. If they could get VRT back or reductions were in place it would allow people to continue in business. In many villages and rural areas the public house is the only venue in which people can have meetings, functions, provide refreshments after funerals or hold fundraising events for the local school or charity. It is difficult and expensive to get taxis, but one cannot get them in the first place as they are not available.

If young people go to a disco in the local town they cannot get a taxi home to a rural area for a number of hours after an event finishes because it is more lucrative to do, for example, six local journeys around a town rather than go ten miles out into the country. One cannot blame taxi drivers. I have heard horror stories about young people being let out when they were only half way home as the taxi driver decided the destination was too far and he could not finish the journey. People have been let out of taxis in rural villages five or six miles away from their destination. The person who lives furthest away often has difficulty getting home. I do not wish to condemn the taxi service but people should be entitled to reasonable access to alternative transport.

I commend young people who in fairness to them have a positive and safe attitude towards drink driving. The culture is changing. It took a long time to change it but it is changing, albeit slowly. One death is one death too many. We have had several deaths. I was interested to hear yesterday on the radio that a new group has been formed to consider medical negligence. It was revealed that as many people die every year from medical malpractice as are killed on the roads. I was shocked to hear that. We have focused heavily on road safety.

Since I came to Dublin to work in this House four years ago I have never seen a checkpoint. I have never been stopped or breathalysed in the metropolis of Dublin but one could see them any night in Tipperary. I do not say they should not be there but I wonder whether we have one law for the country and one law for the city. Perhaps there are not checkpoints in the city because of the volume of traffic. I have never been stopped in the city either while driving or in a taxi.

Section 3 deals with dangerous and defective vehicles. It is an important change. Commercial vehicles must be certified by the Department of the Environment, Community and Local Government and cars must get an NCT. One would expect those tests to have eliminated many dangerous vehicles. A dangerous vehicle could cause pandemonium and have severe consequences. Therefore, I welcome that aspect of the Bill.

I hope the Minister for Transport, Tourism and Sport or the Minister for Finance might introduce a scheme in the budget to provide for a greater availability of taxis in the countryside. To be fair to publicans, 99% of them are scrupulous, honest and hardworking. They are businesspeople who pay rates, taxes and for heating and staff. Pubs are being closed down at an alarming rate and road traffic legislation has an impact on them. People must have an alternative. We cannot allow rural isolation to occur. We are dealing with it in the context of the phenomenally high rate of suicide. Road traffic legislation has a significant impact on rural isolation. That was where I was coming from anytime I made any comments in that regard. I know rural areas and how lonely they can be. When people drink at home there are no measures or control involved. Neither is there any company if people live alone. The situation can be more serious if people who live alone are drinking.

I fought hard with the previous Minister, Mr. Noel Dempsey, to introduce a scheme to allow people to have recourse to transport. I am involved in rural transport in the Carlow, Kilkenny and south Tipperary area. The scheme is known as Ring A Link. It is a successful scheme and

could be a flagship project for rural transport. It is faced with cutbacks this year. Eighteen months ago the project was threatened with closure. We tried to expand the service to include night transport but for various reasons it did not work out. Many publicans drive customers home and make arrangements to have them collected in the morning. They are entitled to have some recompense or support. I am not looking for something for nothing. I seek fair play for rural people. A Member can come out of here at night and get a taxi, bus, DART, Luas or whatever. Most cities have plenty of services. Even though they would not have Luas or DART, they have plenty of taxis. Rural people are entitled to their rights as well. We cannot ban them all into oblivion and tell them to stay at home at night and that once it gets dark in the evening, they should close their doors and not go anywhere. It is very unfairly balanced.

I am also concerned about drug testing. We were promised by the previous Government that drug testing would be introduced in September last and we would have some indication of its availability. It cannot be beyond the bounds of possibility. Following any accident with a train or on the rail track, it is mandatory that the drivers are tested for alcohol and drugs and the Garda should be able to have this equipment also.

Schools play an important role here. A previous speaker mentioned the leaving certificate. I mention transition year, which is a good programme that covers many areas. Most of the students, boys and girls aged 16 and 17, are thinking about driving and that is the area on which the Minister should focus. It should be mandatory as part of the transition year project, or some other project like it, that students would undertake this training. They should do their textbook training in school and then go out on field trips to venues, for instance, where motorways are built and old roads are being by-passed there are plenty of areas available for training. The venues are ready made and only needing to be made accessible, to have the trainers there and to have it co-ordinated. It would not cost a great deal, but it is necessary that we would educate people in safe driving practices. There should be meaningful set-ups with trained instructors and which can be speed restricted where students can go to learn how to drive. First, they would understand, from the textbook, that drinking alcohol is out and drug use is out, and all of the other rules of the road must be learnt comprehensively. Perhaps all we need is to develop one place in each province. Part of the transition year programme in schools could be to visit such areas twice during the year for a day to physically get into the vehicle, understanding the white line and the yellow lines, the braking distances and all of the challenges that face any young driver. It is expensive on parents to pay for lessons and the test for young people, but I encourage them all to take lessons. Instructors are available and willing. Many skilled instructors have retired and are available to become involved. Maybe the Minister could look at an intern scheme in this area. We must be imaginative here. We must work, especially on skilling the young people who will take the wheel to drive in all kinds of conditions. In this country, conditions can change so much from summer to winter and it is important that they would have experience driving in all conditions. It is also important that they would understand the sheer danger of the impact of a car with a ditch or an oncoming vehicle.

The position on driver testing is still quite difficult. It is still quite arduous to get a test and there are long delays. If a person turns up on a foggy morning, the tester may decide not to take him or her up, and the final decision is the tester's. The applicant must go back to the queue then and wait a long period, perhaps several weeks or even months, to get a re-test. That is unfair. A tester may be out ill or whatever; anything can happen. There should be quicker redress in such a situation so that the person can take a test within ten days of that happening. They should be allowed to come back into the system much quicker to take a test and, hopefully, pass it, and if the applicant does not pass, he or she must face the consequences.

There are some difficulties with the theory test. Let us be honest, we all are not experts; we all were not born in the era of computers. There are those in my constituency who fail who

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have difficulty with the theory test, not because they are not smart but merely because they are not used to those kinds of tests. The more some do it, the more difficult it gets. They are mainly in late middle age. They might not be too computer literate and they are not able to deal with that situation. There is help available. It is an area where we must cater for all citizens, no matter what their background or from where they come. There are people who merely cannot get around the theory test. I have anecdotal evidence of a number of cases where the more times they do it, the worse they do. That is unfortunate because then they cannot get any sort of licence, even to drive a tractor or any other kind of vehicle that they could use in rural areas. They all might not be from rural areas either.

I ask the Minister to consider those aspects. I ask him to seriously consider in the forthcoming budget, in spite of budgetary constraints, introducing some form of equity into the system where rural publicans or entrepreneurs who want to set up in business would be able to avail of incentives to provide safe modes of transport in rural areas.

Acting Chairman (Deputy Joanna Tuffy): The next speaker is Deputy Eoghan Murphy who, I understand, is sharing time.

Deputy Eoghan Murphy: That is correct, with Deputies Coffey, O'Donovan and McHugh.

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

Deputy Eoghan Murphy: I very much welcome this Bill and I congratulate the Minister on bringing it forward. I also congratulate him on all of the work that he has done since assuming office. It is encouraging for a new TD.

I have three issues under the heading of transport safety, the first being speed limits. We need consistency in speed limits. The speed limits given for some of the roads are completely unacceptable and dangerous. It should not be acceptable that the speed at which one is permitted to drive is unsafe. On other roads, and even sections of motorway, to drive as slow as one is forced to do is dangerous as well. With the co-operation of local authorities throughout the country, the Minister might, if he has the time, look at this and get people to report back on where the speed limits need to be decreased or, in some cases, increased so that there is greater consistency across the road network when we move from national primary roads, to secondary roads and further down the list, and greater safety as a result.

The second matter I want to raise under the issue of safety is creative engineering solutions to shared spaces. In some of our European partner countries there are interesting ideas as to how to manage people, cars, buses, bikes and motorbikes existing in the same space, say, in a city or village environment, and some of them are quite innovative and could have application here. Recently I noted when road repairs were happening on the N11 dual-carriageway coming through Donnybrook, where they had torn up the road and resurfaced it, and no markings had been put down but there were a couple of signs stating, "No markings in place, please drive carefully", because there was not a dedicated cycle lane, because there was not a dedicated bus lane and because there was only a small marking indicating the separation between the traffic, people drove more safely. They paid attention to what they were doing. They did not merely drive down the road blindly expecting everything to be fine. It was interesting that the lack of all of these signs, lampposts, markings on the road and everything else made people more responsible. Other cities have looked at this and have created spaces. Kensington, in London, did this. It removed much of its signage and clutter, and its markings, and found that people drove more carefully. It bears consideration on our part.

The third element under safety I want to raise is car clamping. The Minister might think this does not relate to issues of road safety, and I do not think it does. What I am hearing from local businesses in my constituency is that people are coming, they are parking and they are paying for their tickets, and they are coming late back and getting clamped. On one incident in Rathgar where a number of cars were clamped, I went to get to the bottom of it to find out what exactly was going on and when they came to me they stated it was an issue of road safety. Where a car is parked perfectly safely within the lines, with someone not having a ticket or running out of time on a ticket, that has nothing to do with safety. It is an excuse on the part of the officials. This might seem like a small or local issue. In fact, it strikes to how we interpret and implement the laws but also how we care about the local domestic economy.

Car clamping was brought in to free congestion in city streets, to make it easier to move through the city streets and to stop illegal car-parking practices. It was never intended as a revenue raising measure. In fact, it does not work as a revenue raising measure. In Dublin city, it costs more to run the clamping service than the service brings in, and yet in the view of the people living and working in the city, those enforcing clamping are trying to raise money. I think, because there is a shortfall, that is exactly what they are doing. They are not looking for cars that are blocking major streets or roads. They are going to small villages and small roads where there is no through traffic on quiet Sunday afternoons when people are doing a bit of local shopping, and they are clamping them. That is not fair. In fact, it makes a mockery of the system as a whole. It is very detrimental to local businesses that are struggling at the moment. The domestic economy is suffering and needs our help. The owners of these businesses feel that Dublin City Council is out to get them and is purposefully targeting them. If a person goes to a local shop to do €30 worth of business, but it ends up costing them €110, they will not go back. This matter needs to be studied seriously not as a road safety issue but as a question of proper policy. We need to ensure our laws are implemented and enforced in a fair way.

I ask the Minister to consider this final point. Local councillors, the city council and other public representatives are hammered when this issue flares up in the media every couple of months. It is an example of a law not being fairly enforced. It needs to be examined. We can come up with a better way of keeping our streets free of congestion and making sure cars are parked in an orderly and legal fashion. We need to ensure the council does not lose money by providing such a system. It is ridiculous that the service being run by the council is not at least cost-neutral. It does not make any sense to me. The system that is put in place needs to be fair to the people who use it — those who live in this city and want to use their cars to shop locally and support local businesses.

Deputy Paudie Coffey: I am pleased to have an opportunity to contribute to this important debate on road traffic safety. I welcome the Road Traffic (No. 2) Bill 2011, which brings clarity to many areas. It relates to the production of a licence when a request is made by a garda and deals with the matter of mandatory breath testing. As many Deputies have spoken in detail on those matters, I intend to focus on some other areas.

I would like to reinforce the request made by many Deputies that some research be conducted on testing for drug-driving. Other countries have found there is a connection between the incidence of drug-driving and the number of road collisions and fatalities. I suspect that the incidence of drug-driving is increasing in this country. It needs to be tackled at an early stage.

I acknowledge that Irish road deaths fell to the lowest level on record in 2010. We are doing something right. There has been a major cultural shift throughout the country. Legislation can only do so much. We need to bring the general public with us and change mind sets. Improvements have been made in the wearing of seat belts, the use of child seats and the condition of cars. The advances made in safety technology in new cars have certainly helped.

[Deputy Paudie Coffey.]

I refer to the condition of our local, primary, secondary and national roads. Our national primary network has been improved significantly by the opening of new motorways. A great deal remains to be done, however. I raised the question of driver fatigue, which is the cause of one in five fatal collisions, with the Minister on a previous occasion. This country's motorway network does not have enough rest areas and service stations. There is no service station on the M9 between Waterford and Dublin, which I use regularly. This issue has to be addressed. Bus and lorry drivers and business people constantly complain that there is nowhere to pull in on that motorway. The Department of Transport, Tourism and Sport and the National Roads Authority say that drivers should go offline, but they will not do so because they prefer to drive directly from A to B, often with the assistance of satellite navigation systems. Drivers need somewhere to pull over for a rest before continuing their journey.

The issue of speed has been addressed by previous speakers. It is important that appropriate speed limits are set on our roads. Local authorities have a role to play in this respect. The new dual-carriageway ring-road that was built in Waterford city some years ago has a speed limit of 60 km/h. The narrow and windy rural roads that are adjacent to the ring-road and feed into it have speed limits of 80 km/h. The unfortunate perception that this is a revenue-collecting exercise is reinforced when people see Gatso vans on the ring-road. There needs to be some consistency in this regard. More appropriate speed limits need to be set.

I will speak about young drivers. I note the presence of many students in the Gallery. It is good that they are witnessing a debate on this issue. I commend St. Declan's community college in my constituency of Waterford. The school recently undertook a research project, at its own initiative, aimed at educating young drivers and addressing the peer pressure with regard to speed. The project has been recognised by the Road Safety Authority and the Aviva insurance company. The school has received national awards for its research in this area. I would like other schools to adopt similar initiatives. Peer pressure can cause young people to drive at excessive speeds. Research has shown that excessive speed causes one in three fatal collisions here. Equally, alcohol is the cause of one in three fatal collisions. I am not sure where drugs come into it. A significant improvement is needed in this regard.

I refer to the state of our roads. I have spoken about our motorways. We need to continue to invest in local and secondary roads. I would like improvements in the upkeep and maintenance of such roads. As overseers leave our local authorities, we lose a great deal of expertise and local knowledge about dangerous bends, dykes and gullies, and so on. The local authorities are managing our roads inconsistently. Our roads constitute a national asset. I would like an asset management system, like that used by ESB Networks, to be used as part of the management of our roads network. Every road should be given a value, based on its pros and cons; for example, how recently it last had maintenance work done on it. That value would be properly registered on an electronic database which could be accessed by any new overseer or engineer at the press of a button. The database would give him or her details of the full history of the road and its upkeep, maintenance and accident record. Such a system should be rolled out across the country. I urge the Minister to investigate the possibility of establishing such a project on a pilot basis.. It would lead to significant improvements in the safety of local roads and would represent a more efficient way of responding to maintenance demands.

Deputy Patrick O'Donovan: I welcome the opportunity to speak on this Bill. I wish the Minister for Transport, Tourism and Sport well. The issue of road safety can be considered under the three headings of enforcement, engineering and education. We are dealing with the question of enforcement today. Deputies from all sides of the House have spoken eloquently about the changes proposed in this legislation.

I take this opportunity to ask the Minister to consider two elements of road safety that can be lost in the haze and the noise for budgetary and administrative reasons. The first element is engineering. There is no doubt that we have a very good interurban road network. As Deputy Coffey said the locations where 212 people lost their lives last year are predominantly to be found beyond our motorway and national road network. Most of them died on our secondary, regional, tertiary and local roads. I represent a community that has been ravaged by road carnage in recent years. I appreciate that the same problem is being experienced in other counties. I am not suggesting that any case is worse than the next.

In the part of the country I represent, there have been multiple fatalities on a particular stretch of the N21, which is the road between Limerick and Tralee. Over the past eight years, a life a year has been lost, on average, on a stretch of road that is less than three miles long. That is a frightening statistic for those who use the road. Most of those who died were young people from the locality. I appreciate that the National Roads Authority and the local authorities face particular constraints at the moment. In the aftermath of the Meath bus crash, I did not imagine we would allow our national road infrastructure to deteriorate to the point where more cars are being put on to dangerous roads.

The reality is that accidents do not generally happen on motorways because traffic is segregated. They predominantly happen on small roads in isolated rural areas at weekends. I am not trying to dilute the fact that alcohol plays a huge part in such accidents. The same is probably true of drugs. The reality is that the condition of many roads has been allowed to deteriorate. Nobody maintains the roads or the drains. The surfaces of our roads are being destroyed by the water that is allowed to flow along them. One has to engage in a “dodge the pothole” exercise in some instances. As a result, people are having to drive dangerously and thereby increasing their chances of having an accident.

Without labouring the point made by Deputy Coffey, I should mention that if one drives from Killarney to the Ring of Kerry, one might encounter sheep or rocks or anything. One will also find signposts saying that one can legally drive at 100 km/h. By contrast, if one drives from Dublin to Limerick one will encounter speed limits of 80 km/h and 100 km/h on certain parts of the motorway that are capable of being upgraded to 120 km/h. Like many users of the road, I think the existence of these lesser speed limits is a revenue-generating exercise. The perception that exists is that people are sitting on the hard shoulder and collecting cash.

I welcome the work the Road Safety Authority has done. Although I should not name people in the Dáil, I pay tribute to the chief executive of the RSA, Mr. Noel Brett. As I said previously to the Minister, he has been an exceptional public servant, with his team, in terms of driving home the message on road safety issues. One need only look at the recent advertising campaigns to see this.

It must be an awful experience for the local emergency services, priests, ministers and doctors to have to go to a house to give the bad news that a son or daughter will not be coming home that night because they have been killed in a road accident. Anything we in the House can do must be welcomed. I encourage the Minister, with his colleagues, the Minister for Education and Skills and the Minister for the Environment, Community and Local Government, to examine at Cabinet sub-committee level the issue of road safety. It is not a single Department issue but a multifaceted issue which involves the local authorities, education and the Department of Transport, Tourism and Sport. I hope the Minister will take this suggestion on board and not just consider enforcement but also the concerns raised here in regard to engineering. The priority is that local councils deliver a safe road infrastructure for people to use.

Deputy Joe McHugh: I welcome the opportunity to speak on the Bill. I am already on record in both Houses on a number of occasions with regard to whole idea of mandatory alcohol testing. Anything that promotes better safety and the saving of lives must be welcomed.

[Deputy Joe McHugh.]

In the short time available to me, I wish to focus on a few areas which are different to those on which I normally contribute. We have good inter-urban connectivity and infrastructure, in particular the motorways. Many hauliers would refer to our motorways as the safest in Europe, and we have statistics to back that up. Given this, we should reconsider the 80 km/h limit for trucks. We should consider the possibility of at least having a conversation with the representatives of the industry, given what is happening at European level where some countries have limits of 100 km/h. Road safety should not just be seen as a restriction. If we have a record of making good progress in some areas, we should reward good practice. This issue needs to be considered.

In the context of inter-urban connectivity between the major centres, my key concern is the linkage between Dublin and Derry city and on to the north west. We need only look at traffic congestion and the consequent road rage in the primitive corridor that runs through the north west. I am delighted the Government has a continued commitment to working on that stretch of road, and the particular commitment of the Taoiseach and the Minister are welcome because there are serious road safety issues.

Deputy Eoghan Murphy referred to sharing space. Sometimes on my way home to Donegal through the North, not alone am I met by traffic congestion but the road space must be shared with agricultural vehicles. I suggest to the Minister that if there are fears among the farming community in the North, and I accept this would be a prerogative of the North, we should facilitate the farming community with regard to tunnels and so on where farms could potentially be broken up, and try to find a manageable way to deal with the issue.

With regard to tachograph legislation, we must ensure a degree of consistency and common sense with all legislation and regulations. Tachograph regulation is necessary and the RSA is enforcing regulations on a daily basis. We need to be aware of the increase in the number of non-compliant hauliers. I am not talking about unwashed diesel but about unlicensed, non-compliant hauliers who are exempt from these inspections, which is a safety concern.

With regard to the sea bridge from the Continent, the Minister will be aware there is an issue of interrupted breaks where the time period extends from nine hours to 11.5 hours. For example, if one is coming from London through Holyhead to Dublin with a delivery in Santry, the interrupted break means the driver will have to wait 11.5 hours before even driving to the service station in Lusk. The Minister should have his officials examine this specific issue as it is an anomaly in the system.

Since the introduction of speed cameras, drivers are becoming more aware and more conscious of their own driver behaviour patterns. They are slowing down and fewer people are dying on the roads. The argument against speed cameras is a difficult one. However, perception is sometimes reality and the perception remains for a large proportion of the community that the introduction of speed cameras has a revenue raising aspect in some instances. We must ensure this perception is not the reality governing where cameras are located, for example, outside 30 km/h zones or in areas which are not accident black spots. If possible, although he does not need to employ a consultancy company, the Minister should undertake an internal review of the location of cameras to find whether these are consistent with where they were originally supposed to have been located.

Deputy Charlie McConologue: I am glad to have the opportunity to speak on this important Bill, which follows on from the Road Traffic Act 2010 and also the Road Traffic Act 2011, which the Minister, Deputy Varadkar, introduced earlier this year. This Bill brings into play many of the measures which were incorporated in the 2010 Act. I commend the Minister for his work on this issue to date and also for bringing forward the 2011 Act, which facilitated the

introduction of mandatory alcohol testing at the previous higher limit while waiting for the equipment to become available to allow testing to take place at the lower levels, which will soon happen.

This is the second piece of road traffic legislation to be introduced in this Dáil, which reflects the importance of the issue. In the last decade alone, the Oireachtas has passed eight major pieces of traffic law, which is a reflection of the level of commitment and support throughout society, including the Oireachtas and the political system, for improving road safety standards. The last ten years have seen the introduction of the fixed charge and penalty points systems, a new structure of speed limits based on metric values, the introduction of mandatory alcohol testing checkpoints and the establishment of the Road Safety Authority. More recently, we have seen the roll-out of a network of privately operated safety cameras.

The success achieved in regard to reducing road deaths in the past ten years, during which the number of deaths has reduced by 45% from the level at the turn of the millennium, is a reflection of the power of public policy, when it is done right and when a real, coherent and united effort is made to tackle an issue. Since records began in the early 1970s, and indeed long before that when incidents were not recorded, road traffic accidents and fatalities and injuries resulting from collisions have brought immeasurable misery to every parish and county, and to many family networks across the country.

Let us consider, as an example, the level of effort, time and political will put into ensuring a resolution was brought to the Troubles in Northern Ireland. While it was very different, it also had horrendous levels of injuries and deaths on an annual basis for many years throughout the 1970s, 1980s and 1990s. Much political will went towards bringing about a resolution, but at the very same time there were even more fatalities and injuries each year as a result of road traffic accidents. This demonstrates how a society can become desensitised to the dangers posed by cars and travelling in vehicles. I note that when the Minister introduced the Bill yesterday, he referred to comments made by Senator Barrett in the Seanad who had observed it would be extremely hard to introduce to Ireland the ability to drive motor vehicles for the first time in the knowledge that so doing would involve such a level of injury and fatality. Nevertheless, it is a fact of life.

This legislation attempts to reduce the impact of alcohol in road traffic accidents and collisions. As for the impact of alcohol in collisions in recent years, I note Alcohol Action Ireland has estimated that almost one in three deaths in Ireland is alcohol-related. Moreover, the latest available statistics show that an average of 120 people, comprising drivers, passengers and pedestrians, are killed in alcohol-related crashes each year. These figures reinforce the critical nature of this legislation and, unfortunately, the true scale of the problem is unknown. According to Alcohol Action Ireland, nine out of ten drivers who had survive crashes in which someone had died had not been tested for alcohol, while more than one third of drivers killed in crashes had not been tested for alcohol either. The European Commission has estimated that alcohol can be attributed as a cause in at least one quarter of road deaths, while the World Health Organization estimates the role of alcohol in road deaths to be even greater again.

The political will and drive to address this issue and lower further the limits of blood alcohol tests have been commendable. In this context, I pay tribute to the previous Minister for Transport, Noel Dempsey, for driving this issue in the 2010 Act and the current Minister, Deputy Varadkar, for pushing it forward. I also commend the work of the Road Safety Authority, its staff and chairperson, Mr. Gay Byrne, for their efforts to increase awareness of road safety issues and their contribution to the current level of road deaths, which stands at 132 deaths thus far this year. I hope Ireland is on course to record an annual total of fewer than 200 road deaths this year for the first time. While this constitutes a massive toll and level of misery, it is

[Deputy Charlie McConalogue.]

an improvement on what one had come to expect in previous years. Moreover, it has come about as a direct result of the efforts made politically and by those organisations which have been operating in this field. In this context, I particularly wish to highlight and commend an organisation in my native county of Donegal, namely, the PARC Road Safety Group, as well as the efforts of Ms Susan Gray in pushing and advocating for the introduction of mandatory alcohol testing. She has done fine work in this regard and can take some of the credit for the development of this legislation in recent years.

I wish to touch on a couple of directly-related matters that could be incorporated into road traffic legislation. One is a suggestion I raised before the summer during the debate on the Road Traffic Act 2011 on the possibility of introducing further restrictions in respect of the types of cars and engine sizes younger drivers may drive. I have seen at first hand, as I am sure have other Members elsewhere, the car and speeding culture among young, predominately male drivers in particular and the dangers to which this leads. Recent national road death statistics show that approximately 30% of road deaths are of people aged between 18 and 25 years, which is exceptionally disproportionate and relates directly both to inexperience and the excess of youth and to the car culture and speeding evident nationwide. Many repeat offenders often come before the courts for particular offences pertaining to speeding or pulling stunts and receive penalty points and fines. Nevertheless, within a few months or even the day after a fine is paid, they are able to return to the same high powered vehicle to resume the same carry-on with enhanced street credibility. The existing disincentives or punishments certainly are not working for this category of driver and the manner in which this issue is addressed must be reassessed.

I acknowledge that recent legislation has made provision for enhanced learner measures for drivers who are learning for the first time, as well as enhanced penalty points and reduced blood alcohol limits for young drivers, as well as professional drivers. While this is well and good, it does not address the car or speed culture that obtains among male drivers, in particular. During the debate on the Road Traffic Act 2011 I suggested the Minister consider the idea of empowering judges to restrict offenders — repeat offenders in particular — to cars with small engines to prevent them from returning the next day to their high powered vehicles, on which they have often spent much money and to which they are very attached, to resume their activities. Such a measure which could put a young driver out of his or her normal car while at the same time not restricting him or her from driving altogether would constitute a far bigger disincentive than would a fine of €250 or €400. Moreover, a person would not be put off the road entirely or refused the right to drive, which would be particularly useful in a rural context. However, were someone who was used to buzzing around in a souped-up car with a 2.5 litre engine restricted to a 1 litre Micra or Punto, they certainly would not feel so powerful while nipping around the local town or pulling stunts. However nice a car a Micra may be, being faced with the prospect of driving around in one for four or five years might put manners on people in a way that a rap on the knuckles and a scolding by a judge certainly never would. I ask the Minister to consider this proposal. The proposed restriction of engine size has been discussed previously, but whatever measure is put in place, it certainly would enhance the available penalties and could have a real impact on the culture that obtains among younger drivers, in particular.

The Minister should consider another matter related to road safety, namely, the current national car testing set-up. The recent National Car Test report showed nationwide failure rates of just under 50%, while the failure rate in County Donegal was 48%. This can be compared with a failure rate in Northern Ireland under the MOT car testing system of 22%. In other words, our failure rate is more than twice that of the MOT system, even though the same

machines are being used in both jurisdictions and even though the rationale for both tests is the same, to ensure vehicles are roadworthy and safe both for their drivers and others on the road and that no one is able to go out recklessly in a vehicle that is not safe, thereby putting himself or herself and other road users in danger.

Northern Ireland has a strong track record in testing as its MOT predates ours by many years — we only introduced ours in recent years. We have a failure rate of more than twice that for Northern Ireland. Almost one in every two cars presenting for a test needs to return for a recheck on another day. For many this necessitates half a day off work, leading to costs in lost wages and re-test fees. Will the Minister have his officials conduct an assessment of why that is the case? They should consider the requirements in Northern Ireland for the MOT and the basis on which cars there are failed. They should then investigate why almost half of cars here in the Republic are failing. There are some simple differences, including the emissions test which is done differently here.

There are other issues. For example a car presenting with hub-caps on its wheels can lead to a fail in the NCT, which is not sensible. This is a matter that needs the Minister's attention. He should ask his officials to carry out an assessment and provide a report on ways in which we may be able to reduce the NCT failure rate without compromising car and road safety, which are paramount. I am sure there are ways in which we could amend it allowing people to be less discommoded by retests while retaining the same level of safety. In my county, Donegal, 30,782 NCTs were conducted last year, with approximately 16,000 passes and 15,000 failures. Some 15,000 people in one county having to return on a second occasion for a re-test is a very large number. If it was investigated properly, I believe we would find it is not really necessary.

Deputy Coffey from Waterford remarked on driver fatigue, which is as big an issue if not a bigger issue than alcohol in deaths and injuries on the roads. There have been some very effective awareness campaigns recently. However, the issue is not as apparent and is not taken as seriously as it should be by road users. Many of us have a very blasé view of driving when tired. People are not making sufficient effort in advance to ensure they do not end up driving a vehicle at a time when they are suffering from fatigue. We have reached the stage that more of us would know of someone involved in a car accident as a result of fatigue than as a result of alcohol. We need to put the same effort into addressing that as we have in trying to reduce the number of alcohol-related accidents. Obviously it is a much more difficult matter to address because it is not possible to measure or test for it. However, we will need to try to encourage people to take responsibility for it. At our level we need to prioritise it as a public policy issue.

Public transport and good roads along with technological safety improvements in cars have played a key part in improving road safety. In the early 1970s there were in excess of 700 road deaths each year and I hope there will be fewer than 200 this year. Improved car technology and improved roads have played a role in that. When considering where fatalities take place, fewer collisions occur on major roads and motorways. The better the road the safer it is to drive on. As someone representing a Donegal constituency in the north west, I take this opportunity to emphasise to the Minister the importance of keeping the A5 Derry to Aughnacloy cross-Border road project on track. The road from Derry to Aughnacloy is exceptionally poor and its improvement is critical to the north west region and will have a direct impact on road safety.

In the area of public transport, I also ask the Minister to look at the Foyle ferry, which provides a service from Magilligan in County Derry to Greencastle in County Donegal. Last weekend the service stopped for the first time in many years. The service has been funded by Limavady Borough Council and Donegal County Council in recent years since the recession kicked in, in order to keep it operational. It is a true example of cross-Border co-operation but

[Deputy Charlie McConalogue.]

both councils are now finding it very difficult to keep it going and the service has shut down. We need to make every effort we can to get it operational again for the spring. I ask the Minister to get involved with his counterpart in Northern Ireland, and working with Limavady Borough Council and Donegal County Council to make the effort to provide a subvention to keep the ferry service going. It carried 160,000 passengers across the Foyle last year.

The 12 full-time and six part-time employees are now out of work and will need to apply for social welfare as they would find it difficult to get employment at the moment. So one way or another there will be a cost to the State as a result of the closure of that ferry. Instead of the cost to the Exchequer coming through social welfare, the Minister should liaise with his counterpart in Northern Ireland and the two local councils to ensure that public funding is provided to keep the ferry going. Keeping 160,000 crossing the Foyle and keeping the ferry service going is of great value to the local economy. It does not make sense to have those people on the dole at what would be a greater cost to the State than the cost of providing the subvention to the ferry service.

I wish the Minister well with the legislation and urge him to keep the pressure on.

Deputy Thomas P. Broughan: I wish to share time with Deputies Hannigan and Seán Kenny.

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

Deputy Thomas P. Broughan: Besides the N5, I hope the Minister will not let us down on metro north in a few weeks time. Everybody on the north side of Dublin is counting on him to ensure this project is delivered.

Road traffic legislation is clearly very complex. However, there seems to have been an endless need for “tidying up” legislation, as the Minister has noted, in the aftermath of last year’s supposedly landmark Road Traffic Act 2010 which introduced the primary legislative changes for mandatory alcohol testing and the lowering of the drink-drive limit. It is incredible that this is the second amending Bill that has been necessary to address the profound flaws in the 2010 Act introduced by the former Minister for Transport, Mr. Dempsey. In effect, two absolutely critical aspects of the 2010 Act — the lower drink drive limit and mandatory testing — could not be introduced without this extra legislation. The earlier 2011 amending Act, introduced a few months ago, dealt primarily with aspects of the mandatory testing regime and the No. 2 Bill before us relates to some of the drink-driving provisions. It is astonishing to learn from the Minister’s helpful note that we will need a further road traffic No. 3 Bill that is intended to cover among other reforms another amendment of the 2010 Act in respect of impairment testing and unconscious drivers. Why did the Minister not address that matter or the graduated driver licensing system, which has been discussed for years, in this Bill or the previous one?

The short Bill before us sets out a series of amendments in sections 2 to 9 that clarify and tighten road safety measures. Sections 7 and 8 relate to the obligations of drivers to provide a preliminary breath specimen and a blood or urine specimen in hospital.

Colleagues from the last Dáil will remember the legislative agonies that we went through with the Road Traffic Act 2010. I remember the then Minister, former Deputy Noel Dempsey, sending various irate Fianna Fáil Deputies to meet me about that Act. Genuine concerns were raised by many rural Deputies on the impact of the lower drink driving limit, especially on senior citizens who may live in very isolated parts of the country. I am deeply concerned with the problems faced by rural citizens and that is why I hope that in the comprehensive spending review, the Minister will again ensure our impressive rural transport network will not lose any

funding, and that Bus Éireann will not lose any funding. These are additional responsibilities for him in the next few weeks.

Deputy Leo Varadkar: The Deputy will have to talk to the Minister for Public Expenditure and Reform as well.

Deputy Thomas P. Broughan: I am talking to the Minister for Transport, Tourism and Sport today. It is rare that I get a chance to talk to him.

The international evidence that was available on best practice and the drink driving limit was simply overwhelming in support of the reduced 50 milligram limit. This included 2002 research which found the chances of being involved in a collision was 18% higher for drivers with 0.04 grams per decilitre than for a driver who had no drink taken; there was a 38% higher risk at 0.05 g/dl; 63% higher at a 0.06 g/dl reading and 109% higher for a driver with a 0.07 g/dl reading. I note from the Minister's helpful briefing notes the list of distinguished countries such as Norway, Sweden, Spain, Romania, Portugal, Latvia, Hungary, Greece, Cyprus and the Czech Republic, which have an even lower basic limit than we are finalising today. Unfortunately, the former Minister, Noel Dempsey, moved to reduce the drink driving limit from 80 mg to 50 mg in the 2010 Act, without having ensured that the evidential breath-testing equipment had been recalibrated to facilitate the new lower limit. This has meant that it is only now that the lower limit can come into force.

Can the Minister confirm that the new 50 mg limit will apply from the October bank holiday weekend? I understand the new machines are currently being tested by the Medical Bureau of Road Safety. Has the testing and Garda training programme finished and are all the machines ready to go? How many new machines have been purchased and are being tested by the MBRS? There have been some suggestions that the MBRS will not have enough breathalysers in place to facilitate the lower drink driving limit from the October bank holiday weekend. Can the Minister tell us the total cost of introducing the recalibrated machines?

Ms Susan Grey and her PARC — Promoting Awareness, Responsibility and Care on our roads — colleagues have consistently complained that when a breathalyser is sent for analysis to the Medical Bureau of Road Safety regarding a particular case, the machine is out of action for weeks on end. There are about 1,000 breathalysers currently in use in the country, but there is never anything like that number actually available to An Garda Síochána at any given time. PARC has also long campaigned against the practice of having a standard deduction of around 17.5% from the actual recorded breath-alcohol reading, and this was also starkly highlighted in the recent RTE programme "Traffic Blues", which followed the work of the Garda traffic corps in a number of different counties. Road safety campaigners contend that the 17.5% inbuilt deduction means that the evidential reading used in court could be 20%-25% lower than the actual BAC at the time of testing. Is the Minister going to address this in the No. 3 Bill?

The Minister is by now well aware of the Trojan work carried out by the Inishowen-based national road safety group PARC, led by Ms. Susan Grey, Ms. Donna Price and Ms. Ann Fogarty. I again pay tribute to these great women, especially for their work in liaising with recent transport Ministers and the members of the transport committees of the last and the current Dáil.

Sections 7 and 8 of the No. 2 Bill deal with aspects of the provision of a preliminary breath specimen by a driver and subsequent obligations on the provision of a urine or blood sample in a hospital by a driver who has been involved in a serious collision. PARC remains particularly concerned about this issue, given the research it cites by the HSE public health medicine specialist, Dr. Declan Bedford, that only 8% of surviving drivers involved in fatal road crashes

[Deputy Thomas P. Broughan.]

in Ireland are tested for alcohol. Ms Grey, Ms Price and Ms Fogarty and their colleagues note that “Our loved ones were tested under coroner’s law at autopsy. However, in nine out of ten cases, the surviving driver, who may well have caused their death or catastrophic life-altering injury, avoided testing. The legislation has let our families down.”

I understand that PARC sent the Minister and the current transport committee a briefing document relating to the system in Northern Ireland, which seems to close any potential loophole on consent of the surviving driver, especially if he or she is in a fragile condition. I am informed that the PSNI can “retain specimens of blood taken from an unconscious driver until the person has regained consciousness. The driver is then asked to consent to the analysis of the specimen. If they refuse, it is an offence.” *The Irish Times* reports today that this loophole cannot be closed in this Bill as primary legislation is necessary, so I presume the Minister will address that in a No.3 Bill, but why did he not do it today? I note that Northern Ireland has had this system since 2002.

I also hope the Minister will examine some of the ongoing problems with drug driving on our roads. We discussed the Australian system before, so why can we not have that? Viewers of RTE’s “Traffic Blues” will be vividly aware of the problems that gardaí can face in accessing intoxilyser machines. If a motorist fails a roadside breath test here, the garda must find a station that has a working intoxilyser machine to get a definite reading on the motorist’s blood alcohol limit. Viewers will have seen numerous incidents in the programmewhere gardaí where left traipsing from one station to another trying to get their hands on a machine. I understand that traffic police in the UK have mobile intoxilyser machines to breathalyse motorists who are suspected of being over the limit as soon as they are pulled over. As a result of today’s Bill, will we now see mobile intoxilyser machines which would greatly facilitate the work of the traffic corps?

I welcome this Bill and any further legislative measures that will enhance road safety. I also commend the director of the Road Safety Authority, Mr. Noel Brett for his outstanding leadership, and its Chairperson, Mr. Gay Byrne. We have made major advances over the past decade, with a 48% drop in road fatalities between 2008 and 2010. However, 142 people have been tragically killed so far on our roads this year.

Recent research by Dr. Sheridan and his colleagues at the department of public health of the HSE Dublin north-east region reports that serious injuries on the roads are significantly underestimated in the RSA figures. The Sheridan research records that there are actually five times the number of serious injuries caused by road collisions at 14,861, rather than the 4,263 recorded in the RSA statistics. Astonishingly, the Sheridan study indicates that this is still probably an underestimate, as data from accident and emergency units, GPs and private hospitals are not included. I remember discussing with the Fine Gael transport spokesperson in the last Dáil whether we should introduce a system where a full investigative report on each road collision is produced similar to those of the Marine Casualty Investigation Board. A first step could be to reform the CT68 form used by the Garda. When compared with the PSNI’s document of investigation, it seems to be a much more complicated and less informative document.

The 142 deaths so far on the roads in 2011 is still 142 tragedies too many. The figures are mind blowing across the EU. Over 35,000 people die in road accidents each year in the EU, which is a catastrophe. I asked former Deputy Noel Dempsey, both when he was Minister for the Environment, Heritage and Local Government and when he was Minister for Transport, if he would look at car technology and look to the major car manufacturers. Why do all cars not have Alcolocks? These allow drivers to know whether they are over the limit. Why do all cars

not have potential speed limiters, so when younger people from Donegal or Dublin North-East are using cars, the speed can be limited? The technology is there, so why is it not being used?

I warmly welcome this Bill and I hope it will bring us closer to the situation where drink driving is regarded as totally shameful, socially unacceptable and something that becomes a rare and serious criminal event.

Deputy Dominic Hannigan: I welcome the opportunity to speak on this important Bill. Over the last 11 years, the country has seen a significant improvement in road safety. There are several reasons for this development. First, our road transport network has dramatically improved and new motorways and bypasses have significantly improved our accident rates. Second, this Government and the previous Administration have taken concerted action by introducing new legislation and seeking to change the national driving culture.

As the only engineer in the village that is the Dáil, I am particularly proud of the role civil engineers and transport planners played in improving the road infrastructure in recent decades. I will meet representatives of Engineers Ireland, of which I am a member, later today to discuss the role engineers can play in further improving transport infrastructure. Despite an increase in traffic volumes in recent years, the number of road traffic accidents has decreased. While transport infrastructure has been a key factor in this reduction, government has also played its part. Credit should be given where credit is due and the previous Government was not slow to act on road safety. It introduced penalty points for traffic violations and mandatory roadside alcohol testing checkpoints. The establishment of the Road Safety Authority in 2006 led to a co-ordinated campaign across the country to promote safe driving. Last year's Road Traffic Act provided for lowering of the drink driving limit from 0.08 mg to 0.05 mg and introduced a 0.02 mg limit for learner drivers. Like Deputy McConalogue, I congratulate the previous Minister, Mr. Noel Dempsey, on the work he did and commend him on sticking with the legislation. While some would argue this was a long time coming, the Minister was under pressure, as all of us would acknowledge, and stuck with the job by having the legislation passed. In the process, he did his country some service.

The reduction in the drink driving limit will have a considerable impact on road safety. Statistics show alcohol is a contributory factor in one in three fatal road accidents. The attitude of Irish people to drink is also maturing considerably, with 90% now of the view that drink driving is shameful. The shame associated with being caught drink driving helped make last year one of the safest years on record on our roads. In 2010, 212 fatalities were recorded which translates into lives having been saved in every county. In County Meath, we had six tragic deaths on the roads in 2010 compared to 30 road traffic fatalities in 2005. This improvement has been achieved through better transport infrastructure, tougher Garda interventions and, perhaps most important, communities in the county working together to reduce the number of deaths on the roads. Meath County Council has also been very active on road safety. In 2007, it hired an official with specific responsibility for road safety and developed a three year plan to address the issue, which included visits to schools, education of children, the provision of high visibility jackets and reflective armbands and cycling training. These activities have helped to ensure road safety has improved and the county council is progressing its 2010 to 2012 road safety plan.

Improvements can also be made at national level. On infrastructure, for example, some have argued that the Minister should prioritise certain public transport schemes. We must be acutely aware that limited funding is available and ensure that any new transport scheme delivers in terms of a cost-benefit analysis. I will cite one local example, namely, the proposed Slane bypass, which will provide better access to the north west for the constituents of Deputies McHugh and McConalogue. The bypass will improve road safety and has a cost-benefit ratio

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of 3:1 compared to some public transport schemes which have cost-benefit ratios of perhaps 1:1 when realistic calculations are made. While I recognise that the Minister has a difficult role in allocating scarce funds for transport infrastructure, he should bear in mind that Deputies from across the House are realistic about the limitations he faces and they are keen to ensure any investment delivers value for money. We will stand alongside the Minister when he makes his decision.

Better road signage is required to ensure people know where they are going, particularly those who may not be familiar with their surroundings. Action is also required on speed limits. In recent years, the speed limit had been reduced to 60 kph on some national routes which were designed for speeds of up to 100 kph and on which it was safe to travel at that speed. I ask the Minister to commission an audit on all national routes on which the speed limit has been reduced by 30% over the past five years. The audit should address the reasons for the reduction and include an analysis of the purported benefits of the reduction. The decision to reduce speed limits has been counterproductive in some cases because drivers become angry and impatient with the lower and possibly unnecessary speed limits. Some of the decisions need to be re-evaluated. I am pleased to support the legislation and hope it will result in further reductions in road deaths.

Deputy Seán Kenny: The literature on the effects of alcohol on driving is extensive and consistent. Alcohol in almost any amount impairs driving or driving related skills. Statistics show it plays a contributory role in one in three fatal road accidents and all available evidence from research indicates that reducing the legal limit of blood alcohol concentration, BAC, to 0.05 will reduce the incidence of road collisions and consequently save lives and prevent serious injuries. The lower limit is also consistent with best practice in many European countries. When the relevant sections of the 2010 Road Traffic Act are commenced this month the limits will change the permissible blood alcohol concentration limits by providing for a reduction from 80 milligrams of alcohol per 100 millilitres of blood to 20 milligrams for learner, novice and professional drivers and a reduction from 80 milligrams of alcohol per 100 millilitres of blood to 50 milligrams for all other drivers. The equivalent levels in urine and breath testing will also apply.

Drinking and driving is never acceptable. It is particularly abhorrent that some individuals still see fit to get behind the wheel of a car immediately after consuming alcohol. A constituent in Raheny brought to my attention a recent encounter she had with a person who was clearly drunk and unfit to drive. While trying to get into her car the drunk person unknowingly slammed her car door against the car of my constituent twice before driving off in a highly erratic manner. Needless to say the Garda was immediately called by my constituent and it responded immediately.

People who are considering whether to drive on the morning after the night before must be careful to the point of not driving. If a person has a hangover, the chances are that he or she is not fit to drive and should either arrange a lift or use public transport. If these options are not available, I recommend that such persons stay at home as it is better to postpone an appointment or be late for work than to get behind the wheel of a car and risk one's own life and the lives of others. While this course of action may be inconvenient, it is better to be safe than sorry. The best solution for all drivers is that they refrain from drinking alcohol if they will need to drive either soon after taking alcohol, several hours later or on the morning thereafter.

The practice of consuming large amounts of alcohol is ingrained in Irish society and is a facet of our culture that needs to be changed. It is not the done thing in other cultures to "go out on the tear" or "get locked" or whatever other term is applied to heavy drinking. The practice

elsewhere is to have no more than a couple of glasses of beer or wine. In the past, it was practically a requirement in our culture to drink alcohol and it was considered that there was something amiss with those who chose not to do so. It is perfectly acceptable nowadays on social occasions to remain alcohol free or to tell friends that because one must drive a vehicle in the near future. It is not acceptable to pressure someone into having just one or to join in with the gang. If a person chooses not to drink, that should be the end of the matter.

A dramatic change in attitudes in the past decade is very much to be welcomed. A recent AA survey found that 87% of motorists consider drink driving to be shameful. We still have some distance to travel to reach the remaining 13%. I welcome the legislation and hope it achieves that objective.

Deputy Acting Chairman (Joanna Tuffy): I understand the next speaker is Deputy Healy.

Deputy Seamus Healy: I believe the Deputy on the opposite side wishes to speak.

Deputy Billy Timmins: On a point of order, if Deputy Healy is happy to speak during the afternoon——

Acting Chairman (Deputy Joanna Tuffy): If that is the case, it is fine. I call Deputy Dowds, to be followed by Deputy Timmins.

Deputy Robert Dowds: I give my broad support to the Road Traffic (No. 2) Bill. Clearly, it is very important to support a measure that will help to reduce the number of fatalities on Irish roads and bring other improvements.

There are very few ways in which I am happy with the actions of the previous Government but it deserves some credit for the fact that there has been a 48% decline in the number of road deaths between 2001 and 2010, although, at 212 last year, that is still 212 too many. The extent of the anguish, pain and heartbreak for families is difficult to appreciate and the effects last for years. I looked at a report recently from Australia which indicated that going from a level of 80 mg of alcohol per 100 ml of blood to 50 mg led to significant reductions in fatal accidents in that country, ranging from 18% in Queensland to 8% in New South Wales. For that reason it is essential to support this proposal.

I support the 20 mg per 100 ml level for learner drivers but I ask the Minister to examine that limit in regard to professional drivers. The same limits should apply to professional drivers as apply to drivers in general. If it is safe for a non-professional driver to have 50 mg in his or her blood, the same should be the case where professional drivers are concerned. If the Minister ends by disagreeing with me on this point, I ask that he goes for a consistent position, even if it means having a general 20 mg limit.

I support this legislation as it relates to dangerously defective vehicles. I sound a note of caution because I am conscious that people who drive defective vehicles often do so owing to poverty. For that reason it is important to keep the costs for such drivers as low as possible, especially if they live in rural areas. Specifically, it is important that the price of the national car test, NCT, be kept as low as possible. It would be helpful if NCT centres brought people back only if something requires to be fixed which would have a definite impact on road safety. Sometimes cars can be brought back for trivial points that do not have such an impact. I fully support the NCT in insisting that a vehicle returns if the matter concerns road safety.

For this legislation to work it is important that two actions are taken. The first is obvious to everyone, namely, Garda enforcement. If that is not done regularly, especially at the beginning, people will take chances and the value and effectiveness of the legislation will be undermined. The second is also important. If the acceptable blood-alcohol limit is to be no more than

[Deputy Robert Dowds.]

50 mg per 100 ml of blood it is vital that people are educated about how much they can safely drink.

Acting Chairman (Deputy Joanna Tuffy): The Deputy's time is up.

Deputy Robert Dowds: I thought I had ten minutes.

Acting Chairman (Deputy Joanna Tuffy): I apologise. The Deputy has one minute left.

Deputy Robert Dowds: On that point, it is important there should be advertisements indicating that if a person drinks a pint, it is not safe to drive for an hour, or whatever the appropriate length of time may be. It is really important that an education package should come after the introduction of the legislation in order that people can know how long they need to wait after having a social drink.

We need to think carefully in terms of how we are to organise society given the rightful introduction of legislation such as this. The more people can avail of local pubs that are within walking distance, the better. In cities, therefore, we need to get away from the very large pubs to which people must drive and try to return to a situation where people can walk five or ten minutes to a pub near them. In rural areas, publicans should be encouraged to organise minibuses to bring people out. Drink should not always be involved in social occasions but sometimes it is, and it is important that people can get to their destinations safely.

Deputy Billy Timmins: It is good to see the number of deaths reduced. This has happened for a myriad of reasons — improved roads, vehicle safety and lower volumes of traffic. It is difficult to oppose a reduction in the alcohol level but, as a broad generalisation, I have concerns about legislation that can make life more difficult for the citizen and society. I take Deputy Dowds's point about walking to pubs. Many people are killed walking home from pubs because they are intoxicated, but if they drove home with a small amount of alcohol in their blood they might be safer. I do not mean to be flippant on the matter but are we talking about introducing legislation to prevent people walking if their alcohol intake is over a certain level? Where do we stop? Given that, it is very difficult to go against any measure to reduce alcohol levels but we must be mathematical and analytical rather than populist. Should we make people who go out walking after dusk wear reflective material? I am sure that would assist in reducing the number of deaths. I would like to see statistics on that.

I raise two main interrelated points. Every morning when I wake up I open my curtains. On many mornings when I look across the Slaney valley I see one of the new speed camera vans parked at an entrance to a forest. I am not sure whether this is a blackspot area but to the best of my knowledge the last person killed on that stretch died during the 1800s when a wall fell on him. I have grave concerns about the speed camera approach. I tabled a parliamentary question on this last October but have not yet received any information. I will table a series of questions on the matter today because it is my view that very often speed cameras are located with the intention of obtaining the maximum amount of cash rather than assisting towards road safety. I am not a rebel by nature but when I see the speed camera across the road it makes my blood boil early in the morning. During the week I spoke to a very safe driver who has six penalty points, all accumulated by the person going to Mass early in the morning, not by tearing around the back roads of our country.

Deputy Hannigan mentioned an anomaly which the Minister might address on Committee Stage. If a primary road is bypassed by a motorway its speed limit drops to 80 km/h. There could be stretches of the old N9, for example, which used to be a national primary road, that now have a speed limit of 80 km/h while the N81, an inferior road nearby, has a limit of 100

km/h. My understanding is that the road between the old dual carriageway between Oranmore and Galway should have a limit of 80 km/h unless a derogation has been obtained by the county council. The automatic reduction of a national primary route to an 80 km/h road if it is bypassed by a superior motorway must be addressed. It also gives rise to a great deal of confusion. There is an area outside Carlow on which someone I know got four penalty points in recent weeks, two going in and two coming out, because the road which had a 100 km/h limit now had an 80 km/h limit. There must be cohesion between areas.

The other point I wish to raise with the Minister — I did so last week — is end of route signage. When I leave the airport I see a sign for Westport but for nowhere else. We must examine how we can have hospital signposts and tourist facilities included in road signage.

Regarding old railway bridges and maximum weight, I am concerned there may be an accident at one of them. An audit of these should be carried out.

On clearing roads of snow, I would not like to see the Minister in the Chamber in January or February claiming, as did the previous Government, that he is doing this or that. He should try to have a plan organised beforehand, using local community groups, and put measures in place. I know the Minister likes to spend time late at night looking at statistical information and analysing same. He might analyse a mechanism by which we could evacuate Dublin during bad weather and not have everyone trying to go down the country at the one time between 2 p.m. and 3 p.m., coming to roundabouts we cannot get around. There could be a system in place based on one's postal address so that one would leave work between 1 p.m. and 2 p.m. or whatever, and in that way we could all get out. During the past two bad occasions I came into Dublin and what I saw coming against me was chaotic. A little bit of forethought and organisation is needed and discipline could assist.

I am not an advocate of burning speed cameras, as has happened on a few occasions, but let us introduce a little bit of pragmatism and reality and allow them do the job they are supposed to do rather than act as a cash cow trying to catch out individuals.

Debate adjourned.

Ceisteanna — Questions

Priority Questions

Fiscal Policy

1. **Deputy Michael McGrath** asked the Minister for Finance the priority issues he intends to raise with the EU, ECB and IMF during their forthcoming mission review visit here with particular regard to the possible renegotiation of elements of the memorandum of understanding. [27800/11]

Minister for Finance (Deputy Michael Noonan): The fourth quarterly review of the EU-IMF programme of financial support for Ireland takes place from 11 to 21 October. The review will comprise a series of meetings to evaluate all the elements of the programme covering fiscal developments, including the comprehensive spending review and potential asset disposal, the macroeconomic outlook and progress on commitments in restructuring the financial sector and structural reform. It is clear that for the review the primary focus will be on our performance against the targets due to be met by the end of the third quarter of 2011 and assessing progress on targets due to be met in coming quarters. I have already signalled that notwithstanding the substantial consolidation already carried out — in particular, the amount being delivered this

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year — difficult decisions in respect of future consolidation remain. There is no doubt that the budget for 2012 will be another difficult one. Under the terms of the EU-IMF programme memorandum of understanding, an adjustment of at least €3.6 billion is to be implemented next year. However, as I have signalled, consolidation above this amount may be required if we are to adhere to the general Government deficit target set for 2012. That will become clearer in the coming weeks in the light of the continuing assessment of the most up-to-date information available.

The Government has repeatedly stated its commitment to the programme targets. Meeting these conditions on time and target is the best way to ensure we emerge successfully from the programme. That will mean that we can return safely to the financial markets for funding in as timely a manner as possible. This is one of the principal objectives of the programme. The Government's commitment to the programme does not stop us from seeking and agreeing changes to certain aspects of it. We have already done this successfully. The Government will continue to do so at the appropriate time.

Deputy Michael McGrath: I thank the Minister for his reply in respect of next week's visit to Ireland by representatives from the troika. There are two issues I wish to raise, the first of which relates to how the proceeds from the sale of State assets will be used. As the Minister is aware, the Government negotiated a memorandum of understanding last April which stipulates that the proceeds from the sale of such assets would be used to pay down debt. That matter was not dealt with in the original memorandum of understanding agreed last December. The Government negotiated the provision to which I refer, but it has now departed from it and appears to be of the view that some or all of the proceeds should be used to fund job creation initiatives. Is the Minister in a position to indicate whether that matter is high on the Government's agenda for next week's meeting?

The second issue about which I am concerned involves the commitments relating to income tax and social welfare into which the Government has entered. The Taoiseach recently seemed to indicate a change of position in this regard when he stated this was a matter for negotiation between the Government and the troika on foot of the contents of the memorandum of understanding. That is disingenuous because the memorandum clearly states that, in effect, it is the responsibility of the Government to draw up a package of measures that will be fiscally neutral and allow it to reach the €3.6 billion target. Does the Minister intend to raise this issue at next week's meeting?

Deputy Michael Noonan: The agreement negotiated by our predecessors in office envisaged an ambitious programme for the disposal of State assets.

Deputy Michael McGrath: That is not true.

Deputy Michael Noonan: However, an amount was not nominated in this regard.

Deputy Michael McGrath: We did not sign up to any ambitious programme.

Deputy Michael Noonan: In the programme for Government we indicated that a sum of €2 billion was to be achieved from the sale of State assets. The troika's view is that the proceeds of such sales should be used principally for debt reduction, while it is our view that a high proportion should be used for job creation and capital projects. The matter will have to be negotiated when the representatives of the troika come to town.

I require advice from the Leas-Cheann Comhairle on the Deputy's second supplementary question in view of the fact that a subsequent question on the Order Paper, in the name of another Member, relates to the same matter.

Deputy Michael McGrath: The issue about which I inquired is relevant to Question No. 1.

Deputy Michael Noonan: Should I provide an answer now or wait until the subsequent question is reached? I do not want to offend any other Deputy.

An Leas-Cheann Comhairle: What was the nature of Deputy Michael McGrath's second supplementary question?

Deputy Michael McGrath: It relates to the Government's commitments on income tax and social welfare. The memorandum of understanding clearly states the Government may come up with alternatives which would raise the same amount of money as any proposed tax increases or payment cuts. Is that matter a priority for the Government in the context of the agenda for next week's meeting? This supplementary question is directly relevant to Question No. 1.

An Leas-Cheann Comhairle: I am informed that there is no obstacle to the Minister dealing with the matter.

Deputy Michael Noonan: In that event, the Administration's position, as reiterated by the Taoiseach, is as set out in the programme for Government. In his recent remarks the Taoiseach merely pointed out that income tax increases amounting to approximately €250 million per year had been pencilled in for 2012 and 2013 and that we would be obliged to obtain the agreement of the troika to remove these commitments from the tax profile and replace them with other taxation measures of equal value. We do not see any difficulty in renegotiating that part of the programme. The Taoiseach wanted to be absolutely and factually correct when he stated that, as matters stood, that which our predecessors had negotiated included income tax increases. As stated in the programme for Government, we do not intend to have such increases in the forthcoming budget. However, there remains an element of negotiation with the troika on the matter.

Deputy Michael McGrath: Let us be clear on the sale of State assets, the original agreement reached last December committed the then Government to reviewing the McCarthy report with a view to setting targets for the possible privatisation of State-owned assets. In April this was upgraded when the Government committed to the phased privatisation of certain enterprises. In July the position was upgraded further when the Government signed up to an ambitious programme of asset disposals. As the Minister has admitted, the amount of €2 billion is the Government's figure, not one put forward by the troika. In recent months a number of Ministers have stated we have no choice in the matter and that the troika is forcing us to sell State assets in order to raise €2 billion or €5 billion. That is not the case. That is not the agreement to which we signed up.

Deputy Michael Noonan: The McCarthy report had been drafted but not published when our predecessors negotiated the programme with the troika and when the memorandum of understanding was put in place. It was clear that both sides were aware what the McCarthy report would contain, even though it had not been published. It was also clear what the intent was at that stage.

Deputy Michael McGrath: There was no commitment made in it.

Deputy Michael Noonan: We are not resiling from any matter. No figure was included in the original memorandum of understanding. We included a figure of €2 billion in the programme for Government and intend to realise that sum. However, we are obliged to negotiate with the troika on what we may do with the proceeds of the sale of State assets.

Deputy Michael McGrath: The Minister should stop blaming us for his being obliged to raise that amount.

Deputy Michael Noonan: I do not believe there is an issue of blame. I am in favour of and welcome the sale of State assets. There is no blame attached.

Deputy Michael McGrath: In that event, the Minister should inform his colleagues to stop blaming the troika.

Banks Recapitalisation

2. **Deputy Pearse Doherty** asked the Minister for Finance the cost to the State of the Promissory Notes to Anglo Irish Bank and Irish Nationwide Building Society including the capital repayments, the interest payments to Anglo and Irish Nationwide and the cost of servicing the State's debt in borrowing these sums; if he will provide an annual breakdown of the cost to the State of servicing these payments; the steps he is taking to reduce this debt burden on the taxpayer; and if he will make a statement on the matter. [27956/11]

Deputy Michael Noonan: The promissory notes were issued in various tranches with different interest rates. There were four tranches for Anglo Irish Bank and two for the Irish Nationwide Building Society. The total interest cost to the State for all tranches of the Anglo Irish Bank and Irish Nationwide Building Society promissory notes is approximately €17 billion, with annual repayments of €3.1 billion per annum. These annual repayments reduce over time as the various tranches of the promissory notes are repaid. The final payment on the promissory notes of approximately €100 million will be made on 31 March 2031. The total cost of the promissory notes, including the principal amount and interest, will be in the region of €47 billion over the life of the notes. The following is a detailed aggregated schedule of capital repayments and interest on the promissory notes.

Promissory Note Schedule — Anglo and INBS *

| €bn | Total interest | Repayments | Total capital reduction |
|------------|----------------|------------|-------------------------|
| 31/03/2011 | 0.55 | 3.06 | 2.51 |
| 31/03/2012 | - | 3.06 | 3.06 |
| 31/03/2013 | 0.49 | 3.06 | 2.57 |
| 31/03/2014 | 1.84 | 3.06 | 1.22 |
| 31/03/2015 | 1.75 | 3.06 | 1.31 |
| 31/03/2016 | 1.65 | 3.06 | 1.41 |
| 31/03/2017 | 1.55 | 3.06 | 1.51 |
| 31/03/2018 | 1.44 | 3.06 | 1.62 |
| 31/03/2019 | 1.32 | 3.06 | 1.74 |
| 31/03/2020 | 1.19 | 3.06 | 1.87 |
| 31/03/2021 | 1.06 | 3.06 | 2.00 |
| 31/03/2022 | 0.91 | 3.06 | 2.15 |
| 31/03/2023 | 0.75 | 3.06 | 2.31 |
| 31/03/2024 | 0.57 | 2.09 | 1.52 |

| €bn | Total interest | Repayments | Total capital reduction |
|------------|----------------|------------|-------------------------|
| 31/03/2025 | 0.45 | 0.91 | 0.47 |
| 31/03/2026 | 0.39 | 0.91 | 0.52 |
| 31/03/2027 | 0.33 | 0.91 | 0.58 |
| 31/03/2028 | 0.26 | 0.91 | 0.65 |
| 31/03/2029 | 0.19 | 0.91 | 0.73 |
| 31/03/2030 | 0.10 | 0.91 | 0.81 |
| 31/03/2031 | 0.01 | 0.05 | 0.05 |
| | 16.8 | 47.4 | 30.6 |

*These numbers may not tot exactly as a result of rounding

The Deputy should be aware that the funds which become available to the State as a result of borrowing undertaken by the Exchequer are not generally assigned to one particular area of expenditure, rather they are available, with the funds sourced from revenues such as tax revenue, non-tax revenue and capital receipts, to fund overall expenditure. Accordingly, there was no one tranche of borrowing undertaken solely for the purpose of funding the promissory note payments to Anglo Irish Bank and the Irish Nationwide Building Society. The drawdowns of funds so far under the joint EU-IMF programme of financial support have been used for a range of purposes, including, of course, the general running of the day-to-day operations of the State. It is difficult, therefore, to isolate precisely the exact cost of the interest payments on the borrowing undertaken to fund the promissory note payments. However, for illustrative purposes, on the basis of the original 5.8% blended average interest rate which applied to borrowing under the programme, the interest costs on borrowing of €3.06 billion would be just under €180 million per annum. In the light of the recently agreed reduction in interest rates on funding available under the joint EU-IMF programme of financial support, however, the estimated interest cost on such borrowing reduces to approximately €115 million per annum.

Additional Information not given on the floor of the House.

While the State has budgeted to meet both the interest and cash requirements, I am eager to have the promissory notes examined to see if they can be re-engineered in a better way for the State such as, for example, by lengthening their maturity and reducing the interest rate on them. This re-engineering would have to be completed in a manner which did not impact on the capital position of Anglo Irish Bank and may or may not be feasible.

I had the opportunity to meet President Trichet on the margins of the ECOFIN meeting in Poland on Saturday, 17 September. He was very complimentary of the progress being made by Ireland and noted the narrowing of bond spreads that had taken place, which he would not wish to see put at risk. I mentioned to him and in a separate meeting to Commissioner Rehn the situation in relation to the promissory notes. I proposed that our technical experts get together to examine the technical aspects and the implications of any potential changes. They were agreeable to this on the basis that there was clearly no commitment on their part up front. We are proceeding on that basis.

Deputy Pearse Doherty: When the first note was issued by the Department of Finance on the promissory note, it included the cost of capital payments and interest on these capital payments. It also included the cost of borrowing. In the response given by the Minister he has not included such a column. I do not dispute the €47.9 billion figure which takes in the capital and interest payments, but there is an issue with the cost of borrowing. If we are to assume we could borrow at the rates at which we borrowed in 2009 and 2010 — 4.7% — the overall cost of the promissory note, until the last payment on 31 March 2013, will be in the region of €74.63 billion. It is proper that this figure be noted in order that people will understand the full cost

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of the promissory note to Anglo Irish Bank. It is not conceivable that we will not have to pay anything to borrow this money and we could argue about the 4.7% rate which is probably conservative and could go down but it could also increase. We are, therefore, left with a ballpark figure of €75 billion to pay the promissory note. My question is the same as the one tabled to the Minister. What is he doing to reduce the cost of this debt on the taxpayer? Does he believe we should continue to pay €75 billion to Anglo Irish Bank? Why has the promissory note repayment schedule been extended to 31 March 2031 from 2025 in the original note? Why has the cost increased to that extent?

Deputy Michael Noonan: The cost is not €74 billion but €47.4 billion. One can think of it as a mortgage. A person making monthly mortgage repayments has a capital as well as an interest payment element. The interest represents the cost of borrowing, while the capital payment diminishes the debt. The Deputy is adding the interest rate cost of €16.8 billion to the €47.4 billion, but it is contained within it as the interest element. The table provided gives the capital reductions in the last column and if these figures are added to the interest rate payments in the first column, one is left with the figures in the middle column, the repayments on an annual basis. This is another issue we inherited when we went into government. This was the way arrangements had been made to fund Anglo Irish Bank. It is like an extremely expensive IOU. Nobody doubts how expensive it is.

Deputy Pearse Doherty: I seek clarity on the issue and ask the Minister to refer to the original note produced in November 2010 which included the cost of borrowing on the markets, assuming an interest rate of 4.7% at the time. It also included the capital repayments and the interest rate charged to Anglo Irish Bank. As with a mortgage, it is not just a case of repaying €30.6 billion; as the period spans 20 years, the total cost is €47.9 billion. Is the Minister indicating that the total cost of the promissory note is €47.9 billion, including the cost when the State will have to go to the markets to borrow the money to give to Anglo Irish Bank each year up to 31 March 2031? For example, if there was a way by which the Minister's negotiating skills could result in the €30.6 billion Anglo Irish Bank promissory note being wiped away, my assumption is the State would save €74.6 billion.

Deputy Michael Noonan: That is incorrect; €47 billion would be saved.

National Asset Management Agency

3. **Deputy Tom Fleming** asked the Minister for Finance the nature and content of contracts for or employment which the National Assets Management Agency has given to individual developers to run their former companies which are now in NAMA; the remuneration details of every developer currently in receipt of such remuneration; and if details will be published on the NAMA website. [27799/11]

Deputy Michael Noonan: The National Asset Management Agency, NAMA, has been established as a body corporate which is required to carry out its functions in a commercial manner. In this regard, it must consider on a case-by-case basis the overhead costs associated with leaving a debtor in place to manage his or her business at an agreed salary level versus the alternative of appointing an insolvency expert. I am advised by NAMA that when it decides that the better option for the taxpayer is to leave the debtor in charge of his or her business, it sets a limit for the overheads in the company or business and that this cap must cover all costs, including the debtor's own salary. NAMA takes a large number of factors into account before approving the overhead allocation for any debtor to operate the business. These include the debtor's knowledge of the assets, the overall value of the assets, his or her experience,

NAMA's view of the extent to which he or she can add value and his or her level of co-operation with NAMA, including, where applicable, voluntary reversal of asset transfers and the pledging of unencumbered assets.

I understand from NAMA that, as part of its business plan agreements with debtors, it normally looks for and obtains a reduction of 50% to 75% in overhead costs and that any remuneration paid to debtors is payable from this much reduced budget. The chairman of NAMA has recently stated the majority of debtor remuneration packages fall into the €75,000 to €100,000 range, including all benefits-in-kind. I understand in two cases the debtors' remuneration package, authorised by NAMA as part of the budget for overheads, exceeds €100,000 and that the highest is in the order of €200,000.

The terms and conditions under which debtors work with NAMA constitute commercially sensitive, confidential information. I am informed that, under sections 99 and 202 of the Act, it cannot disclose the names of or details relating to individual debtors because companies and individuals whose loans have transferred to NAMA and who are meeting their obligations are entitled to have this information kept confidential.

Deputy Tom Fleming: I firmly believe the figures given by the Minister, ranging from €75,000 to €200,000, for remuneration are exorbitant, given the state of the country, particularly as these are confidential contracts. Nobody should have the right to enter into such arrangements. The people concerned broke the country and are now being paid by the State and taxpayers. We do not want to see a repeat of the recklessness of the past decade, the past five or six years in particular. Everything should be above board and transparent. NAMA has no right to deal with the people concerned in such a manner.

An Leas-Cheann Comhairle: May we have a question, please?

Deputy Tom Fleming: The Minister spoke about the confidentiality aspect, but such issues should not be removed from the view of the general public. I ask that such details be put on the NAMA website because of the seriousness of the matter. Will the Minister specify if there are incentives to reach certain targets for the people concerned, including potential contractual incentives? If the elements in NAMA return to profit, will they be sold to the people concerned at lower prices?

Deputy Michael Noonan: Many people would share the Deputy's views and concerns. However, NAMA had to make a pragmatic business decision on this. The alternative is to get in experts on credit to run the business, and we have experience of those already with NAMA assets that have gone into receivership. The receivers are a fine body of people but they charge €180 per hour. That amount over the year is far higher than the cost of the developer, who knows the assets, running the system under strict controls. Again, the range of salaries is between €75,000 and €100,000. There are two salaries above that; one is between €100,000 and €200,000 and one is €200,000. They manage billions of euro worth of assets and run them in a very tight situation. A business plan must be agreed first and there is a great deal of negotiation whereby assets that are transferred out of the control of the company must be restored and so forth.

I am satisfied in general that what NAMA is doing at present is appropriate but it must be constantly under review. Where developers have broken the terms of their business plans, the arrangement has ceased and some of those companies have gone into receivership.

Deputy Tom Fleming: I thank the Minister for his response. There should be far more accountability on this. NAMA should be answerable to the Minister and all these matters

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should be vetted. The people who are funding this, the general public, are entitled to know the status of these and the names and details involved. I ask the Minister to reconsider that.

Deputy Michael Noonan: I am advised that much of the information the Deputy wishes the public to have is commercially sensitive. There is a prohibition under the National Asset Management Agency Act, which was sponsored by my predecessor and passed by the Oireachtas, which prevents this information being given.

Mortgage Arrears

4. **Deputy Michael McGrath** asked the Minister for Finance in view of the fact that he has now received the report from the group chaired by Mr. Declan Keane established to examine ways to assist persons in difficulty with their mortgage, if he will set out his views on the recommendations of the report; and the actions, and when, he intends to take arising from this report. [27801/11]

Deputy Michael Noonan: The Government is acutely aware of the increasing financial stress that some households face arising from difficulty in meeting their mortgage commitments. Against this background, the Government's Economic Management Council, prior to the summer recess, requested an interdepartmental group to consider further necessary actions to alleviate the increasing problem of mortgage over-indebtedness and to report to it by the end of September.

The outcome of the work done by the group, which was chaired by my Department and comprised representatives from other relevant Departments, the Central Bank and expertise from the banking sector, has been presented to the Economic Management Council. I will bring the report to Cabinet next week, after which it will be published. I anticipate that the Dáil will be given an opportunity to fully debate the contents and findings soon afterwards. Until the report has been considered by Government and released into the public domain, I do not wish to make any further comment on the contents.

Deputy Michael McGrath: I welcome the fact that the Minister will publish the report after the Cabinet has considered it. I hope he will publish it next week. It is important that all of us, who have a collective responsibility to assist people who are in difficulty with mortgages, have an opportunity to debate the report and to contribute to the decisions that will be made. A greater sense of urgency is required on this issue. I acknowledge that the Government considered it necessary to set up another review and its report has now been completed. However, people who are in difficulty with their mortgages want to know when the Government will take decisions that will assist them. How soon after next week are we likely to see legislation, if necessary, to implement the recommendations of the report? Elements of it have been leaked in recent days, and reports of its content are not terribly inspiring. However, we will wait to see the detail.

Would the Minister agree that what is really needed is independent intervention whereby binding solutions can be put in place? Fianna Fáil is of the view that a debt settlement and mortgage resolution office must be established to deal with a person's entire debt, including his or her personal debt as well as mortgage debt. An individually tailored solution can then be put in place for each person's circumstances. Does the Minister agree that is the way forward?

Deputy Michael Noonan: Various solutions were examined by the interdepartmental group. Considering that it spanned the holiday period, I believe the group treated the matter with great urgency. It briefed the economic council and provided me with a full report before the

end of September. The report would have gone to the Government yesterday except I was attending an ECOFIN meeting in Brussels. I will bring it to Government next week.

Every Deputy here is not only aware of the situation but can offer examples of people who are experiencing difficulty with their mortgages. I will not approach this on the basis of us having all the solutions. I will bring the report to the House and if Deputies on either the Government or Opposition benches offer additional proposals that I think will run, we can include them in the final draft. The idea is to bring a report to the House and to act on it quite quickly.

Deputy Michael McGrath: Will the Minister give a commitment to publish the report next week? Can he give us a sense of how quickly decisions will be taken and subsequently implemented? Will the decisions be implemented before the budget? Does the Minister anticipate that there will be legislation on this issue in the next couple of months? People cannot afford to wait until the budget because this issue could get lost in the wider issues that will be debated at that time in the context of the budgetary adjustment. It should be dealt with urgently before the budget.

Deputy Michael Noonan: I am committing to taking the report to the Government next week and if the Government clears it, we will publish it straight away. However, one never knows what might arise between now and next Wednesday, so I do not wish to give an absolute commitment to publish it next week if the Government does not clear it. There is no reason the Government would not clear it and I expect that it will be published next week. We can then have a full discussion about it in the House and talk about a time line for implementation.

EU-IMF Programme

5. **Deputy Richard Boyd Barrett** asked the Minister for Finance his negotiating position with the EU-IMF Troika in relation to the sale of State assets; and if he will make a statement on the matter. [27641/11]

Deputy Michael Noonan: The fourth quarterly review of the EU-IMF Programme of Financial Support for Ireland takes place from 11 to 21 October 2011. The review will comprise a series of meetings to evaluate all the elements of the programme covering fiscal developments, including the comprehensive spending review and potential asset disposal, the macroeconomic outlook, progress on commitments in restructuring the financial sector and structural reform.

Under the EU-IMF programme, the Government is committed to considering options for an ambitious programme of asset disposals, based on the programme for Government and the report of the review group on State assets and liabilities, and to preparing a draft programme of asset disposals in this context to be discussed with the troika in advance of taking final decisions on the programme to be pursued. This draft programme is to include the identification of the potential assets to be disposed of, any necessary regulatory changes and a timetable for implementation. As a signal of its intent in this area, the Government has announced that it is prepared to dispose of a minority stake in the Electricity Supply Board.

The use of the proceeds of any such asset disposals will be a key issue for discussion with the troika. The Government has already signalled its wish to retain some of the proceeds for reinvestment in job creation initiatives in the economy as part of the NewERA programme. Beyond this, it would not be appropriate to discuss any further details of our negotiating position in advance of our discussions with the troika on the matter.

Deputy Richard Boyd Barrett: It is very hard to get straight answers about the outrageous plan to dispose of State companies and State assets, in part or in whole. As I understand it, and the Minister can correct me if I am wrong, there is no specific requirement in the EU-IMF memorandum of understanding that we sell State assets. It says that the Government will consider options for an ambitious programme of asset disposals based on the programme for Government. Will the Minister clarify that it is his Government that wishes to privatise these assets? It is not a specific demand of the EU-IMF. The Government wants to do it, but it wishes to put the blame on the EU-IMF for carrying through this deranged proposal to get rid of this country's family silver. These are precisely the assets we need to invest in to maintain and create jobs and to fuel economic growth.

Will the Minister clarify that issue for Members? Will he also clarify whether we are talking about €2 billion or €5 billion of State assets? The report suggests it wants €5 billion of State assets. Is the Minister now saying €2 billion will be used to pay the bankers' gambling debts and that some or all of the rest of the €5 billion, which he may or may not be considering, will be used to invest in jobs programmes as he has suggested?

What justification can the Minister or the troika, if he is saying it is it which is making this demand, give for privatising successful State companies, such as the ESB, or other State assets? It is a drop in the ocean in terms of the debt. It will make very little difference to the debt. What is the rationale for selling off the family silver other than for corporate vultures to use the economic crisis, facilitated by the Minister, to asset strip this country of vital State companies?

Deputy Michael Noonan: The European authorities and the IMF require the sale of State assets as part of the programme. I am sure the Deputy is *au fait* with the debate in Greece and Portugal. One could see the difficulty in Greece when the troika visited Athens and insisted on a very large privatisation programme. There was no similar outcry in Portugal but there was a requirement for a very significant sale of state assets there also.

The Government, which supports the sale of non-strategic State assets, has put the only figure on the table and that is in the programme for Government. We said we would sell non-strategic State assets to the value of €2 billion. We know from informal suggestions from the troika that it regards that as a modest initiative but it has not nominated a higher figure. These issues will be thrashed out in the discussions starting next week.

In terms of the proceeds of the sale of assets, it would be our preference to use the proceeds for a stimulus package to create jobs in the economy through the provision of modern infrastructure.

Deputy Richard Boyd Barrett: The Minister is not answering the question. What is the rationale which the troika or he is putting forward for the sale of State assets? How is it of benefit to this country and its prospects for economic recovery or growth? I cannot see any other logic behind the demand of the EU-IMF, or the Minister's support for the sale of State assets in the programme for Government, other than asset stripping. The Minister is not saying how it will benefit us.

Is the Minister aware that when state companies in Europe are privatised, in particular energy companies, investment in them falls because the private shareholders in them demand dividends on their shares? It does not lead to increased investment in the economy or jobs growth. It often goes in the opposite direction. Is that not the real danger if we go down this road?

Will the Minister please define what the hell a non-strategic State asset is? How can the ESB be in any way described as a non-strategic State asset?

Deputy Michael Noonan: The movement towards the private sector holding infrastructural assets, such as those about which we are talking, rather than the public sector has been a part of economic management in all modern economies for the past 30 years, of which I am sure the Deputy is well aware. The European authorities are of the view — it is supported by any economic theory one would like to read — that assets in private hands will be used more efficiently for the public good than assets in public hands in general terms.

Deputy Richard Boyd Barrett: Did it work with the banking sector?

Deputy Michael Noonan: The line is drawn between what is strategic and non-strategic. A minority shareholding in any State company is not strategic.

Other Questions

Deficit Targets

6. **Deputy John Browne** asked the Minister for Finance if he is preparing his Budget 2012 on the basis of achieving a deficit of 8.6% in 2012 or if he intends to target a lower deficit percentage; and if he will make a statement on the matter. [27610/11]

Deputy Michael Noonan: The general Government deficit target for 2012, as set by the ECOFIN Council in December 2010, is 8.6% of GDP. The Government is fully aware of the importance of achieving this target in the context of the 2012 budget as well as the views of those who have called for a more ambitious deficit target. The Government is committed to implementing the necessary adjustment package to ensure we continue to meet our targets. I have stated that an adjustment above the €3.6 billion amount already signalled may be required if the 8.6% of GDP deficit target for 2012 is to be achieved. The necessary budgetary adjustment will be implemented through a combination of further reductions to public expenditure and additional revenue-raising measures and will take account of the comprehensive reviews of both current and capital expenditure, which are currently being finalised, as well as the most up-to-date economic and fiscal data available.

The estimate of the 2012 deficit and the level of budgetary adjustment required to meet our deficit reduction target will be set out in the pre-budget outlook, which is scheduled to be published later this month. That document will set out a medium-term consolidation plan for 2012 to 2015 which will indicate the overall composition of revenue and expenditure adjustments for the period. The 2012 budget will be published in early December, as is the norm. Quarter 2 economic data released in recent weeks and budgetary data for the first nine months of the year which were released yesterday were both broadly consistent with expectations. My Department is currently assessing what implications the latest macroeconomic and budgetary data might have for 2012 and beyond. Such assessment will, along with later data, inform Government in the context of its budgetary preparations over the coming months.

Deputy Michael McGrath: I thank the Minister. Has a final date been set for the publication of the pre-budget outlook and the multi-year plan? Will the Minister clarify whether it is a plan to the end of 2015, which appears logical given that the 3% target has now been linked to 2015 rather than 2014? Will he publish a new four-year plan or a three-year one?

Is it the Minister's view that we should aim to achieve the 8.6% target or does he believe we should do better than that? There are counter arguments — one is the need to reduce the

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deficit as quickly as possible while the other is the risk and the damage to the domestic economy of imposing a greater adjustment than we are committed to in terms of €3.6 billion.

We are in a better position going into 2012 than might have been expected given the very welcome interest rate reduction which will yield approximately €900 million next year. Looking at yesterday's figures, the Exchequer position is close to €1 billion ahead of profile at this stage. It appears the Minister's starting position is quite good but the great unknown and the variable is growth next year and that projection is being finalised. What is the Minister's view of the 8.6%? Is it the target he wants to achieve or does he believe Ireland should achieve a lower deficit?

Deputy Michael Noonan: The 8.6% target is in the programme and is the one we are working towards in preparation for the budget. We do not have the full data yet which would allow us to make full decisions. Yesterday's figures were helpful but there were things in them which were unhelpful as well. The Deputy will notice VAT was below profile. When one comes to the end of the year, it will probably be still below profile so as we go into 2012. We will have to build in a lower figure for VAT than was expected in the multi-annual programme.

There was a dramatic improvement in yesterday's unemployment figures, the largest reduction in the month of September since statistics began. If that is maintained up to the end of the year, one may be putting in a lower figure for unemployment benefit than anticipated for 2012. There are swings and roundabouts. We do not know yet but the working target is 8.6% and we will achieve that. There are all sorts of arguments as to whether we should go beyond that.

Deputy Michael McGrath: Can the Minister give the House a date for the publication of the pre-budget outlook and the new plan? Is it a four-year plan to the end of 2015?

Deputy Michael Noonan: The plan is 2012 to 2015. Like all these plans, it gets less precise as one goes forward to the third year or fourth year. We will give as accurate an estimate as we possibly can. My intention is to publish towards the end of October but I cannot give the Deputy a date yet.

Deputy Pearse Doherty: Yesterday the Central Bank projected growth rates of 1.8% for 2012, which is significantly lower than the Government's projection of 2.5%. If the growth rate turns out at 1.8%, what will that mean in terms of an adjustment? Where will the €3.6 billion end up? I am glad the Minister continues to assume an adjustment of 8.6% because there is no sense in the €4 billion that others, including the leader of Fianna Fáil, Deputy Martin, have called for. What type of adjustment would be required if the Central Bank's projections are accurate?

Deputy Michael Noonan: The figure from the Department of Finance is not comparable with that of the Central Bank because our projections were made in April, when the situation was entirely different. Clearly, we will also be making a downward adjustment to our projection because the countries to which we export are not growing as fast as anticipated. We will have to mark down our growth given that it is export led. The general rule of thumb is that a 1% reduction in GDP translates into about €800 million in revenue, although I ask Deputies not to tie me to the last euro in terms of accuracy because that is a rough but useful mnemonic for calculations. As Deputy Doherty will agree, however, it is a big blow.

Public Investment Projects

7. **Deputy Éamon Ó Cuív** asked the Minister for Finance if he will provide details of the proposed new unit in the National Treasury Management Agency which is being established to manage shareholdings in a number of State companies; the way the unit is being structured; the terms of reference; when he expects it to be up and running; and if he will make a statement on the matter. [27639/11]

42. **Deputy Dessie Ellis** asked the Minister for Finance if he will provide further details on the announced strategic investment fund including the amount to be drawn down from the National Pensions Reserve Fund; the date at which the fund will be established; the date at which it will start funding strategic initiatives; and if the establishment of this fund is consistent with the Programme for Government commitment to establish a Strategic Investment Bank. [27677/11]

Deputy Michael Noonan: I propose to take Questions Nos. 7 and 42 together.

On Thursday, 29 September, following a decision by the Government, I and my colleagues, the Minister for Public Expenditure and Reform, Deputy Howlin, and the Minister of State at the Department of Communications, Energy and Natural Resources with responsibility for the NewERA project, Deputy O'Dowd, announced the establishment of NewERA and the strategic investment fund under the National Treasury Management Agency.

Dr. Eileen Fitzpatrick, who is currently the director of NTMA with responsibility for alternative asset investments within the National Pensions Reserve Fund, has been reassigned by the NTMA as director of NewERA. NewERA is a commitment in the programme for Government and is central to the Government's plans for job creation and investment and for reforming how the Government manages its semi-State companies. The press release issued on 29 September gives details of the functions of NewERA along with a biographical note on Ms Fitzpatrick.

The policy objective behind NewERA is to modernise the manner in which Government manages its shareholdings in the semi-State companies and oversee the corporate governance of commercial semi-States from a shareholder perspective. In this regard, it will report to the relevant Ministers with responsibility for the ESB, Bord Gáis, EirGrid, Bord na Móna and Coillte. Its operations will be overseen by the Cabinet committee on economic infrastructure. In this capacity, NewERA will have responsibility for reviewing the capital investment plans of these commercial semi-State companies from a shareholder perspective and will identify possible synergies between the investment programmes of the different companies. Where requested by the Government, it will also advise on and, if appropriate, oversee any restructuring or disposal of State companies. It will work with the Minister for Public Expenditure and Reform on the disposal of State assets.

Following appropriate legislative changes to the investment policy of the NPRF, the strategic investment fund, which will be the forerunner of the strategic investment bank, will channel commercial investment from the NPRF towards productive investment in the Irish economy. As well as money from the NPRF, the fund will seek matching commercial investment from private investors and target investment in areas of strategic significance to the future of the Irish economy. It will comprise a series of sub-funds targeted at commercial investment in critical areas of the Irish economy, including infrastructure, venture capital and provision of long-term capital for SMEs. The NPRF will take a lead role in the development and implementation of each sub-fund.

[Deputy Michael Noonan.]

These decisions are an important element in the Government's strategy to create jobs and promote economic growth. Through NewERA and the strategic investment fund we will maximise our resources to enhance growth in the Irish economy and improve key infrastructure to maintain Ireland's attractiveness as a place to do business and to create jobs. In these times of scarce resources, NewERA will seek to offer a new means of facilitating investment in our economy.

NewERA has been established on a non-statutory basis as a shareholder executive within the NTMA. I expect NewERA and the NPRF to come back to me shortly with proposals for establishing the strategic investment fund. NewERA will bring forward proposals by mid-2012 for consideration by the Government of options for moving towards a full holding company status which could own the shares in commercial semi-States.

Deputy Michael McGrath: Last Thursday's press release raises more questions than answers. Many of the functions NewERA is taking on are already performed quite well by the semi-State companies concerned. Requirements for corporate governance and reporting to the relevant Ministers are already in place and a number of them are already successfully implementing ambitious capital investment plans. It is difficult to avoid the conclusion that NewERA is merely a sales agent for the assets of which the State intends to dispose.

How many staff will NewERA employ? When will the legislation establishing the strategic investment fund be brought before the Oireachtas? Will the new agency be able to access the full amount of money remaining in the National Pensions Reserve Fund? When does the Minister expect it to be up and running?

The press release makes reference to the possibility that it will develop into a strategic investment bank, presumably as a sop to the Labour Party. When does the Minister expect that will happen?

Deputy Michael Noonan: The Deputy will appreciate that while we are in the programme with the IMF and EU authorities, we can only borrow enough to meet the day-to-day running of the country and a small capital programme. To get movement in the economy and put people back to work, we need to think outside the box. NewERA is in effect an exercise in thinking outside the box in terms of putting a demand stimulus package in place through the provision of new infrastructure and using parts of what is already in place.

The staffing of NewERA will in the first place be done through reallocation of staff from the NTMA group of companies and the new director, Ms Eileen Fitzpatrick, was already employed in the NTMA. In regard to the amount of money to be spent, it will be project driven in the early stages and the intention is that the State's investment will leverage a considerable amount of funds from the private sector. In regard to when legislation will be introduced, NewERA will be set up on a non-statutory basis at the outset but we have asked the NTMA and NewERA to bring forward proposals by the middle of 2012 on the establishment of a holding company. That, of course, would have to be established on a statutory basis.

Deputy Pearse Doherty: Is it envisaged that the €5.7 billion left in the NPRF will be made available to the strategic investment fund? I ask the Minister to enlighten the House as to the remuneration to be paid to the new CEO. Where will the buck stop in regard to NewERA and the strategic investment fund? Given that it is currently located in the NTMA, will the buck stop with the Minister?

Deputy Michael Noonan: It is a cross-departmental initiative. Clearly, if a State company comes within the ambit of a particular Minister, he or she will be involved in the consultative process. If it involves the disposal of a State asset, the Minister for Public Expenditure and Reform will have responsibility. The primary responsibility for the NTMA lies with me, as Minister for Finance, and at the end of the day I will be responsible for answering questions on overall policy.

I understand Ms Eileen Fitzpatrick has been reassigned at the same salary. Nothing in my notes would suggest that her salary position is altered given that she was a senior executive in the NTMA. I can supply that information to the Deputy but I do not think an issue arises.

Deputy Pearse Doherty: I asked about the €5.7 billion in the NPRF.

Deputy Michael Noonan: We are not going to allocate a great budget. In the first instance they should come up with proposals and projects they think are worthwhile to grow the economy, provide modern infrastructure and get people back to work and then we will see what the allocations of money are, but they can draw on the pool of money.

Deputy Michael McGrath: Will the Minister clarify whether the strategic investment fund can begin to identify appropriate investment projects once the legislation has been enacted allowing it to access what is left in the National Pensions Reserve Fund, NPRF, or does it have to await until mid-2012 when the holding company is set up for NewERA? Essentially, when does the Minister expect the fund will be up and running and start identifying appropriate investments which could lead to job creation?

The Minister did not reply to my question on the strategic investment bank. When does he hope the fund will develop into a fully fledged bank, as pledged?

Deputy Michael Noonan: It is an evolving situation. This is a significant first step in what we think will be a significant approach to the provision of infrastructure and the creation of jobs. As I said in my reply, the NPRF will come back to me shortly with proposals for the establishment of the strategic investment fund. My understanding of the nature of the fund is that people will apply to it. Entrepreneurs will apply to the fund. Like any investment bank there will be an assessment of their proposal and business plan and they will get an advance of venture capital on that basis.

Deputy Richard Boyd Barrett: The question partially relates to an earlier question and also follows on from the Minister's response. Has he carried out any serious assessment of whether bringing in private capital into the strategic infrastructural investment programmes is effective and will lead to higher levels of investment, job creation and growth? The ICTU and UNITE, among others, which studied those matters are strongly opposed to the Minister's plans to privatise in part or in whole companies such as the ESB. They indicate that where State enterprises are privatised elsewhere in Europe once private capital gets involved the level of investment falls because giving a return to shareholders starts to take priority. Has the Minister carried out an assessment in that regard and how can he guard against that likelihood? Do we not have our own history of Eircom and broadband to bear out that fact that once the private sector gets involved, investment in developing infrastructure falls rather than increases which defeats the whole purpose?

Deputy Michael Noonan: The principle the Deputy enunciates is not a general economic one. It is one enunciated by people who decide they are against the project and then proceed to do the research to support that theory.

Deputy Richard Boyd Barrett: I am talking about what is happening in Europe.

Deputy Michael Noonan: It is not an objective analysis. The principle is that this country is in a bad state. Thousands of our fellow citizens are out of work. There is no money available to the Government to stimulate the economy in the traditional new deal type of roll-out. As a result we are trying to find new ways of doing things. NewERA is a new way of doing things. In simple terms, if we can get €1 billion from the disposal of assets or take €1 billion from the pension fund, if there are willing private sector participants that €1 billion should be able to leverage approximately ten times that amount. It would be normal to leverage by a multiple of ten. Therefore we would get economic work to the value of €10 billion if we could raise €1 billion. That is it. We are not getting into the ideology of it; we are simply trying to get people back to work.

Deputy Richard Boyd Barrett: It is ideology.

Fiscal Policy

8. **Deputy Brian Stanley** asked the Minister for Finance if any staff from his Department or within the National Treasury Management Agency, Central Bank of Ireland or other agencies have assessed or are currently assessing the impact of a collapse of the euro on the Irish economy. [27671/11]

Deputy Michael Noonan: There are many risks in the broad economic environment at present, which I must take into account in conjunction with my Department and the agencies that report to me. The euro is a firm and solid currency currently trading well against all the other major currencies. There is clearly no market expectation, and there is certainly no Irish Government expectation, of any collapse in the euro.

Deputy Pearse Doherty: I thank the Minister for his reply. To be clear, has anyone in the Department, the Central Bank or the NTMA looked at the possibility of the collapse of the euro? Obviously, it is something we would not like to see happen as it would have devastating consequences for the Irish economy. I assume, given the level of debate among many economists throughout the world who do not have a vested interest in those matters who are talking about the potential or the possibility, it is not an issue that is as alien as it was a number of years ago. Has any analysis whatsoever been done in terms of what would happen if such a scenario were to unfold? There has been much talk about Greece and how the European Financial Stability Fund has been structured and some of the flaws within that. It is not talk to the effect that the euro is going to collapse tonight or tomorrow but if such a scenario were to arise it would have devastating consequences for the economy. I hope the Minister for Finance, his officials or someone within the NTMA or the Central Bank is at least looking at all the scenarios and possibilities that could occur regardless of how remote they are. Could the Minister confirm that nobody in the Department, the NTMA or the Central Bank have looked at such a scenario?

Deputy Michael Noonan: If the Deputy will accept the distinction, the problem is not with the euro, the problem is with the eurozone. The euro is a solid currency. Since it was established 12 years ago it has gone up in value against all the main currencies of the world. It has increased trade in Europe by 50%. It has kept inflation below 2% for 12 years in a row. When the Swiss had difficulties a fortnight ago and they decided to benchmark their currency, they did not benchmark against the yen or the dollar or go back to the gold standard, they benchmarked it against the euro. If one wants a vote of confidence in the euro one should think of the clever people in Zurich making a decision to benchmark against the euro.

The euro is as solid as a rock. The issue is who is in and who is out and whether everyone can stay in. That is what the debate is about. Everyone has to get their economies into shape so they can continue to participate in the eurozone and this strong currency. Of course we think, talk and look at possibilities. An issue we must examine is what to do if there were further contagion from Greece. Every time I go to Europe I tell the authorities that if there is further contagion from Greece that Ireland must be protected, as indeed bigger eurozone countries would have to be protected, by some form of firewall that would stop contagion from spreading.

Deputy Pearse Doherty: I take it from the Minister's response that these matters have been examined. Could he satisfy me that there is a plan sitting on a desk somewhere that would protect Irish interests if we were to see a scenario unfold such as I have outlined where the euro would collapse or this country, for example, could be pushed out of the euro or we could have a two-pronged euro with a stronger euro in Germany and other peripheral countries left with a different currency? It is not unique for a currency to fail or to be remodified. A number of scenarios could evolve. We are trying to prevent that from happening but we must also consider what could happen in the future. Are there plans somewhere drawn up by someone that will protect the interests of the Irish economy if such a scenario were to arise?

Deputy Michael Noonan: As well as the difficulties individual countries have, there are speculators in the market that are targeting banks and sovereigns. To say too much about these things would make one a softer target than one might be. The Deputy can take it that we are aware of his concerns and that we will take them into account.

Deputy Mick Wallace: Does the Minister not agree that it would be more sensible for the Swiss to benchmark themselves against the euro rather than the yen or dollar because they are worried about their currency being too highly valued? If, for example, the euro goes to €1.25 against the dollar, for example, the Swiss would not be bothered by that. It would not be a problem for them. If the euro floats down a little more it certainly would not be a problem for them because they were not very happy with the over-inflation of their currency.

Does the Minister not agree that most of the experts in Europe and even the German and French finance Ministers are of the opinion that the euro in its present form will not survive unless we have total fiscal union? It is debatable whether that is in our interests. Does the Minister not agree that fiscal union would signal the end of our financial sovereignty?

Deputy Michael McGrath: What I want to know, and what people would like an assurance on, is that the Department and the authorities do contingency planning on an ongoing basis on all possible eventualities in the eurozone crisis, including a Greek default and a Greek exit from the euro.

Deputy Richard Boyd Barrett: Print a few punts up in Sandyford.

Deputy Michael McGrath: It would not be helpful for us to go into any more detail, except to ask the Minister for an assurance that the Department looks at all eventualities and plans accordingly.

Deputy Michael Noonan: We do not plan against all eventualities but we have some contingency planning against what might be probable rather than what is improbable.

Deputy Wallace is right on the money when he speaks about Switzerland. His analysis is absolutely correct.

[Deputy Michael Noonan.]

It is also true to say that it suits Ireland to have the euro weakening at present because our main customer countries are dollar countries and sterling countries. If the euro comes down, that will restore some of the growth that we are losing in our export markets into the UK and into the United States, our two biggest customers.

EU Directives

9. **Deputy Seamus Kirk** asked the Minister for Finance his views on the proposed European financial transaction tax; and if he will make a statement on the matter. [27634/11]

Deputy Michael Noonan: The European Commission last week published its proposal for a financial transactions tax, or FTT. It also published its impact analysis to accompany this.

We will analyse the detailed proposals in the draft directive. The draft directive will now be subject to detailed discussions at EU level and, as always, we will participate constructively in those discussions. There is no consensus as yet among European member states on this issue, either about whether a financial transaction tax should be introduced or what precise form it should take.

It is important that any proposal does not have the effect of encouraging relocation of activity or damaging the EU's competitiveness in financial services. It is for this reason that there is an emerging view that the EU and other international groupings, such as the IMF and G20, should move in tandem in a global manner to avoid the danger of financial sector business gravitating to jurisdictions where taxes are not levied on financial transactions. The Commission has indicated that it sees its proposal as part of a wider development in this area.

Any tax would be best applied on a wide international basis to include the major financial centres. I also think it important that the proposed directive would apply on an EU wide basis to prevent any distortion of activity within the European Union.

The Commission is proposing that the FTT should be an "own resource" tax imposed centrally to fund the EU and will develop proposals in the context of the future of the EU budget. However, we will need to assess the impact of this on our contribution *vis-à-vis* any system based on gross national income, as is the current system.

Deputy Michael McGrath: I thank the Minister. He has touched on the key point in his response, that is, that any such tax would have to apply on a global basis otherwise it will only serve to disadvantage the countries in the eurozone or, if it is applied across the 27 member states, the European Union.

There was an excellent presentation this morning by Financial Services Ireland about its plans for the future. It raised concerns about the Commission's proposal for this financial transactions tax. Given the importance of financial services in Ireland, with 33,000 employed, more than 7% of GDP and the ambitious plans for the future with a target of an additional net 10,000 jobs in the sector in the next five years, we need to tread carefully. Particularly in the context of the resolution fund which is being set up under the Central Bank and Credit Institutions (Resolution) (No. 2) Bill 2011 that we discussed last week, is it better that we would deal with the issue of having an appropriate fund domestically rather than having a tax across the European Union which will only serve to disadvantage us and the other members?

Deputy Michael Noonan: It is, I suppose, the beginning of a debate. The Commission is charged, as part of its legal responsibility, to bring forward policy proposals for the Europe Union and it does this from time to time. Sometimes the proposals get legs under them and

they are discussed quickly at political level. Other times they merely lie there and they are not activated.

This seems to have a push behind it from certain European countries but it is equally strongly opposed by others. For example, the UK has come out against it already. That seems to make it difficult for Ireland because if there is a financial transaction tax down town here which does not apply in London, there is a big risk of displacement. By the nature of that business, even if it applied euro wide, there would be a displacement effect into places such as New York, Singapore, Hong Kong and Malaysia, which is increasingly becoming the Asiatic centre for Islamic money and where Kuala Lumpur is the centre for its management.

There are many issues to be looked at. We must protect our interests.

Tax Code

10. **Deputy David Stanton** asked the Minister for Finance his plans to make changes with respect to tax issues affecting charities; and if he will make a statement on the matter.
[27642/11]

Deputy Michael Noonan: There are several provisions in the tax code that provide tax relief for charities and charitable giving. These include income tax relief on donations, capital taxes relief on inheritances given to charities and special treatment under the DIRT regime.

The Commission on Taxation made a number of recommendations, some of which would cost the Exchequer in terms of tax foregone. However, officials from my Department, the Revenue Commissioners and representatives of the Irish Charities Tax Reform Group have been meeting, with a view to bringing forward proposals that would reduce the administrative burden on charities in operating the donations relief scheme as it exists currently. The work of this group is ongoing and, if successful, should help charities.

In addition, the Government recently reconvened the Forum on Philanthropy and Fund-raising. This body has met over the summer months and will produce an interim report shortly, which I expect will contain recommendations on several matters including tax reliefs for charitable giving and philanthropy.

The Deputy will be aware that all tax relief and incentives are subject to regular review as part of the annual budget and Finance Bill process. Any significant decisions taken by the Government to change such relief or incentives in this regard would normally be announced on budget day.

Deputy David Stanton: I thank the Minister for his response.

Does the Minister agree that there is a significant benefit to society from donations to charities? What is his view on PAYE and the self-employed being treated in a similar way, with tax relief going directly to the charity, for instance?

Will the Minister comment on data protection issues for charities re PPS numbers? Is there any consideration being given to reducing the €250 threshold introduced in 2001 to, say, €100? Will the Minister comment on VAT on donations? The Minister will be aware that, for instance, last year one organisation paid €4 million in VAT. Will the discussions the Minister mentioned include a compensation scheme for charities operated under European Commission rules similar to the scheme in operation in Denmark?

Deputy Michael Noonan: All of the proposals being put forward by the Irish Charities Tax Reform Group are being taken into account at the meetings between officials of my Department, the Revenue Commissioners and the Irish Charities Tax Reform Group. If proposals

[Deputy Michael Noonan.]

come forward that we think are appropriate, they will be considered in the context of the budget.

There is a wider report which will emanate from the Forum on Philanthropy and Fundraising, which has been meeting over the summer months. I understand it will report shortly.

Deputy David Stanton: As the Minister brought it up, will he confirm that the issue of philanthropic donations being decoupled from other tax relief is one of the issues being addressed?

Deputy Michael Noonan: There is no restriction on the issues with the Irish Charities Tax Reform Group or the Forum on Philanthropy and Fundraising can discuss. We will see what they report and then we will examine it.

Deputy Pearse Doherty: I add my voice in support of the Irish charities, with their proposals on lowering the threshold to €100 and also some type of compensation fund scheme to reimburse a portion of the fundraising that has been lost to VAT. The latter is something I remember raising in the Seanad. It is not right that people who raise money to buy a piece of equipment for a hospital then must pay VAT on it, and the State benefits from the fundraising drive. In reality, perhaps the State should have been doing it in the first place.

What would be the loss to the Exchequer — the Minister may not have the figures with him but he could present them at a later stage — if the threshold was reduced from €250 to €100, and if the VAT was foregone in the case of fundraising efforts?

Deputy Michael Noonan: I would need notice of that question.

Public Service Pay

11. **Deputy Derek Keating** asked the Minister for Finance if he will consider introducing a new super tax to address the bonuses, generous severance packages or large pensions being paid to senior civil servants, senior public sector workers or any person who comes under his jurisdiction; and if he will make a statement on the matter. [27391/11]

Deputy Michael Noonan: The issue of remuneration, which includes the granting of performance-related awards schemes, severance payments and pensions to senior public servants and public sector workers, is a matter for the Minister for Public Expenditure and Reform in the first instance. I have been informed by my colleague, the Minister, Deputy Howlin, that performance-related award schemes were available in the past to certain posts in the following areas of the public service: the Civil Service, the Permanent Defence Force, An Garda Síochána, the health service, the local authorities and a number of non-commercial State agencies. Against the background of the deterioration in the public finances, it was considered that such schemes were no longer appropriate. In this context, the schemes for the Civil Service, the Permanent Defence Force, An Garda Síochána, the health service and the local authorities were suspended in 2009. No awards were made in 2009 in respect of 2008 performances. This remains the position. I do not believe the tax code should be the preferred mechanism to deal with bonuses, severance payments and pensions paid to senior public servants. If performance-related bonuses or severance payments are neither justifiable nor affordable, they should not be paid in the first place rather than being super-taxed after the fact.

Deputy Derek Keating: In recent times, I have tabled a series of parliamentary questions to give exposure to the payment of vast sums of money, in some cases, to a small number of senior civil and public servants. It strikes me not only that we can ill afford such amounts of

money, but also that we are setting a bad example by making such payments. It sends a bad message to the many people in this country who are suffering because they cannot pay their mortgages or meet the cost of living. When I attended the launch of the Disability Federation of Ireland's pre-budget submission in the Mansion House earlier today, I noticed there was fear on the faces of many people who are concerned about whether services will be provided to them in the future. I appreciate that the Minister and the Government inherited some of the arrangements governing the bad practices of the past from the previous Administration. I am concerned about the bad message that has been transmitted on foot of some of the recent exposures in the media, as well as the cost of these payments to the Exchequer in the current climate.

Deputy Michael Noonan: My colleague, the Minister for Public Enterprise and Reform, has taken rigorous action to change things for the future. As a result of arrangements that were made in the past, it is very difficult to deal with certain legal entitlements. Special provision was made for Secretaries General whose terms of appointment included the top level appointments committee exit terms. These terms are currently being reviewed by the Minister, Deputy Howlin. He is changing them completely. When I first came into politics, the Secretaries General of Departments were appointed until the retirement age of 65. That arrangement was brought to an end by the late John Boland when he was Minister for the Public Service. Secretaries General are now appointed under a contract for a specific term. If someone is appointed as a Secretary General at the age of 45 and leaves that position at the age of 53, he or she could receive additional payments on retirement if they were included in the package when it was being negotiated. That is why things have run so big, as in the case of the former Secretary General of the Department of the Taoiseach, which was well publicised recently. All of that is being changed by the Minister, Deputy Howlin. Deputy Keating will have noted that many public servants objected loudly to the new pensions arrangements for public servants when they were published last week. Under those arrangements, the pension levels that are paid will decrease. We are having to make adjustments of this nature as a result of the difficulties we are facing. It is not easy for any beneficiary to have to live under a new regime. It is very hard to make any of these things retrospective.

Deputy Derek Keating: I will conclude by saying such reviews and changes are to be welcomed in the circumstances. I thank the Ministers, Deputies Noonan and Howlin.

Deputy Pearse Doherty: I am glad Deputy Keating is advocating Sinn Féin policy. Perhaps he is considering changing his party once more. The Minister said changes will be made to future pensions, lump sums and bonuses. When he and the Minister, Deputy Burton, were on this side of the House, they argued in favour of a special charge on bankers' bonuses. Bankers are legally entitled to such bonuses, but they should not get them. Deputy Keating has placed such a proposal before us today. Sinn Féin has been advocating it. There is a legal mechanism whereby we can deal with this retrospectively. We are advocating the introduction of a charge such as the bankers' bonus charge, which is a 45% charge on incomes above a certain amount. I put it to the Minister that it is within his capability as Minister for Finance to introduce such a charge in the next budget. It could deal with anything that went before his term of office, including the pensions and bonuses to which certain people are legally entitled.

Deputy Richard Boyd Barrett: I welcome Deputy Keating's question. He is pointing to an important issue — the obscene salaries of many people in the top echelons of the civil and public service, who are paid with public money. I do not know if he agrees with me when I suggest his proposal could be extended to cover the obscene salaries at the top of the corporate and private sectors. The Minister and the Government should explain why some sort of super-

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wealth tax cannot be imposed on people at the top of the public and private sectors at a time when many people are being slaughtered with the universal social charge and various cuts and attacks on their incomes. We need to ensure high earners take some of the pain from people who simply cannot afford it.

Deputy Michael Noonan: It was the tradition that the lump sums paid to public servants as part of their pension schemes were tax free. That has been changed. They are now tax free to a certain level only, and then fully taxed after that level has been reached. The last tranche of the former Secretaries General emolument or lump sum would have been taxed at the marginal rate of tax. We tax it at 52%.

Written Answers follow Adjournment.

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 Noel Harrington — the construction of the Bantry bypass; (2) Deputies Joe Higgins, Joan Collins, Clare Daly and Richard Boyd Barrett — the jailing of Ms Teresa Treacy; (3) Deputy Derek Nolan — the ongoing problems in the emergency department at University College Hospital, Galway; (4) Deputy Mattie McGrath — the future of Kickham Barracks, Clonmel; (5) Deputy Dan Neville — the 4% increase in presentations at hospital due to deliberate self harm; (6) Deputy Derek Keating — the provision of bus services to the people of west and south-west Dublin; (7) Deputy Michael McCarthy — the need for a fairer distribution of resources to west Cork under the local and community development programme; (8) Deputy Brian Stanley — the problem of distressed home loans acquired through local authorities; (9) Deputy Pearse Doherty — the cost of the Anglo Irish Bank and the Irish Nationwide promissory note to the taxpayer and its impact on the Government deficit, debt and spending targets; (10) Deputy Joe Costello — the need for the Minister for Defence to take responsibility for the security of the commander-in-chief at Áras an Uachtaráin; (11) Deputy Séamus Healy — the publication of the report of the special delivery unit on the Mid West Regional Hospital, Limerick; (12) Deputy Pat Breen — the need to have a sub office of the vocational education committee in Ennis, County Clare; (13) Deputy Willie O’Dea — the delay in publishing the full report into the Air Corps PC-9 crash in Connemara in 2009; (14) Deputy Billy Kelleher — the possible loss of up to 1,000 jobs at Aviva Insurance; (15) Deputy Brendan Smith — the need to increase the student contribution fee; (16) Deputy Mick Wallace — the use of NAMA-controlled housing units for the benefit of those on housing waiting lists; and (17) Deputy Brendan Griffin — the problem of cigarette smuggling and the related cost to the Exchequer.

The matters raised by Deputies Higgins, Collins, Daly and Boyd Barrett; Griffin; Kelleher; and Nolan have been selected for discussion.

Topical Issue Debate

Prison Committals

Deputy Joe Higgins: Is the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, coming to the House for this debate?

An Leas-Cheann Comhairle: I understand it is being taken by the Minister of State, Deputy Kathleen Lynch.

Deputy Kathleen Lynch: If it were to be taken by a senior Minister, it would be the Minister for Justice and Equality, Deputy Shatter.

An Leas-Cheann Comhairle: Yes.

Deputy Kathleen Lynch: He is in Geneva.

Deputy Joe Higgins: Surely the Minister who is in charge of the ESB is the appropriate one.

Deputy Kathleen Lynch: No.

Deputy Joe Higgins: Why not?

Deputy Kathleen Lynch: As the Deputies are raising the circumstances of a person who is in jail, it is a justice matter.

An Leas-Cheann Comhairle: The topic is the jailing of Ms Teresa Treacy.

Deputy Kathleen Lynch: The last I heard, the ESB cannot imprison people.

An Leas-Cheann Comhairle: It is a justice matter.

Deputy Joe Higgins: I wish to protest. The Minister, Deputy Rabbitte, is responsible for the ESB. He should be here.

Deputy Brian Hayes: Tick, tock.

Deputy Joe Higgins: The Government is reverting to the approach of its predecessor, which used to get any old Minister to come in and read out a script. The topical issues format was supposed to involve a meaningful engagement.

An Leas-Cheann Comhairle: That is not——

Deputy Joe Higgins: I will make my statement anyway.

An Leas-Cheann Comhairle: Each of the four Deputies has just one minute.

Deputy Joe Higgins: I want my strong objection to be noted.

An Leas-Cheann Comhairle: I thank the Deputy.

Deputy Joe Higgins: Ms Teresa Treacy is in Mountjoy Jail as we speak. She was thrown in there by order of a judge because she is not prepared to allow the ESB to destroy a swathe of trees through her forest at Clonmore, County Offaly in order to erect massive pylons and power lines. Conifers have already been cut. I have personally seen the destruction that has been done. The next tranche for the chop is a beautiful stand of native Irish broadleaf trees. The ESB has the option of putting the cable under the ground. This should be done for environmental and health reasons. The ESB is a powerful semi-State company. It is outrageous that it is oppressing a powerless citizen in this way. I call on the chief executive of the ESB, Pádraig McManus, to withdraw the injunction and thereby allow Teresa Treacy to be released immediately. All sides could proceed by agreement thereafter. I call on the Minister, Deputy Rabbitte, to ensure that happens. It is his responsibility. Finally, is it not striking that the establishment

[Deputy Joe Higgins.]

can jail innocent citizens with incredible speed without imposing any such sanction on real criminals whose greed has wrecked our economy and damaged our society?

Deputy Joan Collins: I stand in solidarity with Teresa Treacy, a 65 year old lover of the environment. What I see is a case of David and Goliath. She has been involved in a five year conflict since February 2006. Having started with 90 other landowners who were opposed to the pylons going overground, she is left on her own. The ESB has a choice. It argued initially that placing the cables underground was impossible. However, it later conceded that it could do so, but it would not for cost reasons. The life of this woman has been cut off for the past three weeks and this will continue until she purges her contempt. I ask the Minister to approach the CEO of the ESB to tell him to lift the injunction.

Deputy Clare Daly: As someone who spent one month in the Dóchas Centre in Mountjoy Prison, I, too, express my solidarity with Teresa Treacy and condemn the decision of the ESB and EirGrid to pursue her in this manner. There is no doubt that the blame comes back to the Minister's door. To have State agencies acting in the manner of bully boys against an elderly, law-abiding, tax-paying citizen is absolutely reprehensible. It is a fact that Mrs. Treacy has offered to forfeit any compensation and have moneys offered to her by the State bodies used to have the cables placed underground and protect the trees on her property. Incidentally, the level of trees in Ireland is well below what it should be and she in, in fact, just fulfilling a civic duty. This matter lies fully at the door of the Government which has overall responsibility for semi-State companies. I ask the Minister to intervene to deal with this scandal.

Deputy Richard Boyd Barrett: It is an outrage that a 65 year old woman, Teresa Treacy, has been languishing in jail for several weeks because of the ESB's bullying and determination to run overhead power transmission lines through a farm and forest land that she has nurtured and given much of her life to developing. All she is asking, as she has made clear to the ESB for several years, is that the lines be placed underground. It can be done and has often been done in many other places throughout Europe. The lines are simply placed in a trench. There would be less damage to the environment and fewer health and safety implications for people living in the vicinity. It would solve the problem.

The only excuse being provided by EirGrid and the ESB is the cost. I have two points to make in that regard. First, Teresa Treacy has agreed to waive the compensation to which she is entitled for having the power lines run through her land. Second, why does the CEO who I believe earns about €800,000 a year not cut his salary by, say, €200,000, to cover the cost of placing the lines underground, where they should be?

This is a fully State-owned company. I ask the Minister, Deputy Rabbitte, to intervene to get this women out of jail immediately. I asked the Department of Justice and Equality on Thursday last week whether members of United Left Alliance could visit Teresa Treacy in Mountjoy Prison, but we have been given the runaround for almost one week. Will the Minister assure us that we can get into the prison to visit her?

Deputy Kathleen Lynch: Effectively, the same issue was raised in the House last week by Deputy Charles Flanagan. The lady in question has been in jail for a few weeks and it seems Deputy Flanagan has been working on the issue. It was made clear when he raised the issue that the Minister for Justice and Equality was not in a position to comment on a particular case before the courts. The comments made then were about policy in regard to alternatives in law to imprisonment in the context of civil disputes that might arise between parties, the changes that had recently been made and, in line with the programme for Government, the

examination taking place in the Department with a view to improving the operation of the law, where possible.

Deputies will appreciate that the courts are independent in their functions, subject to the Constitution and the law, and that, therefore, it would not be appropriate for anyone to comment in this House or elsewhere on a case still before the courts. They will also be aware that in a civil matter a court is asked to adjudicate on a dispute between two or more parties. Such disputes can arise in cases of recovery of debt, including maintenance debt, performance of a contract, trespass, interference with property and so on. These matters are determined by the courts on a daily basis.

The court makes its decision on the basis of the facts involved and the rights of the parties. Such rights may be constitutional, statutory or common law rights, or they may arise under the European Convention on Human Rights. The court, in deciding the matter, may order an appropriate remedy. This could involve payment of damages, restoration of the *status quo* or an injunction to either carry out an action or to desist from an action. Moreover, the court does not have a power in civil cases to impose a custodial sentence as part of its remedy in favour of one of the parties. However, it remains a critical feature of the legal system that court judgments should be obeyed by those at whom they are directed. If the person or persons concerned refuses or refuse to obey the order or implement the judgment of the court, the issue of a court sanction may well arise. The sanction may take the form of imprisonment. Civil contempt in the context of such a refusal may lead the judge to order the imprisonment of the party or parties involved until the contempt is purged, that is, until the party agrees to implement or abide by the order. This imprisonment is not a punishment, nor does it replace the necessity to comply with the order of the court.

The Minister for Justice and Equality has powers under the Criminal Justice Act 1960, as amended by the Criminal Justice (Temporary Release of Prisoners) Act 2003, to order the temporary release from prison of a person serving a sentence of imprisonment. He also has powers under section 23 of the Criminal Justice Act 1951 to commute or remit any punishment imposed by a court exercising criminal jurisdiction. However, it is important to note these powers are limited to persons who have been convicted and sentenced after a criminal trial.

I am informed by the Irish Prison Service that the person mentioned has been in custody in the Dóchas Centre, Women's Prison, Mountjoy Prison since 13 September, having been held in contempt of court. I understand a number of requests to visit the person were made to the management and staff of the Dóchas Centre last week. Visits are facilitated, subject to the approval of the Governor and the usual conditions which apply. Callers in this instance who included one of the Deputies who have spoken were informed that, in accordance with the prison rules of 2007, requests for visits had to be made in writing to the Governor who would then consider the application. I am informed that no written request has been received by the Governor at this stage.

Procedures are in place to facilitate telephone calls and, while there was a request for an interview, this was refused owing to the court proceedings involved. However, unauthorised contact was subsequently made and I understand the Irish Prison Service will be following up on this. I stress again that the Minister has no powers in cases where a person is committed to prison for contempt of court. The High Court still has seisin of such a case and it is only that court which can decide on the matter. In this case, the matter is between the parties to the case and the High Court and the Minister cannot intervene.

I take on board what the Deputies have said. I hope common sense will prevail and that mediation will take place in some form.

Deputy Joe Higgins: The Minister of State insults us, the Dáil and the people by coming to the House with that rambling and irrelevant answer. It is incredible. It was written by the Civil Service and I doubt she read it before she came to the House because, otherwise, she would not take responsibility for it. This is supposed to be the Topical Issues Debate; it is supposed to involve relevant engagement with reality. The Minister for Communications, Energy and Natural Resources who is in charge of the ESB should be here to answer. He has the power, with the chief executive, to immediately have this woman released and then by agreement proceed——

Deputy Kathleen Lynch: I am stunned by the Deputy's ignorance. He knows that cannot happen.

An Leas-Cheann Comhairle: Order, please. It is a matter for the Minister. I take Deputy Higgins's point and will follow it up.

Deputy Joe Higgins: The ESB could go immediately to the High Court——

Deputy Kathleen Lynch: That cannot happen.

Deputy Joe Higgins: ——and to Teresa Treacy to discuss with her the agreement——

Deputy Kathleen Lynch: Go to Teresa Treacy — that is different.

Deputy Joe Higgins: ——that the cables can be placed underground and then, provided there was agreement, the issue of contempt would finish — full stop. That is what should be done.

Deputy Kathleen Lynch: That is not what the Deputy was suggesting.

Deputy Joe Higgins: That is the engagement we seek. The five United Left Alliance Deputies are concerned about this issue. We stand in solidarity. The Minister should be here.

Deputy Richard Boyd Barrett: To add to what Deputy Higgins said, I cannot believe the Minister of State is hiding behind legal waffle. This is a fully publicly owned company under the aegis of the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte.

Consequently, he can intervene and tell the ESB to put the cable underground. It is as simple as that.

Deputy Kathleen Lynch: He cannot.

Deputy Richard Boyd Barrett: Of course he can.

Deputy Brian Hayes: It is a commercial semi-State.

An Leas-Cheann Comhairle: Please.

Deputy Richard Boyd Barrett: That is typical. It is a publicly owned company. Who else runs it?

Deputy Kathleen Lynch: The Deputy never fails to astonish me.

Deputy Richard Boyd Barrett: That is just nonsense.

Deputy Kathleen Lynch: The Deputy never fails to astonish me with his——

An Leas-Cheann Comhairle: One voice, please.

Deputy Richard Boyd Barrett: The Minister of State is trying to wash her hands of it, like everything else. The Minister should intervene and tell the ESB to put underground these cables. It is as simple as that.

Incidentally, the suggestion that Members were told by Mountjoy Prison that they were obliged to submit anything in writing is not true. The deputy governor, John Quinn, told me he had contacted the Department of Justice and Equality, the matter was being forwarded to that Department's Secretary General and that it would revert to me about our request for a visit. They never got back to us. There were no telephone calls or e-mails or anything. We are getting the run-around because they do not want people to highlight the case of Teresa Treacy, even to the extent of a few public representatives visiting her. The Government should take its responsibility for this matter. It should act by putting pressure on the ESB to get Teresa Treacy out of jail and to get those lines underground.

Deputy Kathleen Lynch: I take on board Deputy Boyd Barrett's comments regarding the visit and I undertake to follow up on that. This is a case of contempt and I have as much sympathy as anyone for that woman, who had been in prison for several weeks before the matter came before this House. While I have every sympathy for her, it is not possible for the ESB to purge that contempt. This is now an issue between Teresa Treacy and the High Court. If the Deputy thinks I am telling him lies, he should check it out.

Deputy Richard Boyd Barrett: The ESB can commit to her——

Deputy Kathleen Lynch: No, it cannot.

Deputy Richard Boyd Barrett: ——that it will not rampage over her land.

Deputy Kathleen Lynch: No, it cannot.

Deputy Richard Boyd Barrett: Of course it can.

Deputy Kathleen Lynch: No, it cannot. Every day I am astonished at the level of ignorance. Someone should mediate in respect of this lady because the circumstances in which she finds herself are ridiculous. This should be a matter of mediation and I will take on board Deputy Boyd Barrett's issue regarding the visit and will make inquiries thereon.

Deputy Joe Higgins: An underground cable is the solution.

Illicit Trade in Tobacco

Deputy Brendan Griffin: I am grateful for the opportunity to raise this matter, which affects the areas of health and public finances, as well as enterprise because it also affects jobs. Last Wednesday, I hosted a briefing session in the audio-visual room at which representatives from Retailers Against Smuggling, RAS, addressed Oireachtas Members on this important matter. Retailers Against Smuggling is a national group, representing Irish tobacco retailers, which was set up in 2009 to help combat the growing illicit trade in tobacco in Ireland. Its establishment in 2009 indicates this problem is not new but has been extant for quite some time. Moreover, the fact the aforementioned group has 3,000 members also demonstrates this is quite a large problem that is not confined to a small group but is nationwide and growing.

According to Retailers Against Smuggling, based on 2010 figures the illicit trade in tobacco is costing Ireland's retailers €575 million per annum and the Exchequer €460 million from the avoidance of tobacco duty each year. Although budgetary adjustments of between €3.6 billion and €4 billion each year are being contemplated at present, this figure constitutes more than

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10% of the amount under discussion. An enormous amount of money is being lost to the Exchequer as a result of tobacco smuggling. Consequently, this problem must be tackled and it will take a multi-departmental approach that must involve the Departments of Justice and Equality; Health; Jobs, Enterprise and Innovation; and Finance.

At present, the maximum fine for cigarette smuggling in Ireland is just over €126,000, but the average fine imposed in the second quarter of 2011 was €1,468. This sums up the current approach to the problem, which is that it is not being taken seriously. A shocking statistic put forward by RAS is that almost one quarter, 23%, of tobacco products consumed in Ireland in 2010 were not duty paid. One in four tobacco products consumed had no duty paid, even though each tobacco product consumed will impose a cost on the taxpayer through the health service. This is not good enough. Last May, Europol reported the reason Ireland in particular was one of the centres in which cigarette smuggling is a major problem is because it has high prices for cigarettes and low penalties. This must be addressed and penalties form the key to the problem.

This problem affects retailers and distributors. It has an effect on local economies, on the national economy and, as I mentioned earlier, on the public finances in particular. Moreover, vulnerable young people under the age of 18 are also victims because they are able to buy cigarettes from those who sell them on the streets. The problem also is that it is not just regular cigarettes that are being sold but counterfeit ones, and God only knows what goes into them. According to RAS, four out of five tobacco products that are sold illegally in Ireland are counterfeit. This is both a huge problem and a triple-edged sword, so to speak, in that the Exchequer is losing revenue, the health service will not get that revenue and the products being consumed are far worse than those which are regulated and on the market. It is time to wake up to this issue and tackle it straight-on.

Members must ensure there are harsher penalties for smugglers and we must introduce a minimum fine for smuggling. Although the Customs and Excise officers are doing an excellent job in protecting the country from the importation of illegal substances, they only have two scanners in the ports. Another one is needed and European Union funding is available, under the Hercule II fund, to buy an additional scanner for the ports to make it more difficult for smugglers to bring in those products. Fines for selling illicit tobacco to children are also required, and greater public awareness on the dangers of consuming illegal products is badly needed.

Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes): I thank Deputy Griffin for raising this important issue and congratulate him on the initiative he took last week in bringing together colleagues to consider the issue across Departments. As he rightly observed, it is not simply an issue for Revenue but also is an issue for the Departments of Health and Justice and Equality because of its implications.

The recent Europol EU organised crime threat assessment, OCTA 2011, reported that preferred destinations for cigarette smuggling within the EU are countries with comparatively high taxes on tobacco such as the Scandinavian countries, Germany, Spain, the United Kingdom and Ireland. The level of cigarette smuggling in a given country is influenced by a variety of factors, however, of which price is only one. These factors also include geographical location, population demographics, the level of cross-border trade, price differentials with neighbouring countries and general accessibility by air, sea, road and rail. All these factors contribute to Ireland being a destination country for cigarette smuggling.

The collection of tobacco products tax and tackling the illicit trade in cigarettes and other tobacco products are the responsibility of the Revenue Commissioners. The Deputy can be assured that Revenue is mindful that this illegal trade poses serious risks to the Exchequer, the tobacco industry and retail sales of tax-paid tobacco products. Moreover, it militates against the Government's anti-smoking policies. Tackling this problem is, therefore, a key priority for Revenue. The scale of the problem is illustrated by a survey commissioned by Revenue and the Office of Tobacco Control in 2009, which estimated that 20% of the cigarettes consumed in the State have not been taxed in this jurisdiction and that approximately 14% of cigarettes are illegal product. The remaining 6% were legal cross-Border purchases. A further survey in 2010 gave similar results. Based on these data, the loss to the Exchequer from the consumption of illicit cigarettes is approximately €250 million per annum, inclusive of VAT.

Revenue employs a multifaceted approach in tackling the illicit trade based on the development and sharing of intelligence on a national, EU and international basis, participation in multi-agency investigations into criminal networks and deployment of up-to-date detection technologies, including X-ray scanners, risk analysis and profiling. Enforcement resources are deployed both at point of importation and within the country to intercept contraband product and to detect and prosecute those involved in the illegal activity. Action at the post-importation stage includes intelligence-based operations and random checks at retail outlets and other premises.

A high-level internal group, chaired at commissioner level, examines the risks associated with tobacco smuggling on an ongoing basis and has promoted a number of initiatives aimed at counteracting the illicit trade, including the adoption of a comprehensive strategy and action plan. Within that framework, important new actions have included a series of nationwide blitz-type operations, seven of which have been conducted since the middle of last year.

In terms of detection equipment, a second mobile X-ray container scanner, to augment the one first deployed in 2006, was commissioned by Revenue in January 2010 and is now fully operational. Smaller baggage or parcel scanners are deployed at all major ports, airports and postal depots. In addition to the X-ray equipment, Revenue also uses a tobacco-detection dog.

One of the scanners is based in Dublin Port, while the second is located at Rosslare Ferry Port, but both scanners are available for deployment at other ports as required. Revenue intends to maintain and increase the frequency and variety of scanner deployments at various locations throughout the country.

The success of Revenue's enforcement operations is reflected in the fact that, to date in 2011, a total of 92 million cigarettes with a retail value of approximately €39 million, as well as more than 9,500 kg of tobacco with a retail value of some €3.4 million, have been seized. Revenue will ensure that every effort continues to be made to disrupt and suppress this illegal activity.

The scale of the problem is directly related to our efforts to discourage smoking through higher taxation of tobacco products. Ireland has the highest taxes on tobacco in the EU resulting in the highest prices and consequently there are enormous profits to be made by the illegal trade in untaxed cigarettes. In that regard, additional measures to combat cigarette smuggling will be considered in the context of the 2012 finance Bill. The matter is being actively considered by the Department on foot of advice from Revenue. The fact that I have now conceded to the Deputy that this matter is likely to be addressed again in the context—

Acting Chairman (Deputy Paudie Coffey): I ask the Minister of State to conclude.

Deputy Brian Hayes: —of the 2012 finance Bill shows the intent on all our parts to counter this problem.

Deputy Brendan Griffin: I thank the Minister of State for his response with the very welcome news that the 2012 finance Bill should include measures to address the problem. Those who are involved in this are not just people who are struggling, and trying to make a living and to make a few quid on the side; some very dark criminal elements are organising tobacco smuggling. As the Minister of State mentioned enormous profits are being made and I understand some criminal elements have moved entirely into the cigarette smuggling business from illegal drugs because of the profits to be made. So we are dealing with very serious criminals and I am grateful that measures will be taken to address the problem.

The Minister of State referred to the two existing scanners. However, unfortunately they can be monitored. The criminal organisations involved have people who can sit and watch the scanners being moved. Full-time scanners at our ports would be advantageous. I hope that matter can be revisited. The European Hercules fund could be used to reduce the cost to the Exchequer.

Those watching this debate or reading the Official Report, who might have consumed or purchased illegal tobacco products, should understand that they are not getting one over on the State.

Acting Chairman (Deputy Paudie Coffey): The Deputy should conclude.

Deputy Brendan Griffin: They are doing enormous damage to the State and to ordinary working people who are losing their jobs in the retail industry. We need to address this problem collectively as a society.

Deputy Brian Hayes: The Deputy's point about the responsibility of members of the general public not to buy these illegal cigarettes is well made. Not only are they effectively defrauding taxpayers in the State, they are also putting their own health at further risk because they are consuming products which have not been verified in the normal way.

The average price of a packet of cigarettes here is €8.65, whereas in Hungary it is €2.06, meaning that smokers in Ireland are paying top-dollar. Raising tax on tobacco products further would simply encourage the illicit trade to which the Deputy refers.

Acting Chairman (Deputy Paudie Coffey): I must call time.

Deputy Brian Hayes: We have already used funding from the Hercules programme for one or two of the scanners — we will consider the matter again. As they cost €3 million to purchase and €320,000 a year to maintain, obviously it is a cost issue. I assure the Deputy that Revenue is on top of the problem and is doing everything it can to address it.

Job Losses

Deputy Billy Kelleher: I do not want to cause any further anxiety, distress or concern to the employees of Aviva Insurance. There are concerns given some reports in newspapers of discussions that trade unions are having with Aviva management. That Aviva HR managers from throughout the world met in Spain recently to discuss restructuring rings alarm bells. The announcement by Aviva Health in May to move its European headquarters from Dublin back to London rang alarm bells that further restructuring could take place affecting its operations in Ireland. Aviva employs more than 2,000 people in Ireland. The headquarters could have job losses of up to 500 and now there are disturbing reports of possible further job losses.

We must express concern in the context of existing Aviva employees. We need to consider the broader issue of the sectoral plans that would be required by Government and the lead

agency, IDA Ireland, in discussions with companies whose headquarters are located in Ireland. Primarily we are trying to promote Ireland as a place for foreign direct investment and trying to promote the International Financial Services Centre. It plays a very positive role in the economy and employs large numbers of people. However, when an internationally recognised company with a strong brand such as Aviva moves its headquarters out of the country, it could damage our reputation. We have invested much in trying to promote Ireland as a place for foreign direct investment and this issue could raise concern for other companies considering locating in Ireland.

I do not expect the Minister of State to be able to wave a magic wand, but the Government and IDA Ireland need to have stronger engagement with Aviva on its restructuring plans as opposed, as the Taoiseach said, to waiting for this review to take place and then for the company to announce that following its review it is restructuring at which point it is too late for us to embark on any meaningful engagement with the company.

Will the Minister of State confirm that there has been strong engagement by the Minister and the lead agency with the company on its international restructuring? What efforts are being made to draft sectoral plans for the insurance, hedge fund and financial services industries which are under enormous pressure because of the downturn in the broader international economy? Those perceptions that might arise following Aviva's decision to relocate its headquarters could have a damaging impact on Ireland's ability to attract high-end high-value companies such as Aviva to Ireland. This is particularly true of those involved in insurance, financial services and hedge fund management.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Sean Sherlock): I thank the Deputy for raising this matter. As I reported to the House on the 22 September, Aviva is undertaking a review of its operations in response to a significant reduction in demand for insurance and pensions products. Aviva has found it necessary to review its operations here to ensure its cost base is in line with domestic demand to ensure sustainability. The CEO of Aviva Ireland has assured the Minister for Jobs, Enterprise and Innovation that no decisions have been taken on the final structures or potential job losses. He has also confirmed that Aviva is committed to remaining a significant player in the Irish insurance and assurance market.

As the CEO of Aviva has confirmed that the company is in ongoing contact with employee representatives, it would be premature to speculate about the outcome. To be fair, it is pertinent that the Government allow the unions to engage with Aviva to see where that process might lead. The company has given a commitment to communicate the results of the review to my Department and IDA Ireland when completed. We anticipate that the review will be completed by the end of October. In the interim, IDA Ireland is in contact with the company at both corporate and local level, with the intention of mitigating the impact of potential negative outcomes following the review. IDA Ireland is also in dialogue with the company on potential future opportunities in respect of the company's significant international business. In this context, recent media coverage does not reflect a formal announcement by the company. The review of its operations is ongoing and the company has not officially confirmed the scale of potential job losses. My Department, through IDA Ireland, is monitoring the situation closely and will engage further with the company at any stage.

Deputy Billy Kelleher: Media reports are obviously not definitive on decisions a company might make on restructuring and job losses. Nonetheless, they raise concerns for the employees. Aviva will remain a dominant player in the Irish insurance market, even if it halves its workforce, as there are over 2,000 people currently employed by the company. That does not miti-

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gate the fact, however, that there is major concern and there must be strong engagement with IDA Ireland and the Department prior to any restructuring. Waiting for restructuring means one thing only; the decision has been made at corporate level. It is then too late for active engagement with the agency and the Department.

We understand the pressures in the insurance and assurance markets, the financial services industry, as well as call centres, given recent job losses in Waterford and the concerns expressed about Rigney Dolphin in that county. The only way the anxiety and concern can be alleviated is through a definitive decision being made by the company as quickly as possible. Engagement with the Department and IDA Ireland prior to the review being completed is the obvious thing to do, as opposed to waiting until such time as the company has announced its restructuring, when it will be too late to do anything.

Deputy Sean Sherlock: Let us be straight. If a global company such as Aviva decides to restructure, it is pertinent, if there is engagement with the trade unions in the organisation, that we allow such a process to proceed. I have stated IDA Ireland is in dialogue with the company on potential future opportunities. I have also stated it is in contact with the company at both corporate and local level, with a view to mitigating the impact of potential negative outcomes. I note the point made by the Deputy which I will pass on to IDA Ireland. However, it is vital that we allow the review to take place. The CEO has assured the Minister that no decisions have been taken on the final structure and potential job losses. However, it is important that we take on board what the Deputy is saying and reflect the concerns outlined and the view that IDA Ireland raise the ante in advance of the review. That is a fair point.

Accident and Emergency Services

Deputy Derek Nolan: I welcome the increased ratio of red headed Deputies in the Chamber. It is a nice change.

I raise an important issue affecting my constituency, namely, the position at the accident and emergency department of University College Hospital, Galway, which I understand, with approximately 66,000 attendances per year, is the second busiest accident and emergency department in the country after the department in Tallaght hospital. It is also a hospital with a much wider remit. Tallaght hospital is not the only major hospital in Dublin, whereas University College Hospital, Galway serves the entire western region and is a major hub of medical activity. The experiences of constituents of mine who present at the accident and emergency department are severe and are very worrying. Approximately two weeks ago on 24 September matters got to the stage where HSE West had to issue a statement asking people not to present at the department, unless it was absolutely necessary to do so, as it simply could not cope with the number of patients presenting. That is a sign that the problem is reaching crisis point.

Yesterday morning there were 42 patients on trolleys in the hospital, which was almost a record. The problem was so bad that there was an overflow into other units. The ward space required is not available to deal with patients in the accident and emergency department and that issue needs to be tackled. It is often a gruesome and an horrific experience for patients waiting endlessly in an overcrowded department, not knowing how long they will have to wait to be seen. Conditions are often cramped. I have heard one story from a constituent who had a leg injury and who had to stand while waiting to be assessed as there was no chair available. Those presenting are vulnerable, sick and worried because they are not used to being dealt with in such circumstances.

According to figures I received today, 356 patients spent time on a trolley in the hospital in September 2010, but this figure rose to 642 in September 2011, a huge increase of 286. Clearly,

the trend is deteriorating. I have a 78 year old constituent who spent four nights on a trolley in the hospital. On the afternoon of 24 September every single patient on a trolley was over 75 years old.

I met the clinical director and the registrar in the accident and emergency department on 30 August to discuss the issues involved. They talked about some of their plans such as the movement of critical functions from the hospital to other satellite hospitals in the HSE West region, the use of the medical admissions unit and the medical assessment unit. However, these initiatives on their own are not capable of solving the problem. The fair deal scheme is part of the problem. There are persons in the acute hospital system who should be in elderly care settings, but they cannot receive such care because the funding is not available.

There are also other issues such as the effectiveness of the national ambulance service. Patients are spending time in hospital beds when they should have been transferred. Owing to a lack of resources, it can take two days to have them transferred by ambulance.

It will be interesting to hear the Minister of State's reply on any actions she proposes to take.

Deputy Kathleen Lynch: I thank the Deputy for raising this issue. There is a slight flaw emerging in the topical issues debate format. The Deputy is speaking about something of which we are all aware. Perhaps we should be concentrating on plans to resolve the issues involved. That is what Members would really like to see, but that is not what we get. I am about to repeat virtually everything the Deputy said, although I must correct one of his figures. The throughput at Galway University Hospital's accident and emergency unit last year was 68,000 as opposed to 66,000.

We all know the reason for bottlenecks in acute hospitals is the lack of step-down facilities for people who should not be in hospital but are not able to go home. Primary care will be part of the solution to the bottlenecks in acute hospitals. For instance, the leg injury of the constituent to whom the Deputy referred could have been dealt with in an upskilled minor injuries clinic or a proper primary care unit. If such facilities were in place, the only people being assessed in accident and emergency departments would be those whom general practitioners considered to be in need of an assessment by a consultant or admission to hospital. We need to address the ancillary services required around acute hospitals rather than focusing solely on acute hospitals. The Minister of State, Deputy Shortall, is battling to have primary care units and multidisciplinary teams established in the community setting. These units and teams will also form part of mental health services, for which I am responsible, and care of the elderly. The social care needs of older people, persons with a disability and those with mental health issues are identical, and there is no reason this aspect of their care cannot be delivered in the community.

If we do not start thinking outside the box the chaos we have inherited, including in Galway University Hospital, will continue. The special delivery unit is gathering all the information we need to allow us to put in place mechanisms to ensure we can avoid the type of problems Deputy Nolan has observed in overflow wards and accident and emergency departments. The Deputy's most poignant comment concerned a 75 year old man who found himself facing the indignity of being placed on a trolley. While the rest of us may have a degree of dexterity and mobility, it must be disturbing for anyone of that age profile to find himself or herself in such a position.

Before coming to the House, I attended a meeting of the Cabinet sub-committee on health at which we discussed how we would address the issues Deputy Nolan raised. We must act urgently because a long-term response would be of little benefit to the 75 year old gentleman

[Deputy Kathleen Lynch.]

to whom the Deputy referred. I concur with the Deputy on this issue. The Government is working very hard to resolve the problem.

Deputy Derek Nolan: I thank the Minister of State for her heartfelt response. As a member of a Government party, I support the strategy of diverting patients from acute hospitals, the most expensive facilities to treat patients, to primary care, which is more effective, efficient, local and trusted by members of the community. We are, however, a long way from achieving this objective. As such, I must raise the issue of 42 people on trolleys in Galway University Hospital who do not yet have access to the primary care service that is required.

The special delivery unit has been widely discussed. I understand from my discussions with representatives of Galway University Hospital that Dr. O'Connor visits the hospital every week and various changes are being made. What are the plans of the unit and what have been the results to date? The Minister took the initiative by asking the special delivery unit to write a report on the position in the Mid-Western Regional Hospital in Limerick. I ask the Minister of State to give a commitment on behalf of the Government that an investigation will be carried out and a report published into Galway University Hospital. Such an urgent response is warranted given that 42 patients were lying on trolleys in the hospital this morning.

I would be pleased to work with the Minister of State and Health Service Executive to facilitate the required shift from acute hospitals to primary care facilities. I will also discuss with her the local situation in Galway. This issue must be resolved urgently, especially given that the real blockage in accident and emergency departments starts in winter. It is not yet winter and already 42 people are on trolleys in Galway University Hospital. Will the Minister of State see to it that the special delivery unit produces a performance report for Galway University Hospital which will be presented to the Dáil?

Deputy Kathleen Lynch: I will most definitely bring the Deputy's request to the Minister. One of the significant proposals made by the special delivery unit, and which appears to be common sense to anyone who has spent any time in hospital, is that consultants make two daily ward rounds rather than one. As we all know, people can be discharged later in the day once results come back from laboratories. In such circumstances, there is no point holding on to patients until the consultant does another round the following morning. Taking such a common sense approach will have an effect.

The special delivery unit has also informed us of a significant finding, that the number of people attending accident and emergency units does not increase in the winter months we associate with chaos. What changes is the type of patient presenting in winter, specifically people with chest infections and so forth who need to be admitted to hospital. This appears to be the reason for the backlog. Having this type of information will allow us to engage in planning. I will bring the Deputy's reasonable request to the Minister.

Road Traffic (No. 2) Bill 2011 [Seanad]: Second Stage (Resumed)

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

Deputy Noel Harrington: The main provisions of the Bill refer specifically to the lowering of alcohol limits, that is, blood-alcohol concentration, mandatory testing of drivers and the driving of dangerously defective vehicles on our roads. When the previous Road Traffic Act was introduced earlier this year, it was not possible to address these issues because the required equipment was not in place in Garda stations. The legislation must be enacted before the new alcohol limits are introduced at the end of this month.

It is timely that the Bill is passing through the House this week given that the Road Safety Authority has designated next week road safety week. The legislation is also timely because statistics show that the highest number of fatalities occur in the months ahead. We will shortly set our clocks back for the winter months. As is borne out by statistics, a high number of road fatalities regrettably occur at this time of the year.

Many factors result in road fatalities. In recent years, we have focused strongly on alcohol and its effects on the level of fatalities and serious injuries on the roads. We should take time to examine the consequences of passing this legislation.

I pay tribute to the Garda Síochána, not only for its daily work on road safety but also its contribution to the Road Safety Authority's excellent online resource which maps accidents throughout the country, ranging from fatalities to serious incidents to minor incidents. This is an excellent resource which is well worth consulting. It is interesting that many of the accident blackspots occur on routes which require further investment. I often wonder what role road engineering could play in improving the incidence of road deaths and serious injuries. The Road Safety Authority's online resource could be used to highlight shortcomings in our road engineering programmes, and further study of it could have a significant impact.

The National Roads Authority is reducing funding for road schemes. While the inter-urban routes have been completed, much work remains to be done. I refer specifically to the N22 Cork to Killarney road. The Road Safety Authority's map of road traffic accidents makes for interesting reading in respect of this road. I refer also to the Bantry relief road, for the same reason, for which I would like to see some support.

Insurance figures indicate that for 92% of pedestrians involved in accidents between the hours of 11 p.m. and 3 a.m. drink was involved, in other words, they were intoxicated. This debate is critical for people living in rural Ireland because it must lead to the point where this legislation must be accepted and welcomed. It tells people not to drink and drive. However, people are still being killed on the roads and they are walking, not driving. It is clear that the availability of low-cost alcohol is an issue that must be dealt with, not directly in this legislation but by the Government. If we are serious about improving road death and injury statistics, the pedestrians issue is an obvious one to tackle. There might be other initiatives we might look at. I see a possible role for the Department in asking the drinks industry, for example, to come up with a scheme to provide high visibility vests in public houses. Many people who venture out, particularly in the constituency I represent, leave a public house at night when it is dark. There is no public transport available and, in many cases, no lighting and accidents occur. A minor action such as this could play a role or help to reduce the drink driving fatality or serious injury statistics. It should be taken in conjunction with the legislation.

Another statistic I came across, to which a multi-agency approach might be taken, is that 40% of those convicted of drink driving had previous convictions for serious offences, many unrelated to driving. This issue should be examined. It may be that they come from a different social background. However, the issue is one that merits attention, although it is not clear what the solution might be. There should be closer scrutiny of the statistics.

From time to time the issue of winter and summer time has been raised in the House, as to whether we should change them to be in sync with Central European Time. Efforts and discussions take place with our neighbours across the water. In the House of Commons it has been proposed to align Greenwich Mean Time and Central European Time. Could we undertake studies of this issue? Is there any information available on the possible beneficial effects of having longer and brighter evenings on road safety statistics? That would be an interesting job of work. Perhaps if there were to be a good result from such studies, there might be a case to be made with other Departments on whether we should align with Central European Time.

[Deputy Noel Harrington.]

One of the most difficult aspects is that the drinks industry, vintners in particular, has one of the strongest lobbies and has been against much of this legislation. Obviously, it has a case in regard to its own economics, but no case can be made against the road safety statistics. We must tackle this issue; rather than look solely at drink driving, we must look also at the drink culture in this country. There is a need for a greater element of fairness. In my town and others throughout the country low-cost drink is available to young people and those who may not be used to drinking. They step out onto a street or along a country road and put their lives and those of others at risk. There is no supervision. Vintners' groups will claim they are very careful about their customers and patrons. However, they should not allow them to drink and drive and most are very good in that regard. This move should be supported by other legislation from other Departments which would help in achieving compliance with the legislation.

There are other minor projects that should be undertaken to help to reduce the number of road traffic deaths such as the provision of speed limit signs and better maintenance of signage in country areas. It is 240 miles from the door of Leinster House to my door and I drive, on average, about 60,000 km — 65,000 km per year, on motorways, dual carriageways, national, regional and country roads. I have seen practically everything and one of my bugbears is the local authorities that do not maintain roadside hedging. I do not look for full hedge-cutting programmes but for the maintenance of road signs to ensure visibility.

There are minor issues that could be dealt with in conjunction with the motor industry. Dipped headlights might be kept on at all times or, if that is not possible, vehicles should have dipped lights when the wipers are on.

Although we have focused primarily on drink driving and related legislation which is as it should be, the problem is multifaceted. Now we should focus on other areas. We have reached a point where the statistics clearly show there has been an enormous drop in the number of fatalities at a time when the the blood alcohol content level is 50 mg. We should draw a line under that issue and look elsewhere.

I thank the Minister for the work done to date. It will save lives, but there is much more we could and should do.

Deputy Seamus Healy: I welcome the opportunity to speak to the Road Traffic (No. 2) Bill 2011 which I welcome and support. Its main focus is on implementing provisions included in legislation passed in 2010 and 2011 dealing with mandatory breath testing, alternative verdicts and the lowering of blood alcohol content, BAC, limits. I support these proposals which are practical and make common sense. They will enhance and bring about a further reduction in the numbers of fatalities and serious injuries on the roads. I support the reduction in BAC levels, from 80 mg per 100 ml to 50 mg per 100 ml for persons who have held a driving licence for more than two years, and to 20 mg per 100 ml for professional drivers such as taxi drivers and for learner drivers.

It is fair and true to say there has been a great cultural change in Ireland in recent years on road safety. The work done by the Road Safety Authority, local authorities and schools and generally throughout the State has had a significant influence and reduced the number of road fatalities by 40%. Last year the figure was reduced to 212. Obviously, every death is one too many; we should, therefore, focus our efforts on ensuring the figures which, although reduced, are still horrendous are reduced further.

I reiterate that there has been a significant cultural change in the matter of drinking and driving. No matter what anybody says, the smallest measure of alcohol impairs driving. As a previous speaker stated, in the region of 30% of all fatal accidents on our roads involve alcohol.

In the past ten to 15 years, the concept of the designated driver has come into fashion. In addition, when they go out for a drink, to have a meal in a restaurant or to attend a social occasion, people usually use public transport or avail of taxis or hackney cabs. This represents a major and welcome change in attitudes.

We need to focus on a number of matters in the context of road safety, including speed, pedestrians and cyclists. The previous speaker referred to pedestrians and I agree that this is an issue to which consideration must be given. Far too many pedestrians are either being seriously or fatally injured as a result of accidents. In a good proportion of cases, such accidents occur late at night when people are on their way home from social occasions. While public transport, taxis, and so on, are available in cities and larger urban areas, there is no doubt that a problem exists for people who live in rural areas in the context of getting home after a night out. It would be worthwhile considering providing some form of transport in such areas — whether through an extension of the rural transport scheme or whatever — so that people might travel to functions in local community halls or to participate in charity and other forms of table quizzes being held in their local pubs. Perhaps we could consider adapting the rural transport scheme in order that people who live in the areas to which I refer might travel about at night without having to take their cars.

Publicans also have a responsibility in this regard. They should consider whether they can provide some form of transport for their patrons. I am aware of a number of publicans who provide transport for their customers on an ongoing basis. Their counterparts, particularly those which establishments in rural areas, should examine the possibility of providing transport. This would be of assistance in the context of protecting pedestrians. In view of the number of pedestrians either being seriously or fatally injured as a result of being involved in accidents, consideration should certainly be given to this matter.

I am also concerned with regard to pedal cyclists and motorcyclists. The Minister of State at the Department of Transport, Tourism and Sport, Deputy Kelly, recently brought forward a number of very good proposals in respect of cycle lanes on national primary routes. The need for such proposals is an indication of the fact that a huge number of people cycle.

5 o'clock The cycle to work scheme, which was introduced in 2009, has led to a significant number of individuals cycling to work and for leisure. Some of the figures are worth contemplating. A recent report shows that approximately 90,000 bicycles were purchased during the first two years of the cycle to work scheme. This generated an estimated €138.6 million in direct and indirect sales. Approximately 50 new bicycle shops opened during the period in question and something over 700 jobs were created. Since 2008, the membership of Cycling Ireland has doubled from 5,000 to 10,000.

There has been a huge increase in the number of individuals who cycle and there is no doubt that we must focus on the issue of cyclists and road safety. When such large numbers of people are cycling on our roads, there is both the possibility and probability that, unless we focus on ensuring their safety, problems will arise in the context of their being involved in accidents. As a result, there is a need to put additional cycle lanes in place and to educate people with regard to road safety in the context of cycling.

The other major issue which arises in the context of road safety is speed. Speed is a significant contributing factor to the number of deaths and injuries that occur on our roads. We probably need to review the speed limits that apply on motorways, bypasses, and so on. I hope the Department and the Road Safety Authority will consider the position in respect of pedestrians, cyclists and excessive speed when the next road safety plan is being drawn up. The work relating to that plan should involve a review of the speed limits that apply on our roads.

[Deputy Seamus Healy.]

One of the key elements when it comes to further reducing the figure relating to road deaths is education. Some education in road safety is provided in second level schools. The matter is being dealt with to some degree but I am of the view that education in road safety should be formally included in the curriculum. Particular emphasis could be placed on road safety if it were included as part of the transition year programme. It will only be by educating young people and by them then educating their peers, parents, relatives and friends that progress will be made. Education can assist in further reducing the number of fatalities and injuries which occur on our roads.

I am concerned about motorcyclists. There is a particular difficulty there and I am not quite sure how this can be dealt with. However, we need to examine this matter because the number of motorcyclists involved in road traffic accidents is certainly disproportionate to their numbers.

Previous speakers referred to road maintenance, particularly that relating to secondary and county roads. This is a matter in respect of which action must be taken, particularly in view of the fact that the winters of 2009 and 2010 were extremely harsh.

Many of these secondary and county roads have been very badly affected by a combination of frost, snow and rain. Roads in such a condition do not help road safety. There is a need to ensure that funding and resources are available to bring these roads up to a proper standard, as the quality of the roads contributes to an improvement in road safety. We are being told that we are on the verge of another very cold winter and I hope that money can be ring-fenced for improvement, especially on secondary and county roads.

I will mention the purchasing of older or “clapped out” vehicles by young people. The issue has been raised on a number of occasions but still needs further work and review. There was a time when a young person could purchase a vehicle for €100 or €200 and drive it away. This can be and has been a recipe for difficulty, disaster or tragedy. It is an issue that should be dealt with, reviewed and focused upon in the next road safety plan. I welcome the opportunity to speak to the Bill, which I support. I have made some suggestions for a practical and common sense approach to what I hope will be an improvement to road safety.

Deputy Dan Neville: I wish to share time with Deputy Durkan by agreement of the House. I welcome the opportunity to speak to the Road Traffic (No. 2) Bill 2011, which aims to clarify existing legislation relating to drink driving, as it reflects policy decisions already taken during the course of development of the previous Government’s Road Traffic Act 2010 and Road Traffic Act 2011. Previous Bills amending legislation on drink driving had all-party support in the Dáil, and this Bill deals with the implementation of legislation because of difficulties arising from the operation of the previous Acts. This was identified during the debate on previous Bills. The current Bill clarifies legislation with regard to preliminary and mandatory breath testing requirements and alternative verdicts, along with other measures. It also allows for mandatory alcohol testing for lower drink driving limits, as set out in the Road Traffic Act 2010.

There is no doubt there has been a massive cultural change in our attitude towards road safety over recent decades, leading to an enormous change in the standards of roads and driving, as well as issues of vehicle safety, proper driving instruction and the use of alcohol while driving. It is now rare to hear of someone being fined for not wearing a seat belt, which is indicative of the cultural change we have seen. In line with this, the area of road safety has changed dramatically, with significant decreases in the number of accidents and deaths.

No death is acceptable so we must continue to ensure the level of road deaths is reduced. It is interesting to note that in 1972, 640 people died on our roads, or more than 50 people per

month. As late as ten years ago in 2001, 411 people died on our roads, but last year the number was 212. Although the current number is unacceptable, it certainly shows a consistent improvement over a period. I will give some of the trend figures since the Road Safety Authority came into being. In 2006, 365 people died on our roads; in 2007 the number was 338; in 2008 the number was 279; in 2009 it was 239; and in 2010, 212 people died on the roads.

Gardaí believe road deaths could fall below 200 this year for the first time since records began and, as of yesterday morning, 151 people had died on the road this year, 15 fewer than at the same stage last year. Were fewer than 200 people to die on the road this year, it would see Ireland match Sweden's record last year. The Road Safety Authority is to be congratulated on the work done since its foundation, and as a Parliament we should recognise its professionalism and promotional work. It is very important that the authority should be facilitated in continuing its work, and the lives of people should come before any cutbacks or savings with regard to its resources. I do not know how savings in any area can be calculated with regard to road deaths, but our fight against road fatalities should not be compromised.

The Road Safety Authority has identified factors contributing to the reduction in road deaths, with one of the main elements being the level of expenditure on and campaigning for road safety. Attention has been drawn to the number of deaths and the need to ensure that people are aware of the dangers related to unsafe driving. Recently, we have seen the level of vehicle safety increase, and we now have seat belts, airbags and improved braking systems. Even if a collision occurs, the chances of death and injury have been substantially reduced because of the implementation of such safety devices. The national car test, NCT, system carries out regular checks on vehicles, and while some may see it as a nuisance, it has contributed to ensuring vehicles are fit for use.

The road network has been upgraded and motorway and dual carriageway driving has been proven to enhance safety. I have seen this on the weekly, or sometimes bi-weekly, journey I take from my home to Leinster House. There is dual carriageway as far as Newlands Cross and there is motorway to Naas. That has increased safety substantially. Even in County Limerick, where serious accidents have occurred over a number of years, the road improvements that have taken place have contributed to reducing the level of deaths and injuries on the roads.

The penalty points system might not have been very popular but it has improved safety and contributed to the reduction in the number of deaths and injuries. There are also fixed penalty notices and charges and, most recently, the GoSafe safety camera network. We have all been educated to be more conscious of road safety. I reiterate my support of and congratulations to the Road Safety Authority on the work it has done since its foundation.

The other point I wish to raise relates to the downside of the introduction of this Act, which is rural isolation. When Deputy Éamon Ó Cuív was Minister he had strong opinions on this. Many people living alone in rural areas saw the local bar as a meeting place for socialising. There is little social activity in many rural areas aside from the local bar. Everyone is aware that some people are prepared to go to a bar and not drink, but there has been a tradition of interaction among rural dwellers at the local bar. There is now isolation, loneliness and an increased level of depression among people in those circumstances.

The road safety figures show that 212 people died on the roads last year, compared with the 609 people who died by suicide. If the Government can take any lesson from its relative success in the road safety area in terms of the contribution of resources, I implore it to examine the situation where 609 suicides occurred last year and apply a similar formula to ensuring there is a professional approach through the development and resourcing of the National Office for Suicide Prevention. That office's campaign is quite different from the road safety campaign,

[Deputy Dan Neville.]

but the principles are similar. There is also the issue of road deaths by suicide, which is linked in some ways to the road safety campaign.

Perhaps someone would examine the pilot projects carried out by Deputy Éamon Ó Cuív when he was Minister with responsibility for rural and Gaeltacht affairs. They were introduced when the original Bill was being discussed. Perhaps the Minister could be informed by the civil servants who were involved in those projects why that initiative died.

Deputy Bernard J. Durkan: I welcome the Bill and support the comments by my colleague. Generally, when dealing with legislation of this nature, one must review the success to date, the intentions of the Bill and its likely success. As Deputy Neville said, there has been considerable progress in reducing the number of fatal road traffic accidents over recent years. That is the result of a number of measures that were taken.

First, the improvement in some, although not all, roads, especially the national primary routes, has helped. A general improvement over the last 20 years in the quality of motor vehicles on the road has also helped. To some extent, too, there has been a general improvement in road manners and tolerance of others on the road. However, there are still a number of motorists who should take time out and calm down, as I noticed this morning. I became conscious of the loud revving of a large engine behind my car. As it was a high, very large container vehicle, I was able to see in the mirror that the driver was reading a newspaper. Obviously, when the traffic lights changed and the traffic stopped, he was obliged to stop far more suddenly than other motorists. I have his registration number, even if he might not know it. A little courtesy on the roads is no harm. If someone makes a mistake or a pedestrian steps out in front of the vehicle, it is not necessary to drive over them. One must concede and be careful at all times. Generally, however, there has been an improvement in road manners and tolerance on the roads.

I also spoke when the original Bill was before the House. Of course, someone who is over the alcohol limit must have consideration for other users of the road. It is also not necessary to drive at the speed limit all the time. Furthermore, if one does happen to be driving at the speed limit and overtaking another car, there is no necessity for the driver behind to get almost into the car exhaust with a view to getting ahead of one or the car that is in front. I do not understand why that occurs, but it regularly does.

I draw the Minister's attention to the fact that there appears to be an increasing number of traffic accidents on the motorway I use, the M4, as it approaches the city. The speed limit is 80 km/h for most of the way until one gets onto the motorway, where there is the standard speed limit. Usually, there are not many incidents on the motorways and I wonder why this is happening now. I believe it is due to bad driver practice at lane changing. The more lane changes a driver does, the greater the likelihood of making a mistake or not seeing on time a mistake being made by someone else. Has any research been carried out with a view to identifying the cause of these accidents on motorways?

Women drivers tell me that some motorists have a low tolerance of women drivers. They tend to tailgate, thereby intimidating the female driver. I do not know how prevalent that is but it should not be allowed to happen. That type of bullying is unacceptable.

The other issue is the value of the national car test, NCT, which we discussed some time ago. An NCT should not wreck the motor vehicle. It is that simple. When the NCT was introduced, it appeared that the vehicle would not survive it, and in some cases it did not. This is a mechanical issue. Some of us have knowledge of that area to a greater or lesser extent for all sorts of compelling reasons. Care should be taken to ensure the vehicle is mechanically sound.

I do not believe reference to the vehicle's age is as necessary as some believe. A ten year old vehicle with very little mileage can be as good as a three year old vehicle with a lot of mileage. As people in this business should know, the mileage travelled by commercial travellers, doctors, veterinarians and Members of the Houses of the Oireachtas is far more than that of most normal domestic motorists. That has an effect on the vehicle concerned. The NCTs must have some degree of integrity. The same applies to the Department of the Environment, Community and Local Government, DOE, tests for commercial vehicles.

I have brought to the attention of the House previously that it is very important the DOE and the NCT are carried out methodically and with particular reference to the issues which have a direct impact on the safety of the vehicle, the driver and other drivers using the road.

I mentioned consideration for others and road courtesy. There is still some scope for that. For example, one should look carefully at the way some people use roundabouts. The idea seems to be to get a good run at the roundabout from a distance away, to intimidate anybody who happens to be on it and having got on to the roundabout, to overtake on the left or the right, whichever offers the greatest opportunity, in a mad rush to get around the next corner or whatever. I cannot understand that. The law should prohibit overtaking on a roundabout. There is no necessity for it. The purpose of a roundabout is to keep the traffic moving and not necessarily to keep it moving at a particular speed or to get the individual who wants to get somewhere at a particular time there on time even though he or she might not have left on time.

An Leas-Cheann Comhairle: There are fewer than two minutes left.

Deputy Bernard J. Durkan: One could almost do an NCT in two minutes. It might not be a very effective one but it could be done.

Knowledge of the rules of the road still leaves a little to be desired. We need road courtesy and to give the individual in front reasonable space. A driver does not have to be intimidating all the time. The person behind does not have to come in the back window just to let me know he or she is there. People should not get off the road for a person who believes he or she is a more important than everybody else. We can tell by the way someone drives whether he or she believes in his or her own importance. He or she usually beeps the horn and does all sorts of things to intimidate. That is petty and does not do anything to calm the nerves. It certainly gets on the nerves of many other people.

I still have the licence plate number of the guy who was reading the newspaper as he drove along this morning but I will retain it for further use.

Deputy Michael Healy-Rae: I thank sincerely the Technical Group for allowing me to speak on this important Road Traffic (No. 2) Bill 2011. While there are sections in it which I wholeheartedly support, I have serious issues with decisions made by the last Government and by this one.

I refer to the lowering of the legal blood alcohol limit for people who hold full driver licences for more than two years from 80 mg to 50 mg per 100 ml of blood. We must be frank and blunt in stating that this will shut down rural Ireland once and for all. Over the past five years in particular, I have seen public house after public house shut down. This debate, about which I feel very strongly, has nothing to do with alcohol. It is about a rural way of life where people rambled to their local public house in the evening to meet friends, play cards and discuss sports, politics, religion and many other items of interest. Drink had very little to do with it. The people of whom I speak would have had only a couple of pints and they would have driven

[Deputy Michael Healy-Rae.]

home. They never had, or were the cause of, an accident. However, with the ever-decreasing blood alcohol limit, they have decided to stay at home.

The parish from which I come had six pubs at one stage. Unfortunately, since last weekend, there are only two pubs left in the village. This is reflected the length and breadth of Ireland. A large number of pubs are closing each day — the vintners' association will testify to this — and it is tearing at the heart and soul of rural Ireland.

The Garda has a job to do, and I commend it on its work, but I find it ironic that in rural Ireland, mandatory breath tests occur all over the place and at all hours of the day and the gardaí are very active. Since I started coming to Dublin six or seven months ago, I have not come across one checkpoint despite the fact that tens of thousands of people use the roads and streets around Dublin on a hourly basis. Is it a case that there is one rule for the countryside and another for the cities and larger towns?

When successive Governments reduced the alcohol limit, why was a serious attempt not made to put arrangements in place whereby publicans would be financially encouraged to organise travel for their patrons or for other types of rural transport initiatives using community buses to take people home? No attempt was made in that regard.

The effect of the new limit will mean that people will not be able to have one pint and drive home. Others may condemn me for saying that is wrong, in particular in rural areas where there is no other option or transport available, but that is their opinion. There is no excuse for a person living in a city having a drink and driving because her or she has so many public transport options, including taxis, trains, the Luas and so on. They have everything in the world but unfortunately the vast majority of people in the constituency I represent have no other choice as there is no transport available to them. It is a case of stay at home or if they go out, they cannot have a drink. Our past legislators seem to have been oblivious to this fact.

I am against drink driving, which is wrong, but it is not wrong for a person in a rural area to have a drink, meet his or her friends and to drive home afterwards. Many politicians believe that also but they do not want to say so because they do not want anybody to say they are in favour of or condone drink driving. I am not doing that in any shape or form.

There is an ever-increasing trend towards depression in rural Ireland. What is wrong is evident to anybody studying what has happened in rural Ireland. People are living on their own, including bachelors whose parents have died and whose only social outlet was driving one mile to three miles to go their local public house. They feel that outlet has been taken away from them. If they cannot have a pint or two pints, they will not go out at all.

Everybody recognises that depression and suicide are on the increase, in particular in rural Ireland. Deputy Dan Neville touched on this subject a while ago. I thank him for the great work he has done over a lifetime in regard to suicide prevention and working in that sector. I also acknowledge the great work done by the National Office for Suicide Prevention. This is an ever-increasing problem and the source of that problem is what I have already stated.

Section 3 amends the principal Act and makes it an offence to knowingly drive a dangerously defective vehicle. This offence can apply to either the driver or the owner of the vehicle or to both. Since the introduction of the national car test, NCT, the days of old bangers on the road are gone. I welcome this section because it is blatantly wrong to knowingly drive a defective vehicle. However, people in rural Ireland are at a severe disadvantage when it comes to maintaining their vehicles because the majority of rural roads are built on bogs and are subsiding continually. The poor condition of many of these roads has a detrimental effect on the con-

ditions of the vehicles travelling on them. It is easier for people in cities to maintain their cars in good mechanical order because they are able to drive on solid and even roads.

In the interest of safety and preventing accidents, I strongly suggest that the people in the motor industry should make a simple modification so that dipped headlights turn on when the ignition is started. Certain models of motor car already include this feature but it should be compulsory. Perhaps the Minister will pursue this issue.

The best drivers are those who begin at a young age. This is easy for a person who comes from a farming background because he or she can learn to drive around the farm. Given that it is not possible for everyone to make use of the countryside in this way, I encourage the Department of Education and Skills to provide a course in driver theory and practice at secondary level. Given that all our young people will at some point in life own and drive vehicles, it is crazy that we are not investing time and money in driver education as a proper school subject. In America, students attend driver education classes at their schools when they reach an appropriate age for learning the rules and regulations of driving. Although the classes are an additional cost for families, they are none the less offered in a familiar place and most students attend them. Students must also complete a number of hours behind the wheel of a car under the supervision of their parents or other adults. In Massachusetts, students cannot take their road tests until they have held a learner permit for six months.

I commend the Road Safety Authority on the reductions in the number of road fatalities. I raised issues with the authority in the past because of its concentration on drink driving to the exclusion of speeding, which I maintain is the greatest killer on our roads. It is important the authority be encouraged in its work of reducing the number of deaths on our roads. Anyone who suffered the tragedy of losing a loved one in a road traffic accident will attest that it is a horrendous experience for families, friends and neighbours. Over the years, I have had friends who were killed in road traffic accidents. It is a harrowing experience that I would not wish on anyone. We must do all we can to reduce the numbers killed on our roads.

Improvements in car quality have contributed greatly to reducing the number of fatalities in accidents. It is not 100 years ago when safety belts were not fitted to cars, never mind airbags. It is not unusual now for as many as 20 airbags to be installed in a car. People are safer in modern cars.

I commend the National Roads Authority on the work it has done over the years. If we were left with one legacy of the boom, it was the new motorways that were opened around the country. They were badly needed. In general, our national primary network is up to standard and the bypassing of towns has allowed for safer journeys. However, this should be compared with the experience of travelling on roads in rural areas. The neglect of hedges along rural roadways is a bone of contention which I raised many times at local authority level. The refusal by local authorities to cut back hedges forces people to keep to the middle of local roads and results in daily accidents.

It is definitely safer to travel along a motorway. I may be courting controversy when I suggest that the speed limit on one of the lanes on motorways could be increased. There would be nothing wrong if the speed was increased from 120 km/h to 130 km/h or even 140 km/h. I do not believe it would result in an increase in accidents.

In general, people are more patient on our roads thanks to the good work done by the Road Safety Authority in encouraging people to be mindful and considerate of other road users. We all have had the experience of being passed by a car travelling at a horrendous speed only to catch up with it several minutes later. Speeding should be discouraged except on the motorways.

[Deputy Michael Healy-Rae.]

Several years ago there was consternation when speed limit signs were put on certain roads for the first time. People were concerned about speeding on rural roads. I understand the signs were erected on foot of an EU directive but they were to show that 100 km/h was the speed limit on the road rather than an aspiration.

I hope I have clearly laid out my views on the Bill. One must take into account the effects of the Bill and previous legislation on rural areas. Politicians who represent urban areas might not agree with the points I made. The Minister of State, Deputy Alan Kelly, would, as he has experience of rural areas which have taken a hammering. The further reduction in the permitted level of blood alcohol will finish off many more public houses in rural areas. Some would have no sympathy for them. They might say, "Tough luck," but it was a way of life for people who did not no harm. It was the culture. In the future people will still, unfortunately, be killed on the roads, but it will be for other reasons. The people about whom I spoke today were never the cause of road accidents or deaths.

I reiterate my thanks to the Technical Group for allowing me some of its time to make my points.

Deputy Olivia Mitchell: I wish to share time with Deputies Brian Walsh and Kevin Humphreys.

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

Deputy Olivia Mitchell: I very much welcome the opportunity to contribute to the debate on this legislation, another in a long line of road traffic Bills we have debated in the House and others which were debated long before any current Member was elected, all aimed at regulating road traffic and trying to improve safety on roads. I welcome the specific measures in the Bill, although I appreciate that in most cases it is really putting into law decisions previously made, for instance, the measure about which we spoke earlier, namely, the reduction in the permitted level of blood alcohol when one is driving. I was interested to hear what Deputy Healy-Rae had to say in that regard. I realise people do rail against measures such as this. Perhaps I do it myself sometimes. I know it is an inconvenience sometimes and that it has affected public houses and people's ability to socialise in them, but the evidence is beyond question that these and other measures we have introduced previously do save lives. For that reason, I do not think we can deny the evidence. We cannot be half-hearted about it. We cannot have separate laws for rural Ireland and urban Ireland either.

When speaking in the Seanad, the Minister made the point that 40 years ago there were approximately 640 deaths annually on the roads and that last year we had 212. That is less than one third of the amount we had all those years ago. That reduction did not come about voluntarily; it was not that people suddenly became better drivers. It came about gradually as a result of a major cultural change that reflected a change in behaviour which itself reflected changes in legislation. There is no doubt that the legislation we make in this House does change behaviour.

When my children were small in the 1970s and 1980s, I had to import child car seats from Mothercare in England because the company was not based in this country at the time. When they were delivered, I was horrified to find that in order to get them, I had to pay the postman VAT at the luxury rate. Then I had to drive to the garage to have them riveted into the back of the car because, of course, there was no such thing as a seat belt in the back of a car. They were probably in the front of cars, but they were decorative and hardly ever used. That just shows how the culture and attitudes have changed. It is due to the legislation we introduce and

relentless enforcement by the Garda during the years. That has changed driver behaviour, but it has also changed the public's attitude about what is acceptable driver behaviour. It is an ongoing process at which we must keep if we are to continue to make the roads safer and to try to save lives. The current figure of 212 road deaths represents a great reduction, but it is still 212 too many.

I accept the reduction in the number of road deaths is not just due to imposing penalties. The standard of roads has improved immeasurably, especially in recent years since the interurban roads were built. That has made a significant contribution. We also have better, sturdier cars now with better safety standards. Better driver education is another factor. While public transport in the city is limited, it has improved and this has contributed to road safety in the city by taking cars off the road. Perhaps in better times we will be able to introduce more public transport services. One of the bitter regrets of the financial crisis is that we are not able to invest as we should, particularly in urban areas, in switching people from cars by investing in public transport.

With all these improvements, I have no doubt that traffic legislation and enforcement remain the cornerstone of road safety. I am conscious that very little in the legislation is new; it largely copperfastens existing legislation. It is not sexy, new legislation, but it is nevertheless vital if the laws we have in place are to be enforced and effective. In my years in this House I have seen many examples where road traffic legislation has been revisited in an attempt to get it right, perhaps a second time, and to put provisions in the legislation beyond question in order that when a person goes to court, the case will stand up. In other words, a belt and braces approach is applied to the legislation.

Members are aware that generations of lawyers have grown rich on the basis of examining and finding flaws in the legislation we pass, particularly in respect of road traffic accidents. They go through the legislation with a fine tooth comb in an attempt to find loopholes in order to get their well paying clients off scot free. It is our job to pit our paltry brains against the not inconsiderable brains of lawyers to ensure the legislation we put through the House is watertight, particularly in a case such as this when we are refining legislation a second and perhaps a third time. I am conscious that because of the accretion of road traffic legislation it has become extremely complex and arcane. It has been constantly changed, corrected, refined and revised during the years. I am in awe of barristers, gardaí and judges who can figure out the law in many respects in terms of road traffic legislation because there have been so many changes during the years. I would love to see it codified, although I suppose those who draft legislation are busy meeting the requirements of the troika, but it is something that requires attention.

I welcome, in particular, the measures in respect of mandatory blood or urine tests following an accident. When some years ago I requested the Minister of the day to introduce legislation to this effect, I was assured it could not be done, that it was out of the question. I was told that it would endanger the lives of people on the roadside who were involved in accidents. All sorts of excuses were given such as that drivers might be unconscious. That was a pile of nonsense because automatic testing is commonplace in other countries. It is important to find out whether an accident was caused by alcohol not just to penalise offenders but also to gather data on the causes of accidents. It is ludicrous that it is impossible to get accurate data on the contribution of alcohol to accidents. Any basic regime requires data as well as evidence for court purposes. The data are required in order to make sensible decisions on legislation and other matters.

Testing should be automatic. If it cannot be carried out at the scene of an accident, it should be carried out as soon as possible thereafter, for example in a hospital. In most cases it is

[Deputy Olivia Mitchell.]

required in the case of injury. It should not be a requirement that the Garda should request it; it should be done automatically. It should be made clear to accident and emergency department staff that if someone is admitted following a traffic accident, automatic testing of blood and urine for alcohol levels is required. That is the practice elsewhere and it stands up in court. I cannot see why it cannot be done here. I would like to see similar blood testing for drugs. I accept it is more difficult in that there is not as simple a test, but it is the direction in which we should move.

There are a couple of issues I would like to raise, but one particular bugbear of mine is cyclists' behaviour. I support cycling and I want to see that modal switch from cars to bicycles. Although many do not, I support the campaign and the spending on cycle lanes. I realise that I am generalising, but my experience is that cyclists, as a group, are the least law-abiding, most inconsiderate group of people on the roads. They would say the same about car drivers and I suppose none of us is without sin, but for the most part at least car drivers obey traffic lights whereas cyclists do not. They cycle at top speed through busy streets, weaving in and out between pedestrians. They call for a cycling-friendly environment like Holland. I have been to Holland and I have seen the environment there. Cycling there is slow, sedate and polite and bears no resemblance to the cycling culture that people seem to think is acceptable here — cycling with the head down at speeds infinitely greater than the traffic. It is inconsiderate to other road users, particularly in busy urban areas where there are many road users, including children. I should say those to whom I refer are not child cyclists; I am talking about adults who should know better.

Generally speaking, I support the legislation. It is one part of a process of improving the road safety regime and I very much welcome the opportunity to contribute.

Deputy Brian Walsh: I welcome the opportunity to share my thoughts on this important legislation. It is a further signal of the Government's commitment to road safety and the reduction in the number of tragedies that, unfortunately, occur on the roads annually.

I commend the Minister and his departmental staff for the prompt manner in which they have brought this road traffic Bill before us. It is the second such Bill he has introduced during the short time he has been in office. I suppose that demonstrates his, and the Government's commitment to addressing road safety.

Some earlier contributors described the Bill as being a tidying-up exercise. It is more than that. There are two significant elements in it. The Bill gives the Garda additional powers in respect of the information they can gather at the scene of an accident or in a case where the garda is of the opinion that the driver is over the lower blood-alcohol limit. These measures are welcome because their effect will be to reduce the small number of offenders who, perhaps, are effectively cheating the system and getting away with the offence of drink driving due to technicalities that arise in the court. The second part of the Bill, its most important and significant part, is the reduction in the blood-alcohol limits from 80mg to 50mg and, in the case of learner drivers and professional drivers, to 20mg. Notwithstanding what Deputy Healy-Rae stated earlier, it is entirely appropriate that the Minister is introducing these measures and I commend him for the tough stance that he is taking.

I question why there is a lower limit for professional drivers. Perhaps we should aspire to zero tolerance in respect of those whose profession is driving. Taxi drivers and bus drivers have a duty of care to their passengers and there is also an onus on them to act in a responsible manner. Perhaps there is some obvious reason of which I am ignorant that we need a limit at all in respect of professional drivers. That is the only change that I would suggest in that regard.

It is fair to say that significant progress has been made in recent years in reducing the number of fatalities on Irish roads. We all welcome that. The number of lives lost has almost halved in the ten years to 2010, to its lowest level — 211 deaths — since records began. Already this year, unfortunately, 135 persons have been killed on the roads which represents a decrease of 16 compared to this time last year. It obviously remains the case that even one death is too many and the Government's continued commitment to improving road safety, and the introduction of this Bill, attests to that fact. Given the priority the Minister, Deputy Varadkar, clearly attaches to road safety, it is obvious that the Government is not becoming complacent on this issue.

We are quick on this side of the House to be critical of the previous Government's stewardship of the economy, and particularly its handling of fiscal issues. It is important on this occasion that we recognise the excellent work the previous Government did in the area of road safety in reducing the number of fatalities. Much credit is due to former Ministers, the late Mr. Séamus Brennan and Mr. Noel Dempsey, and others who worked diligently in this regard. The results are there to be seen and those to whom I refer deserve much credit for their efforts in the past.

I suppose the biggest reason there has been a reduction is that attitudes are changing. The acceptability of getting behind of the wheel after a few pints has been consigned to the past. Most of us will remember social occasions or perhaps trips to matches where the long journey was punctuated by a series of pit stops to a number of hostelrys during which it was not out of place for the designated driver to indulge in a few pints. Thankfully, mind sets and attitudes have changed, and that is very positive.

The work of the Road Safety Authority in reducing the number of fatalities must be acknowledged and its role in changing people's attitude also must be recognised.

An Leas-Cheann Comhairle: Deputy Walsh has just a minute and a half left.

Deputy Brian Walsh: I will finish up so.

The Road Safety Authority was involved in explicit and aggressive marketing campaigns involving graphic and vivid advertising which highlighted the danger and consequences of drink driving, and that, most certainly, has had a positive and measurable effect on attitudes.

Infrastructural road improvements and advances in car safety have also contributed to the reduction. However, I am concerned about the state of some of the secondary, non-interurban roads. Given the reduced level of resources at the Minister's disposal, that is one of the significant challenges he and the Department will face.

I welcome this Bill. I look forward to a further road traffic Bill, which the Minister indicated he will introduce before the end of the year. I hope that will address other areas of concern, such as driving under the influence of other drugs. I support the Bill and its content and I commend the Minister and his staff for their work.

Deputy Kevin Humphreys: I agree with Deputy Walsh. There has been a great deal of cross-party support. Much progress has been made over several years on reducing deaths on the roads and everybody, especially the previous Minister, Mr. Noel Dempsey, deserves much praise. The number of deaths on the roads has been decreased from approximately 600 when I started tracking the figures to below 200 now, for the first time since records began.

I listened to Deputy Healy-Rae's contribution earlier. He spoke as if it is alright to have a couple of pints down the road and drive home in the evening. It is not. The reason the number of deaths on the road has decreased is that there has been a hard line against drink driving

[Deputy Kevin Humphreys.]

and it is no longer tolerated. For earlier generations, especially my generation when I started drinking, it was accepted one would have a few pints and drive home and I am delighted we have moved far away from that and that it is no longer tolerated that one would get behind the wheel of a car and drive home. It is not acceptable, especially by young people.

I accept what Deputy Healy-Rae said about the effects on small rural pubs. He spoke of suicide and depression. As far as I am concerned, alcohol has caused far more depression and suicide than has the lack of a few pints for those who would have to drive home from the pub.

I do not accept that argument at all. He mentioned this urban-rural divide where
6 o'clock when he is down in Kerry he is stopped and breathalysed. From 7 a.m. in the morning to late in the evening, I have been breathalysed on the way home three times in the past year. I welcome it. I am delighted to see that level of enforcement. It is through enforcement that we have decreased the number of deaths on the roads.

On the national media, I was looking at the newspapers this evening and read where they are giving out about enforcement of speed limits in the city.

There were no deaths — not a single one — on the roads of Dublin city between June and the end of September. That had not happened in the city since records began.

Debate adjourned.

Recent Developments in the Eurozone: Statements

Minister for Finance (Deputy Michael Noonan): I welcome this opportunity to update the House on recent developments in the eurozone. I participated in the Eurogroup and ECOFIN ministerial meetings in Luxembourg earlier this week. Just over two weeks ago, I attended the annual meetings of the IMF and the World Bank in Washington, where developments in the eurozone were high on everyone's agenda. The Taoiseach, the Tánaiste, other ministerial colleagues and our officials and diplomats have maintained an intense programme of contacts and meetings to ensure Ireland's voice is heard as things evolve. I am happy to report that at the recent meetings in Washington and Luxembourg, Ireland came in for much praise for the progress it is making as it returns to sustainable growth and economic stability.

It goes without saying that there is no basis on which to become complacent about what we are doing. Equally, the extent of our recovery and growth depends on what happens beyond our shores. I will speak about these meetings and how I see matters evolving, but it would also be useful to inform the House about the important steps we and our European colleagues have taken in recent months. Too often, perhaps, there is a focus on finding an immediate fix to the latest fluctuation in the markets or the situation of one or more member states. Putting in place the right framework for economic sustainability in the longer term is just as necessary. We are making genuine and good progress in that regard.

It is clear that the outlook for the wider euro area and the EU economy deteriorated over the summer months. A key factor weighing on activity is the dramatic change in market sentiment towards the euro area. Tensions in euro area sovereign debt markets have intensified, with spill-over effects to some non-programme countries. At the same time, the markets have become increasingly concerned about the exposure of some European banks to sovereign debt. The weakening economic outlook is exacerbating the situation. There is a great deal of uncertainty and nervousness.

The situation regarding Greece remains fluid. My Eurogroup colleagues and I discussed the latest developments on Monday night. In recent weeks, the Greek authorities have announced additional measures to address the situation. Significant measures are planned on the revenue

and expenditure sides. The Troika is assessing whether they are sufficient to close the fiscal gap. We are awaiting the Troika assessment.

Although there are significant difficulties, as I have set out, it is important to stress that it is not all doom and gloom. It is often overlooked, but it is fair to mention, that the policy response at EU level since the crisis began three years ago has been impressive. A new and improved economic governance structure is being put in place, for example. A European semester involving *ex ante* guidance on national economic and fiscal policies has been introduced. Crisis resolution mechanisms — the EFSF and EFSM — have been established. Significant progress has been made in terms of financial sector repair at EU level.

Recent months have been difficult for the eurozone and its financial sector. The initiatives relating to the EFSF that were pursued following the eurozone meeting on 21 July last are to be welcomed. I am pleased to say that since early July, Irish banks have had success in securing term wholesale funding from international banks, with some €4.5 billion funded to date in a very difficult environment. This shows the progress the banking sector has made. The exposure of Irish banks to some of the peripheral sovereigns is very limited and manageable within the context of their capital, which was confirmed through the European Banking Authority stress tests as being well in excess of requirements.

Deputies are aware that the heads of state and government committed in July to improve the terms at which financial support is available, to increase the scope of the EFSF and EFSM and to consider proposals on how to improve working methods and crisis management in the euro area. As the Taoiseach said to the House last month when he reported on the 21 July meeting, significant and important enhancements are to be made to the EFSF. The Government had actively been seeking the increased flexibility that has been provided for. Member states are engaged in the process of legislative change that is needed to bring the arrangements that were agreed in July into force. For our part, the necessary legislation was passed in September and has been signed into law by the President.

The decisions made mean the EFSF will lend to Ireland at a significantly reduced rate. This will apply not only to moneys that are yet to be drawn down, but to future interest payments on existing loans. This will involve a saving of several billion euros over the term of the loans. In this regard, we welcome the decision of the European Commission to propose that loans under the EFSM will come with zero margin. I hope a decision in this respect can be approved as soon as possible. The July meeting recognised Ireland's resolve to press ahead with the implementation of our programme and expressed its strong commitment to our success. I have repeatedly said that Europe needs a win. That message has resonated with my EU colleagues.

With regard to corporation tax, there was no new language agreed at the July meeting. We agreed to engage in what is expected to be a complex debate on the Commission's common consolidated corporate tax base proposal, and more generally in the structured discussions on tax policy issues that are provided for within the framework of the euro plus pact. There was nothing new in this. The Government's position on the substance of the matter has not changed in any respect. A proposal has been published by the European Commission for a financial transactions tax. The draft directive will be subject to detailed discussions at EU level. As always, we will participate constructively in those discussions.

There is no consensus among European member states about whether a financial transactions tax should be introduced, or what precise form it should take. It is important that any proposal does not have the effect of encouraging relocation of activity or damaging the EU's competitiveness in financial services. It is for this reason that there is an emerging view that the EU and other international groupings, such as the IMF and the G20, should move in tandem to

[Deputy Michael Noonan.]

avoid the danger of financial sector business gravitating to jurisdictions where taxes are not levied on financial transactions.

There has been much discussion of the concept of Euro bonds. I have spoken about them on both sides of this House in the past. President Barroso has indicated that he will make proposals in the coming weeks for what he calls “stability bonds”. I am sure Deputies will agree it is prudent to withhold judgment until we see the details of the actual proposals.

On wider economic management issues, I have already mentioned that one of the more welcome policy responses has involved putting a new and improved economic governance structure in place. The Government’s view is that every appropriate step should be taken to avoid a recurrence of the economic shocks that hit us in recent years. We believe we should bring Ireland’s experience of recent years to the table as the new governance structure is discussed in the coming weeks.

A series of significant measures are already in place. I have mentioned the European semester, which is already proving its worth in terms of ensuring a co-ordinated, flexible and effective system of economic planning at member state and EU level. A series of legislative reforms with four broad goals, known as the “six pack”, has been agreed. The six pack will toughen the rules of the Stability and Growth Pact, which was designed to limit budget deficits and government debts, by introducing a much greater degree of surveillance at an earlier stage and making it easier to initiate the excessive deficit procedure. The rules will give a greater importance to debt — and not only deficit — reduction and sustainable growth. The six pack introduces new controls on macroeconomic imbalances across the EU, such as housing bubbles and growing divergences in competitiveness between member states. It sets standards to ensure the correct and independent compilation of statistics. This data is crucial to sound budgetary policy-making and monitoring of budgets. In addition, it strengthens the transparency of the decision-making processes and the accountability of decision-makers.

I am pleased to note that ECOFIN formally adopted the six pack measures yesterday, 4 October 2011. This means that work can begin immediately on implementing the new legislation and that member states can begin to work towards the 31 December 2013 deadline for having the provisions of the directive transposed into national legislation. Ireland already has some of the directive’s provisions in place, and a significant number of those outstanding will be transposed through the upcoming fiscal responsibility Bill which will be debated by the Oireachtas.

These are real and substantial changes in EU economic governance and are perhaps not appreciated enough yet in terms of their long-term value. The work does not end here. The Heads of State and Government tasked the President of the European Council, in close consultation with the President of the Commission and the President of the Eurogroup, to make concrete proposals by October on how to improve working methods and enhance crisis management in the euro area. This work is being advanced, including through bilateral consultations at official level. Officials from my Department, the Department of the Taoiseach and the Department of Foreign Affairs and Trade met President Van Rompuy’s team on the subject last week.

In all we do on governance and all such issues — and we have taken many tough decisions at EU level and at home in our capitals — we should keep our focus on growth and on job creation. This will guide this Government as we approach the next steps in the governance debate.

I will conclude with some of the points I made to ministerial colleagues and to members of the global financial community when I was in Washington for the IMF and World Bank meet-

ings last month. I told them that the global economy is in a major crisis and that the euro is being buffeted by this crisis. I see the euro as the centrepiece of European integration, which has been good for Ireland and for our partners. Throughout the current crisis, many of the strengths and advantages of the euro have been overlooked. It should be remembered that, since its introduction, the euro has increased trade by 50%, controlled inflation and allowed for the deepening of a successful internal market across the EU.

This financial crisis will be solved but it will take time. The credit bubble that caused the crisis must be reduced, which means everyone must, in effect, de-leverage their balance sheets. This de-leveraging must be done in as speedy a manner as possible without putting at risk the all-important return to economic growth which will create the jobs that our citizens seek. Developments in the eurozone and the wider world are a major concern to us but we will continue to take decisions on the economic and financial matters that are within our control here at home. Ireland is in the process of re-establishing financial and fiscal credibility. Against this background, we will play our full part in ensuring that the eurozone's current crisis is brought to a resolution.

An Ceann Comhairle: I call Deputy Michael McGrath.

Deputy Micheál Martin: I had hoped to begin.

An Ceann Comhairle: Are you the spokesperson for Fianna Fáil?

Deputy Micheál Martin: We intend to share time between us.

An Ceann Comhairle: That is not possible, according to the order. The order is that “the statements shall be confined to a Minister or Minister of State and to the main spokespersons for Fianna Fail, Sinn Féin and the Technical Group”. The Deputy is wasting time.

Deputy Richard Boyd Barrett: Can we share time?

An Ceann Comhairle: No, not according to the Order of Business.

Deputy Micheál Martin: I asked for a debate on this two weeks ago. I asked the Taoiseach yesterday whether he would speak, and he said he would. He actually took me to task for suggesting he would not speak. We then had a discussion this morning about questions. I came to the House not knowing this and believing we would share time together. It is incredible that a crisis of this scale is happening and we are not——

An Ceann Comhairle: This is the way the order was put to the House. I am sorry.

Deputy Micheál Martin: It is pathetic.

An Ceann Comhairle: This is the way the order was put to the House and agreed.

Deputy Pearse Doherty: On a point of order, is it possible to amend the order to allow Members to share time?

An Ceann Comhairle: Unless the Government wants to produce an amendment to the order, I am not in position to do so. All I do is apply the rules. The order states that immediately following the statements “a Minister or Minister of State shall take questions for a period not exceeding 30 minutes”. That does not restrict other Members from asking questions. I am just talking about the statements, which are confined to the spokespersons and “shall not exceed 15 minutes”. If the Deputy wants to reduce the time——

Deputy Michael McGrath: You could interpret that as meaning it is for the parties to appoint their spokespersons.

An Ceann Comhairle: I am sorry. You have a Whip and this was discussed at the Whips meeting. I cannot do anything about it.

Deputy Gerry Adams: I can understand the Ceann Comhairle is simply interpreting and presiding over arrangements which were agreed earlier today. However, to be fair, while I only speak for my party, none of us thought for one second that this would be the case. I tabled a request at least three weeks ago seeking a debate on this issue and I have returned to it two or three times since. There are two interpretations of this. Either it is just a mistake, a mess-up and a bit of bureaucracy or it is very bad governance and sleight of hand by the Government. I ask the Minister to recognise——

Deputy Brian Walsh: It was agreed to this morning.

Deputy Gerry Adams: I appreciate that. I was here this morning.

Deputy Micheál Martin: The position this morning was that the Taoiseach intended to speak.

An Ceann Comhairle: Can we clear up this matter? My understanding is that this is the way the order was made this morning.

Deputy Michael Noonan: I do not mind who speaks.

Deputy Pearse Doherty: Can the Minister propose a change to the order?

An Ceann Comhairle: Sorry, I have to interpret this. The way this was presented this morning was that we would have statements from the main spokespersons and then it would be open to questions and answers. It does not state the questions coming from the Opposition side have to come from the spokespersons. I suggest that the main spokespersons make their points and we will then have time for questions.

Deputy Micheál Martin: On a point of order, we debated this yesterday and the Taoiseach said——

An Ceann Comhairle: I know that. I am only telling you that, as Ceann Comhairle and chairman of the proceedings, I have to administer the rules in accordance with the order of the House. I am not engaging in dispute with anybody here. This is what I have in front of me.

Deputy Michael McGrath: Can we change it?

Deputy Micheál Martin: The Taoiseach took me to task yesterday——

An Ceann Comhairle: We are just wasting more time.

Deputy Micheál Martin: We raised the matter of who would ask questions and the Taoiseach made it clear we would not be asking questions and that the spokespeople would ask the questions.

An Ceann Comhairle: No.

Deputy Micheál Martin: The spokespersons would ask the questions.

An Ceann Comhairle: Obviously, that was changed.

Deputy Micheál Martin: It is incredible that the leaders of the Opposition parties are not allowed debate the eurozone crisis — it is beyond belief.

An Ceann Comhairle: You can ask questions.

Deputy Micheál Martin: That is not at all satisfactory.

Deputy Michael McGrath: Is it open to the Government to propose an amendment to allow——

An Ceann Comhairle: It is not. This is the Dáil's order of the day as made this morning. That is the way I have to rule and Members understand that. I am asking you to get on with it. I call Deputy McGrath on behalf of Fianna Fáil.

Deputy Richard Boyd Barrett: On a point of order——

An Ceann Comhairle: Yes, Deputy. We are wasting time.

Deputy Richard Boyd Barrett: That is the last thing I want.

An Ceann Comhairle: That is all you are doing. This debate has to finish at 7.30 p.m.

Deputy Richard Boyd Barrett: I agree. On the point of order, it is news to us that we could not share time because normally——

An Ceann Comhairle: That is a matter for your Whip. I cannot do anything about it if the information is not passed on to Members of the Technical Group and to the main parties in Opposition.

Deputy Richard Boyd Barrett: Clearly, it was not passed on to anybody because the other parties in Opposition are also——

An Ceann Comhairle: So be it but——

Deputy Micheál Martin: It is farcical.

Deputy Richard Boyd Barrett: Can I finish my point? First, it has not been passed on to us and we were not aware of it. The normal procedure for these debates is that it is stated that main spokespersons will make statements and that they can share time. That is what normally goes into the order.

An Ceann Comhairle: Okay. We will share our time.

Deputy Micheál Martin: In that case, I wish to share time with Deputy Michael McGrath.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Micheál Martin: Over the past seven months we have had a series of extremely limited debates on the eurozone crisis. We have heard repeatedly from the Government about how decisions just taken show that the Union will quickly overcome the crisis or, as we heard again today, how such decisions will happen soon. The fact is that the crisis stumbles on. Every time the leaders of the Union fail to take action which is both fast enough and large enough to tackle it, they end up making the crisis even worse.

[Deputy Micheál Martin.]

It is two months since it became obvious that the Greek situation is threatening to engulf Europe. The contagion which forced Ireland and Portugal out of the bond market has not been contained and confidence has not recovered. Larger and more systemically important economies are now on the edge, with rising concern about bank capitalisation throughout the eurozone adding an extra layer of instability. In the face of this, the failure of Governments to agree any step forward at this week's ministerial meeting is the worst possible outcome. Their putting off of any decisions until the end of the month appears almost calculated to cause further damage.

Last December, leaders accepted that incremental and grudging actions had achieved nothing. They agreed to fundamentally change the terms of official support for countries. Principles were agreed in February but, when it came to turning principles into action, the Council failed. Implementation was put off for further discussions and things got worse. In turn new measures were agreed in July, which have been followed by delay and argument.

Time and again, leaders have reverted to trying to find an easy way out or have fallen back on pre-crisis demands for new powers that will never be given by either the member states or their citizens. The introduction of medium and long-term issues has directly led to delay and an increase in the urgency of the problems at hand. In all of this, the time and effort being put in by leaders, to push for action has been nowhere near what is required. The scale and pace of the budgetary adjustment being implemented by the Greek government is enormous. Its particular difficulties are being made significantly tougher because of the constraints of eurozone membership. The lack of devaluation or unilateral restructuring puts a major limit on Greece's ability to come out of the crisis. The attitude towards the Greeks that everything is their fault is disgraceful and ignorant. Europe is Greece's problem just as Greece is Europe's problem. Helping Greece is not charity but is a proper recognition of the duties of a currency union that freely admitted Greece as a member.

It is a complex situation but the key elements of what needs to be done are clear. There is no longer any time for delay. On the immediate issues, the funding available to achieve debt sustainability in current and potential bailout countries must be dramatically increased. The same goes for the funding available for bank recapitalisation. The ECB must be candidly told there is no alternative in this regard. As it stands proudly admiring its independence and its rigid adherence to increasingly discredited orthodoxies, it is causing immense damage. With the funding in place, Greece must be allowed to restructure its debt while selected bank debt here and potentially elsewhere must also be allowed to be restructured. The opposition of the ECB and some countries to burning bondholders was credible last year when Ireland proposed it. They were scared of the possibility for contagion and wanted to take a "safety first" approach. This is not credible any more, as markets have priced in restructuring and the failure of governments to implement it actually is making matters worse. Markets do not believe that a policy of no restructuring is credible and therefore doubt the credibility of the overall effort. Once these two critical short-term issues of a larger fund and debt restructuring are addressed, more complicated issues regarding the architecture of the eurozone can be considered. A reform of the European Central Bank is essential, as is more substantial control of national financial systems. Whatever is to be done will never be ratified if the current approach of exclusive negotiations and ultimatums is continued.

The Government's approach to these fundamental issues has so far been to stand back and wait for things to be agreed that it can pretend to have delivered. This is little different from its approach of claiming credit for the economic impact of a budget against which it voted. On 3 April, the Tánaiste announced the launching of a diplomatic initiative, which was due to involve him and the Taoiseach touring Europe to meet their counterparts in substantive bilat-

eral meetings. Other than meeting on the margins of much larger gatherings, what has followed can be characterised as anything but an initiative. The Tánaiste told the House yesterday that his July meeting in Berlin was the only major bilateral meeting he has held and the Taoiseach has confirmed he has held none. The only communication of the Government's position has been through controlled leaks and briefings. The Taoiseach has stated he is against a new treaty but has not stated exactly what he himself seeks.

There also has been a speaking out of both sides of the mouth. The Minister, Deputy Noonan, went to Washington and said he was going to burn bondholders but returned home, continued to pay every red cent and said he would like to meet Mr. Trichet some time soon. Even though it is four and a half years away from an election, the Government continues to put political positioning ahead of everything. Last night the Government tabled a ridiculous amendment to Fianna Fáil's Private Members' motion in which it referred to its own "resolute action in facing the economic crisis". The same amendment of course distanced the Government from each specific action which would contribute to such "resolute action". Last night, one Minister told Members how the Government had skilfully negotiated a halving of Ireland's bailout interest rate in July. The facts show, however, that the Taoiseach, the Minister, Deputy Noonan, the Minister of State, Deputy Brian Hayes, and others confirmed that Ireland sought a much smaller reduction. Before the summit, the Taoiseach did his bit to further Ireland's negotiating position by neither meeting nor phoning any of the other participants.

Instead of spending time looking for things for which to claim credit, the Government should now set out in detail exactly what it is proposing. Does Ireland support a dramatic increase in bailout funding and if so by what means? Is Ireland supporting the restructuring of Greek debt? Is it insisting that a restructuring of certain classes of bank debt be allowed? Has Ireland responded to the Franco-German proposals for treaty changes? The leaders of Europe must start talking to one another and acting with the urgency the situation demands. If within the next few weeks there is a failure to both agree and start implementing a more significant series of initiatives, this could be the moment when the euro finally loses all credibility. This is a pan-European crisis that is becoming an international emergency. No purpose is served by countries stepping back and failing to commit to decisive action. It is time for the Government to state clearly what it is proposing and to actually launch the diplomatic initiative it has been talking about but failing to deliver for the last seven months.

Deputy Michael McGrath: I am pleased to have an opportunity to make a contribution to this important debate on the eurozone debt crisis. The most disappointing aspect of how the debt crisis has been handled in Europe thus far has been the sense of drift that has been allowed to develop. The handling of the crisis has been characterised by a lack of clarity, by uncertainty and by indecision. Moreover, the decision-making process in the European Union has been badly exposed as cumbersome, slow and inadequate in every respect, notwithstanding the various initiatives the Minister outlined in his opening contribution. More than anything else, this inadequacy was summed up for me by the failure to follow up promptly on the outcome of the Heads of Government summit of July 21. Decisions were reached that were criticised by some but which, if implemented quickly, certainly would have made a difference to how the debt crisis evolved over the summer and the autumn. However, instead of arranging for those decisions to be implemented quickly, all the Heads of State and Government returned to their home countries and went on holidays. Consequently, there was uncertainty for the rest of the summer and the autumn and only now are national parliaments getting around to ratifying the provisions of that summit and hopefully having them implemented shortly. It is truly extraordinary that as Europe faces its greatest peacetime crisis, the measures decided upon on 21 July have yet to be implemented. There has been much grandstanding, as well as a plethora

[Deputy Michael McGrath.]

of meetings involving the French President and the German Chancellor and even the United States Secretary of the Treasury, Timothy Geithner, came to meet the European Finance Ministers in Poland. However, there has been little real tangible action to make a difference to the crisis.

We now have an interlinked sovereign debt crisis in Europe and a banking crisis that is threatening to spiral out of control and which poses a serious risk to the very survival of the euro itself. Moreover, at a human level, there is a personal debt crisis in this country and other countries that is affecting many families at present. To make this debate relevant for people, one must ask what does all this mean for Ireland. I am sure there is a tendency for people who watch the news every evening as this crisis rumbles on to question how it really affects them or their country. The truth is it affects us directly and in a tangible and meaningful way. The protracted nature of the eurozone debt crisis has damaged confidence across economies both in Europe and across the globe. It has dampened demand among our trading partners and has the potential to derail the prospects for Irish recovery through the export-led growth people here are working to develop. Exports are the single area of the Irish economy that is performing exceptionally well and the lack of confidence in Europe among our main trading partners poses a serious threat to those exports.

Moreover, as the Minister outlined earlier today during Question Time, each 1% reduction in economic growth means €800 million of revenue loss to the State. Consequently, if exports do not perform as well as they otherwise might, it will affect economic growth, which in turn affects the Exchequer position. There is a clear relationship between the debt crisis and Ireland's economic performance, which may then result in the need for budgetary decisions involving a greater adjustment than would otherwise have been necessary. The decisions in that budgetary context directly affect consumer sentiment, the level of people's disposable income and spending power within the economy. There is a clear connection between the debt crisis, the performance of the economy, Ireland's national budget and how that affects people's day-to-day lives and in particular, on retail spending and disposable income.

On top of all that, the huge turbulence that has pervaded stock markets during the summer and the autumn has wiped billions of euro off share prices. Many people have had their pension funds taking a huge hit over that time. Some markets are down by 20% to 25% in recent months. People are directly affected as a result — through their pensions, investment products, credit union investments and so forth. The point is that this debate is relevant to people's daily lives. As the Minister prepares the pre-budget outlook and the new multiannual plan, the key variable is economic growth. Not only does that impact on the State's revenue, but the size also determines the deficit percentage and we all know we are committed to achieving a deficit of 8.6% next year.

Those are all the negatives, but there has been one very large positive for Ireland arising from this debt crisis. No one — not even the Minister — believes that Ireland would have got such a substantial interest rate reduction on the bailout funds in the absence of such a clear and present danger to the euro in recent months. That interest rate reduction is very positive and will have a real impact on the budgetary plans.

At the heart of all this is the position of Greece. Most independent economists now seem to take the view that the 21% voluntary discount of Greek debt simply will not be enough; Greece is drowning in debt. For weeks we were led to believe that Greece would run out of money on 14 October, but we are now being told it will not happen until mid-November. That delay only serves to provide an excuse for further procrastination and uncertainty. It is clear the Greek people will only accept so much austerity, no more than any other country would, including

our own. Given the level of volatility in the markets Ireland is fortunate at this time to have a secure funding stream available so that the State can conduct its business and put through the essential reforms in the economy.

We have had mixed messages from Europe characterising the entire debate and the handling of this crisis. Mr. Jean-Claude Juncker says that Greece will not default but yet he says that the next tranche of the first bailout is to be delayed. At the heart of the matter is a complete lack of credibility about the European response: the failure to make decisions promptly, and when they are made they are not deemed to be sufficiently comprehensive and are not implemented with decisiveness.

I acknowledge there is no easy solution to this crisis, but it now seems inevitable that the level of private creditor involvement will play a greater role in the ultimate resolution of the process. In that context the attitude of the ECB to Ireland's desire to achieve some level of burden sharing with the remaining unsecured, unguaranteed bondholders in Anglo Irish Bank and Irish Nationwide Building Society is quite unbelievable. Holders of Greek government bonds will certainly take a larger hit. Just as Irish banks did on property loans, European banks look likely to take a hit on the Greek bonds they hold. The share price of European banks in recent weeks reflects that reality. It appears the markets have already priced in the restructuring of Greek debt. We now appear to be looking at a programme of bank recapitalisation across Europe. Even back as far as August, the managing director of the IMF, Ms Christine Lagarde, indicated she believed that was required.

I look forward to having an exchange during the time allocated for questions. There are many questions about Ireland's handling of this crisis, including: what we are seeking; our view on many of the elements that are now being proposed as forming part of the overall resolution of the issues; the financial transactions tax; the euro bond; and increased flexibility in the EFSF.

Deputy Gerry Adams: Ba mhaith liom mo chuid ama a roinnt leis an Teachta Pearse Doherty.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Gerry Adams: Fáiltím go bhfuil an díospóireacht seo againn ach tá sé go mór thar am. Nuair a chím an tslí ina bhfuil an díospóireacht seo curtha le chéile, tá an fáth go bhfuil an géarchéim seo againn soiléir. Given the scale of the eurozone crisis and its effect on this State, it is shameful the Government has taken months to schedule this debate. However, I cannot say I am surprised. The approach of the Government to this crisis has been incompetent and inept. When it was elected, the Minister should have gone to our partners in the EU and told them that as a new Government with a huge mandate it was not bound by the commitments of the previous Government and it was mandated to negotiate a new deal for the citizens of this State. In other words the Minister should have told them what the Government was elected to do and it should have done what it was elected to do. However, it stood idly by and as one crisis piled on another, and political leaders across the EU scrambled to respond, the Minister and his colleagues sat on the sidelines waiting for somebody else to come up with a solution.

In June and July of this year the Government struck lucky. The crisis in Greece deepened to such an extent that eurozone leaders, fearful of serious contagion in Italy, lowered interest rates beyond the Government's own miserable target of 0.6%. Sinn Féin welcomed this reduction in the interest rate but we warned that it would not address the overall level of debt held by those eurozone countries most at risk from default, including this State. The EU deals struck over the summer also did nothing to address the urgent need for investment in job

[Deputy Gerry Adams.]

creation, and economic and social recovery. These agreements strengthened the underlying flawed approach of the EU to this crisis — namely pouring billions of Irish taxpayers' euros into toxic and dead banks and imposing the cost of these bailouts on ordinary people in the form of so-called austerity policies. This approach in its time was pursued enthusiastically by Fianna Fáil and now it is being actively implemented by Fine Gael and Labour.

As the Minister plans to slash up to €4 billion from the economy in December it is clear that he cares little about the social consequences for the young, the low and middle-income families, the elderly and sick, the almost half a million people on the live register, or those thousands of people who have been forced to leave the island.

The mortgage crisis continues to spiral out of control. Low income families are being pushed further into poverty. The Government is living in a bubble and is not in touch with what is happening. As evidenced from the latest Exchequer returns, the domestic economy will continue to be in recession well into 2012 and all the time the eurozone crisis deepens. The Government's failure to come up with adequate solutions to the eurozone crisis, a failure that it shares with its EU partners, is that it simply does not understand the problem. The Government is unashamedly Europhile.

The euro crisis was not caused by excessive public spending in peripheral euro economies such as Greece, Portugal or this State, nor was it caused by deficits in these countries. The crisis stems in the first instance from the reckless behaviour of banks at the core of the eurozone which lent aggressively to banks on the periphery. The banks were assisted by excessive surpluses in core economies such as Germany and cheap money facilitated by low interest rates for the euro. The failure of governments and EU institutions to properly regulate this massive lending spree is now well acknowledged. Although the mountain of debt has yet to be quantified, this morning's newspapers indicate that European leaders are beginning to wake up to the black hole that lies at the heart of all of this.

I am very concerned at a number of points in the Minister's statement, including his reference to new governance and improved economic governance structure. On behalf of the party I represent, let me warn that we will not tolerate the Government moving from where it is at the moment. Already having given away fiscal powers it now appears to be poised to give away monetary powers. Sinn Féin will oppose that here and wherever we get the opportunity to do so.

Ní maith ar bith a bheith ag caitheamh airgead isteach sna bainc dona seo. Tá a fhios ag an Aire nach réiteoidh sé sin an fhadhb. Ní maith a bheith ag cur fiacha móra sa mhullach ar thíortha atá faoi fhiacha troma cheana féin. Ní cuidiú ar bith é don ghéarchéim.

Forcing ordinary citizens to pay for this financial mess is not only morally and ethically wrong, but makes no social or economic sense. My colleague, an Teachta Pearse Doherty, will set out Sinn Féin's view of what new approach is needed and how we see the problem being resolved.

Deputy Pearse Doherty: As outlined by Deputy Adams, the Minister's approach to the eurozone crisis, and that of his EU counterparts, is clearly failing on many levels. While the Minister has argued and will argue otherwise, on his watch Ireland has been demoted to junk status. On his watch, thousands more people have become unemployed. On his watch, tens of thousands of young people have left this State, and on his watch, domestic demand has fallen by 3.6%. On his watch, our Exchequer deficit has increased by €7 billion as a result of him pumping our money into the banks. On his watch, he has bailed out unguaranteed bondholders and he intends to do so again, with an unguaranteed, unsecured bondholder in Anglo Irish Bank due

to receive €704 million. This is happening at a time when the Minister tells us that he has no wiggle room, at a time when funding for special needs assistants and benefits to pensions, carers and those with disabilities have been cut or withdrawn.

It is time for a new approach. What should that new approach be? For Sinn Féin, a number of key steps must be taken at European and domestic level if we are to have any hope of delivering a fair and sustainable social and economic recovery. It must also be stressed that the measure of success of any proposed solution to the eurozone crisis must be its impact on ordinary people. Will it get people off the dole and back to work? Will it help reduce household debt and mortgage distress? Will it put money back in the pockets of the working poor and in turn back into the domestic economy? Will it help hard pressed families meet the cost of education for their children and health care for their elderly parents? These are the indicators that matter, not arbitrary deficit reduction targets or ideologically motivated EU and IMF policy prescriptions. Sinn Féin believes that the first step in addressing the crisis in the eurozone is to deal with the banks. The European Banking Authority's stress tests of July this year identified 24 banks in need of recapitalisation. At the time, some commentators said that this was only the tip of the iceberg. Others criticised the stress tests for failing to uncover the full extent of the banks' liabilities, including those hidden away in special purpose vehicles.

On the basis of the most recent round of crisis meetings in Brussels and Frankfurt, it is clear that the critics of the European Banking Authority were right. The extent of the black hole at the heart of European banking is not yet clear. The solution is not, as some European leaders suggest, to pour more taxpayers' money into these toxic banks, nor is it to increase the fund of the EFSF to cope with the funding needs of the banks. What is needed first and foremost is a new round of stress tests that uncover fully, and without any ambiguity, the full extent of the problems in the European banks. Rigorous and compulsory stress tests are now required as a matter of urgency. Once we know the full extent of the problem, the banks must be forced to write down the cost of their bad debts as a prerequisite to any recapitalisation. It is also Sinn Féin's view that the cost of bank recapitalisation should not be born by ordinary taxpayers, particularly given the crippling levels of austerity being imposed on people across the EU.

Sinn Féin has long argued for a significant write down in the toxic banking debt imposed on the State by Fianna Fáil and now by this Fine Gael-Labour Government. Negotiating such a write down, including the Anglo Irish Bank promissory note — which I will state again is not €47 billion, but over €74 billion because we must borrow the money to pay for it — must be a priority for the Government in any talks on a long term solution to the eurozone crisis.

If the Greek Government has managed to secure significant private sector participation in its debt restructuring, then it is not credible for the Minister for Finance here to claim that a similar deal cannot be secured for Ireland. It is simply unpatriotic for him to come back from Brussels with additional private sector involvement for Greece, while asking the people of Ireland to bear the brunt of the toxic debt in the recapitalisation and the toxic Anglo Irish Bank promissory note. We do not believe that an enlarged EFSF is the right vehicle for meeting the funding requirements of cleansed banks. Rather the European Central Bank must become the lender of last resort for the European banking system. The ECB is already performing this function in a number of countries, including Ireland. Rather than printing euros to buy the bonds of indebted European economies in a vain attempt reassure market anxieties, the ECB would be better placed to redirect these facilities to stabilise the European banking system.

The EU must abandon its fixation with austerity. The crisis facing the domestic economies across the EU is a crisis of under investment. The banking crisis has led to a withdrawal of private sector investment from the domestic economy of an unprecedented scale. The result is a loss of jobs for many and a loss of spending power for more. Each round of Government

[Deputy Pearse Doherty.]

imposed austerity further reduces investment in the domestic economy, forcing more people out of work. This vicious cycle of under investment, unemployment and declining consumer demand is crippling real people in real economies. In the absence of private sector investment, we need the State to fill the investment vacuum. We need a Europe-wide stimulus programme to compliment stimulus programmes in individual member states.

The European Investment Bank, a body with twice the lending capacity of the World Bank, must be empowered to work in conjunction with national governments to increase the level of investment in labour intensive projects which, in addition to creating jobs, also have a clear social, economic and environmental dividend.

The three steps of cleansing the banks of their toxic debts, using the ECB to stabilise the cleansed banks, and increasing investment in job creation at a domestic and European level provide a coherent alternative to the failed policies of bank bailouts and crippling austerity being pursued by this Fine Gael and Labour Government, and which were pursued by the previous Fianna Fáil and Green Party Government. It is also the policy being pursued by the European Council and the Commission.

It is time to abandon the policies of bank bailouts and austerity. It is time to adopt new policies to cleanse our banking system and stimulate our economies. The parent or young person languishing on the dole queue cannot wait any longer. The family struggling with rising prices and increasing debts cannot wait any longer. The grandparent lying on a trolley waiting for surgery cannot wait any longer. We need solutions that work for ordinary people of this State and other states right across Europe. We need solutions that work for citizens, not for A. J. Chopra or Olli Rehn. We need solutions that work for the domestic economy, and we should not prioritise the international markets time and time again.

The Minister comes in here and tells the best tale he can, but in reality he is playing with matches in a petrol station. There is a serious crisis, and as one of the European leaders at the Ecofin meeting, he is twiddling his thumbs while Italy is downgraded and Greece is carrying a debt which everyone in this Chamber knows they cannot pay back, even though the Minister and his Ecofin partners continue to say that there will be no default.

An Ceann Comhairle: There are five Deputies sharing 15 minutes. I call on Deputy Boyd Barrett, who has three minutes.

Deputy Richard Boyd Barrett: At what point do we shout that the emperor has no clothes? The European empire that is the troika of the EU, the ECB and the IMF, has no clothes, or to put it more accurately, it has not got a clue. Everything it has done over the past two years and everything it has dictated, which it claimed would improve the situation, has made the situation worse. That is blatantly obvious for everyone. The more they ram austerity and bank bailouts down the necks of countries like Ireland, Greece and Portugal, the worse the situation gets. It gets worse for the people in those countries with more unemployment, more cuts in services, slashing of incomes, and more attacks on the vulnerable. The immorality and the hurt of it are obvious, but even in economic and financial terms, it clearly is not working. The more they say the action is to contain the crisis, the more the crisis spreads. The more they say that the action is designed to restore economic growth, the more we get economic contraction. Is it not obvious? The more they have rammed this stuff down the throats of the Greeks, the worse the position in Greece has become. It now threatens to spread into France and Italy. What will those two countries do but the same thing? The banks will be recapitalised at all costs and who will pay? French working people will pay through more austerity, economic contraction and suffering. Italy and France will not be able to pay their debts and the holders of their bonds

will be faced with the same crisis six months down the line. When will someone shout “Stop the madness”? The answer is obvious and every sane and sensible commentator agrees on it. Despite this, the Government continues to live in cloud cuckoo land and tries to suggest to members of the public that we can insulate ourselves from the current problems because there has been a small number of tiny improvements in the books in a small number of export related areas and we will all be saved by export led growth. To which countries will we export when the European economy hits recession and contracts, as it is starting to do? We will not have anyone to export to, certainly not at a level that would pull us out of a recession while austerity destroys the domestic economy. Let us tell the truth and strike out in a different direction. Let us stop the austerity and the bank bailout and do what the Greek people are doing, namely, fighting on behalf of society and for fairness and pointing towards a fair way out of the economic crisis.

Deputy Shane Ross: The Greek people are on the streets today, Italy’s credit rating has been downgraded and there is a threat of further downgrades. Deputy Boyd Barrett is absolutely right. In the meantime, this Chamber is given one and a half hours to discuss an issue which has rapidly become totally out of hand. I do not have time to indulge in a critique of Government policy. Will the Minister, based on his perception of the situation and his meetings with Ecofin Ministers in recent days, indicate if any crisis management mechanism is in place in Europe because I do not see any substantial procedures or structure for tackling the incredible problem facing the Continent?

While I will not argue that it is entirely his fault, the Minister has again returned from Europe empty-handed. Moreover, the Greeks have been told again they will have to wait and, once more, no decision has been made. This is very alarming given that daily events are getting out of hand.

I note the German Chancellor, Ms Angela Merkel, stated today that €200 billion may be required almost immediately to recapitalise the banks. Neither the Commission or anyone else appears to have a plan indicating from where this money will come. Deputy Boyd Barrett is correct that it will come from the taxpayers of the nations which will have to pay and they will include us. While the spotlight has temporarily moved off Ireland because of developments in Dexia Bank, Italy and Greece, there is no cause for congratulations as the problem of Greek, Portuguese and Irish debt remains. Although superficial figures suggest the economy will achieve growth this year and next year, Irish growth is threatened with destruction. As an IMF spokesman stated today, the Irish recovery, for what its worth, will be destroyed if there is another contraction in Europe. Such a contraction is taking place. Let us not congratulate ourselves because we are at the mercy of growth elsewhere.

I read in the *Financial Times* today a shocking and truly terrifying figure that half the sovereign debt in the eurozone is on credit risk. I do not wish to debate the Irish perspective tonight. I want to know whether, from a European perspective, any plans are being made for a write-down of debt across Europe, in particular, in Ireland, Greece and Portugal. Such a write-down will almost certainly take place. Will a default occur by accident or by design and plan?

Deputy Stephen Donnelly: Tomorrow I will address a conference of investment managers from the United Kingdom. When I asked them what issues they would particularly like to discuss, their first response was to ask me what economic reforms Ireland and its people are prepared to accept. This is a question the bankers, European Central Bank, bondholders and European leaders have been asking since September 2008. They believe the answer is that Ireland and its people will accept anything. Why do they believe that is the case?

Deputy Michael Noonan: The Deputy should ask the Fianna Fáil Party.

Deputy Stephen Donnelly: The reason is that we keep telling them we will accept anything. We have accepted a great deal thus far, including the entire liabilities of a failed banking system which amount to €100 billion in banking losses or €70,000 for every household. Until recently, we accepted interest rates on the so-called bailout which made small fortunes for the friends who were allegedly bailing us out. We also accepted the loss of our economic sovereignty. Other things we have all been asked to accept were that the Irish bailout would be the cheapest in history, the markets would never lend to us unless we repaid the bondholders and Anglo Irish Bank was somehow systemically important. Most important and of relevance to the forthcoming European meeting, we have been asked to accept that austerity, without any serious stimulus, write-down of debt or printing of money, will lead to our salvation. None of these things has turned out to be true. The truth is we are being pulverised by external commercial and political powers acting, understandably, in their own interests. Why? The reason is we keep doing exactly what they tell us to do before congratulating ourselves because they tell us we are great for doing as we have been told. This is what Fianna Fáil did and, unfortunately, it seems the current Government is continuing with its predecessor's policy. It is certainly what I am hearing in the Chamber.

We must tell the bondholders, European leaders and bankers that we are no longer willing to accept their conditions. Iceland did this and its approach is working. It has 6.5% unemployment compared to 14.5% here. That is the message I would like the Minister and Taoisach to take to the forthcoming European meetings.

Deputy Mick Wallace: We can accept at this stage that all is not well in Europe. We have the threat of a Greek default and the insolvency of the banks and now that Italy has entered the equation, the current problems have dramatically worsened. Austerity fatigue has set in both in Greece and elsewhere and will probably come to a town near all of us. Bailout fatigue has emerged in Germany and growth is slowing because austerity is killing it. While I accept that not everything wrong in Europe is the Minister's fault and it would be unfair to blame him for everything, the Government needs to take a new approach. It is time to challenge current thinking in Europe. The failure of austerity will be accepted eventually and the European Union will change tack. Unsecured bondholders will not continue to be paid because the sums do not add up. Most people accept that, regardless of what form it takes, Greece will default.

One need not be a mathematician to see it is impossible for that country to pay its debts. It would be wonderful if our country was the first to stand up and say this is not the way forward. It is difficult because we are a minor player but we would gain much respect for doing that.

Our next payment on an unsecured bondholding is €700 million. Let us keep that for ourselves and spend it on the domestic economy, investing it in our own society. After the Great Depression in the 1930s and the problems Europeans had after the Second World War, the attitude was different. John Maynard Keynes's philosophy was to restore economies and save societies. It worked. There was 3% growth from 1936 until 1971, when we invented neoliberalism. Average world growth has only been 1.9% since then.

I find it hard to credit that the markets and the neoliberals are being allowed to dictate how we think about all of this because they have been proved inefficient. I refer to one section of an article yesterday by Fintan O'Toole on how people coped in the post-Depression years. He states:

“Crucially, it focused very heavily on the human and social consequences of the crisis. Its primary insight was that you can’t save an economy by destroying a society. Jobs, housing, pensions, healthcare and education were at the very heart of the response to the crisis, not as the areas to be attacked but as the springboards for recovery.”

Deputy Clare Daly: It must be a bizarre feeling for the Minister to attend eurozone meetings and come out with a fanfare, thinking that matters have been worked out finally, only to find the crisis getting worse. Everyone knows now what the reality is across Europe. The actions of the eurozone leaders are making the situation worse. The establishment is attempting to exploit that crisis because the only show in town is austerity.

I will deal briefly with the signing yesterday of the six pack governance measures by the European Parliament. The Minister’s introduction in that regard was a very sanitised version of what is being opened up. What was done yesterday was the institutionalising of austerity and the neoliberal agenda across Europe. I am amazed this has shown up so little on the radar for the media because it is a substantial step in the direction of fiscal unity. I would like the Minister to deal with some of these points.

This deal centralises power into the hands of an unelected European Commission and effectively sets up a scoreboard of austerity. If one does not meet the grade, one is liable for substantial fines. There is the spectre of budgetary surveillance whereby draft budgets will have to be submitted in advance to the European Commission and Council before national parliaments get to see them. How can that be in the interests of the people? With the strengthening of the Stability and Growth Pact, countries that breach targets will now be subjected to fines of hundreds of millions of euro. Countries in trouble will be penalised even further, but that is not all. The extension of that deal and enforcement measures will include other mainstream economic measures such as wage and fiscal policies.

The eurozone leaders are proclaiming, therefore, that this is not only about dealing with deficits but is about liberalising markets and attacking public services, a regime the Minister’s Government seems to be happy enough to implement. There is now the spectre that if even a mildly social democratic government should decide to raise taxes to stimulate a bit of economic growth, it will be subject to fines. It is a ludicrous situation. To facilitate that process the European Parliament has moved to a very undemocratic system of voting, a reverse qualified majority. In this instance the Council is presumed to agree with sanctions unless a qualified majority votes against it. This is a very serious situation for weaker countries.

I put it to the Minister that the real reason these dictatorial anti-democratic measures are being signed off and attempts made to implement them is that the establishment is not confident that national governments will be able to impose austerity. They should be worried. Today’s strike in Greece, the call for a further general strike there later this month and the movements in Portugal in recent days demonstrate that the people will not accept paying the bill for the misdeeds of others. There is a point when people will say enough is enough.

An Ceann Comhairle: We must conclude this item by 7.30 p.m. We will begin with a round of questions to the Minister followed by his replies. I call Deputy Michael McGrath and ask for questions only, not statements.

Deputy Michael McGrath: This issue is coming to a head very quickly because Greece will run out of cash by mid-November. What is the Government’s position? What does the Minister advocate on behalf of the Government when he sits around a table in Europe to discuss Greece? Can Greece be allowed to fail? Should it get the next tranche of money no matter

[Deputy Michael McGrath.]

what, or only if it meets the targets set out in the first bailout deal, through which it is still working?

What is the Government's position on Greek debt and related private creditor involvement? Is it the Government's view that the voluntary 21% rate needs to be increased? Is that a matter we are advocating in Europe?

The IMF stated today that bank recapitalisation across Europe might cost between €100 billion and €200 billion. What is the Government's view on that and how it is to be funded?

Deputy Michael Noonan: I thank the Deputy for his questions and his earlier contribution and I thank all Deputies for their interesting contributions.

When people ask what we are going to do about Greece they are asking the wrong question. The question is what are our colleagues in Europe going to do about the eurozone. If one tries to answer that question, the Greek situation falls into place. In Europe I have advocated that the first step should be that those banks which have been identified as being weak in the round of stress testing should be recapitalised immediately, within the coming weeks. There is no need for new stress testing because all the evidence is present. The second step that should be taken is building a firewall to prevent contagion effects across the Community in order that, when the Greek situation is resolved, there are preventative measures in place to ensure that Greece stays within the Union and the eurozone but that countries such as Ireland, which has very little contact with Greece, either on the markets or through our banks, should not suffer a knock-on effect. As the Deputy noted, we were downgraded to junk status. This was not because of anything that was happening in Ireland but because of the knock-on effect of what was happening elsewhere in Europe. One can look at the actual evaluation which shows this.

The third point is to sort out Greece. The current position is that the troika is in Athens, working with the Greek authorities to see if they can meet their fiscal targets. It looks as if they will not make those for 2011 because it is too late in the year. No matter what one does with three months to go, it is unlikely one will make very sharp corrections when one is not hitting the targets. The authorities seem to be concentrating on the fiscal targets for 2012. Greece has sufficient money to pay its bills into November and the European Union is not in a position to disburse moneys to Greece until the troika returns with a positive report.

Deputy Michael McGrath: What if it does not do that? The Greeks will run out of money.

Deputy Michael Noonan: Everyone is conscious of the situation and it is my view these things will not be allowed to happen. The Greek situation will get sorted. The next step after that must be changes in governance. Deputy Clare Daly referred to the debate in the European Parliament. The debate on the six pack regulations went on for some years, with the French Government holding matters up. Finally a compromise was negotiated by the Polish Presidency and this went through the Parliament. The Deputy will be able to have his say in the House. These are proposed legislative changes and we will be obliged to deal with them in the Chamber. In that context, there will be a full debate on the matter in due course.

The issue of governance must be addressed. It is vitally important that if this crisis is finally resolved, matters cannot be allowed to slip because we would be faced with another drama in two years time. If it is going to be fixed, it had better be fixed properly. The governance arrangements must be put in place. As I stated in the House on previous occasions, the key problem is that the euro — which was a great idea — was put in place 12 years ago, but the policy instruments to protect it in times of adversity were never introduced. These instruments are now being retrofitted. This process has been taking place for the past year or so, but there

is more to be done. Part of the process to which I refer relates to the new governance system for the eurozone and the wider group of 27 member states. That is the fourth step in what needs to be done. There must then be a policy to grow the European economies.

In the 12 years since the euro was founded the level of trade in Europe has grown by 50%. During that period inflation has remained below 2%. The currency was established at a rate of €1 to \$1.17. Up to two weeks ago it was trading at \$1.43 or \$1.44 and in recent days it has been trading in the \$1.20 to \$1.30 range. However, it is still above the value it held at its point of establishment. It is obviously responding to the stress being felt. This is the basis of the agenda I am pushing in Europe.

I wish to revert to the point made to the effect that we got lucky on the interest rate. If Deputies wish to see my position on the interest rate, it was published in the *Financial Times* in January this year, well before the general election. At that point I stated our policy was to move the interest rate down to that which applied to the balance of payments fund in Europe, of which Romania and some other countries outside the eurozone are beneficiaries. The latter fund has no margin attaching to it and when I checked the position on the most recent disbursement at the time, I discovered that money had been given at a rate of 3.3%. The position I have outlined is one I have consistently maintained. When I became Minister in March, I argued in Europe that there should be no margin in respect of the money being made available to us and that it was counterproductive to be charging us margins because we could not be rescued if the interest rate applying was 6%. It does not make economic sense to charge 6% on money, unless the growth rate is going to be 6.5% or 7%. Even then, it would only be possible to break even. There is a relationship between what a country can pay on its interest rate and its actual rate of growth.

We have dealt with this matter and I am pushing the agenda to which I referred on the basis that Ireland is one of 27 member states. There are many whose thinking on this matter is similar to mine. Matters are rapidly coming to a head and a solution will emerge in the next three weeks or so. I am not trying to talk down the crisis. There is a serious crisis in the eurozone. To centre that crisis on Greece is merely to focus it on one country which has paid a very heavy price. The crisis is within the eurozone. This can be seen from the way pressure has moved from Greece to Italy to Spain to the French banking system and so on. The crisis must be dealt with quickly and the Deputy is correct to state time is running out.

Deputy Pearse Doherty: The Government got lucky on the interest rate. There is a litany of replies to parliamentary questions and statements made in the House which referred to a rate of 1% and then the acceptance of one of 0.6%. The Minister may have argued in favour of a cost of borrowing, but he got lucky. The reduction in the interest rate did not come about as a result of his negotiating skills; it happened because of the contagion effect, particularly as it relates to Italy and Spain.

Deputy Michael Noonan: That is begrudgery.

Deputy Pearse Doherty: The interest rate reduction is welcome and we welcomed it on the day it was announced.

The Minister has said a great deal, but I am still at a loss. Does he see himself as an equal—

An Ceann Comhairle: The Deputy should put a question.

Deputy Pearse Doherty: I am asking a question. Does the Minister see himself as an equal partner in ECOFIN? Has he, for example, outlined the four steps he believes we should take in order to resolve the crisis in the eurozone? He continually comes before the House and

[Deputy Pearse Doherty.]

refers to resolving the Greek crisis and outlines the Government's agenda to ensure there will be no negative impact on Ireland. I would like him to state that if there is a debt write-down in Greece, this must be extended to Ireland. I want him to indicate to ECOFIN, which he attends as an equal, that he will accept no less than a debt write-down for Ireland if such a write-down occurs in Greece.

An Ceann Comhairle: I ask that the Deputy put a question because other Members are offering. We are obliged to conclude at 7.30 p.m.

Deputy Pearse Doherty: That is the question.

My second question relates to the bank stress tests. The Minister has stated there is no need for any new stress tests. Is he of the view that the stress tests carried out in June were credible? In recent days there have been problems involving Dexia Bank and a number of French banks have been downgraded since the stress tests were carried out. Does the Minister believe the stress tests uncovered all the losses within the banks?

My final point relates to Greece. Does the Minister genuinely believe Greece can get out of the mess it is in? He hinted to Deputy Michael McGrath that the Greeks would not be left without money. However, he and his comrades in Europe continue to refer to the need for the Government of Greece to impose austerity measures. Does he genuinely believe there is a need for a debt write-down in that country?

Deputy Michael Noonan: A debt write-down has been negotiated in Greece. This is voluntary in nature and it was negotiated by the authorities with the banks which had lent money to Greece. It is worth approximately 21% of the country's debt and in quantitative terms the write-down will be in the region of €24 billion over a significant period. As stated, the write-down was voluntary and while it was a credit event, it was not deemed by the rating agencies as a default. There has not been a Greek default and I do not expect there to be one. I do not believe there should be a similar write-down in Ireland because that is the last thing we need in the current circumstances. Greece will be protected from the worst elements of what is taking place. As I indicated to Deputy Michael McGrath, it is late in the day and there are only weeks left, but action is being taken. That is how matters stand and the situation is not easy for anybody.

The Deputy has asked if we see ourselves as being equal with our European partners. Of course, we do. We have never had the inferiority complex displayed by certain other parties in the House. Ireland is equal to all the other sovereign states in Europe.

Deputy Pearse Doherty: What is the position on recapitalisation and the stress tests?

Deputy Michael Noonan: While I disagree with the conclusions reached, if one considers the relevant data, it is obvious that sufficient funds are available in order to recapitalise those European banks which require it. I do not agree with the conclusion reached at the time that only four or five banks required recapitalisation. If one considers the data in the context of where the line was drawn, one will see that it was stated every institution with tier 1 capital below a certain percentage was okay. The line was drawn too low. The relevant data are available. The IMF stated €200 billion would be required for recapitalisation. I do not know if that will prove to be the case, but it is my view that well in excess of €100 billion will be required. Perhaps the eventual figure will be somewhere between these two amounts.

Deputy Thomas Pringle: By the time there is private sector involvement in the writing down of debt, we will have no private debt left. All of our debts will be with the ECB and the European Union and we will not be able to avail of a debt write-down.

I wish to put two questions to the Minister. Deputy Clare Daly referred to the six pack of measures. In the next six to eight weeks the IMF, the European Union and the ECB will be drafting the budget and the Minister will come before the House on 7 December to deliver it. Will he outline, in plain English, what will be the impact of the six pack of measures? Will they represent a continuation of the process whereby our budgets will have to be read line by line by the European Commission and agreed in advance before being delivered? What will be the outworking of what is involved? I accept that we will be debating this matter at a later date, but it is important to state today the position on it.

The Minister has stated the European Commission has agreed to increase the scope of the EFSF-ESM. What does this mean in the context of the contribution Ireland will be required to make to the ESM? We will be obliged to borrow €12 billion from the IMF and the ECB in order to make this contribution. Will what is envisaged mean an increase in the level of our contribution?

Deputy Michael Noonan: A full debate took place in the European Parliament on the six pack of measures to which Deputy Clare Daly referred. This House will also engage in a full debate on them.

I would be here through Private Members' time if I outlined it in detail. In general terms it is the development of the stability and growth pact with the right to intervene earlier in the budgetary process. There are also sanctions at the end for countries that do not stay within the terms of the pact. It is an agreement freely entered into by the nations of the eurozone, with a new set of rules for countries participating in the eurozone. There are also other elements, such as early warning systems, if the European authorities believe there is a property bubble in a country like Ireland. If the new rules existed three or four years ago there would have been intervention and an indication that the property bubble would get us into dreadful trouble.

Deputy Pearse Doherty: They gave us the cheap credit.

Deputy Richard Boyd Barrett: There would have been another few bob gambled.

Deputy Michael Noonan: There will be a full debate on it. We are not contributing to the European Financial Stability Facility, EFSF, because we are one of the programme countries. Subject to verification of the figures, the contribution to the European Financial Stabilisation Mechanism, EFSM, is 1.75% of the total fund. That is paid over five years. I slightly overstated the figure, it is actually 1.592% of the total.

Deputy Gerry Adams: The Minister should have gone to Specsavers.

Deputy Michael Noonan: Ireland's share of the €80 billion of paid-in capital would be just above €1.275 billion, to be paid in five equal instalments of approximately €254 million each, beginning in July 2013.

Deputy Stephen Donnelly: Understandably, there is much talk about sovereign debt and whether we can repay it. I saw some data yesterday dealing with our total external liabilities and comparing them to a bunch of other eurozone and EU countries. Our total external liabilities are a factor of 17 times higher than GDP. It was interesting that the next nearest country had liabilities of a factor of six times higher than GDP. Taking our total quantum of debt,

[Deputy Stephen Donnelly.]

including commercial, national and private debt, we are completely on our own and nobody is near us, including Greece, Portugal and the UK. It is entirely unsustainable.

As a result, I have been advocating over the past few weeks and months for quantitative easing, and the Minister expressed tacit approval for the measure. What concrete actions are being taken by the Taoiseach, Minister or other members of the Government to push a policy of increased quantitative easing as one of the policy solutions to the current crisis?

Deputy Luke ‘Ming’ Flanagan: With various EU referenda through the years, anybody in opposition would have acted because the changes would lead us to a European super-state. Such people were labelled lunatics and told that would never happen but it is happening now.. Is the Minister in favour of a European super-state and the end of the Republic of Ireland as it has been? That is what will happen. What is the point in us being here if people in Europe will decide our budgets, whether a person can dig a drain and if people can smile? What will be next? Will we all have to wear tags in our ears because if we refuse, we will not get the money? Where does this end?

Deputy Richard Boyd Barrett: Will the Minister explain his remarkable comment that there should not be a write-down of our debt burden? Is it not a fact that being a good boy in the class and submitting to the austerity poison being inflicted on us to pay back bankers’ debt has not worked? This can be contrasted to the resistance of the Greek people, where there is a 21% write-down in their debts, with talk of further haircuts on the debt. That is because the Greek people are fighting back and the Government is finding it difficult to impose austerity. The people are out on the streets and the result is a write-down on the debt. The lesson is that all the bankers’ gambling debts are to be paid if one is the best boy in the class and does what he is told but there is some write-down if the people get on the streets, fight and stand up to these dictators in the European Central Bank, the EU and the IMF.

An Ceann Comhairle: Thank you for being the good boy in the class.

Deputy Michael Noonan: With regard to quantitative easing, if the issue is raised privately rather than publicly with central bank authorities in Europe, they will indicate there is no debate and it is not done. The argument is that one of the biggest problems in Europe now is too much liquidity, and as I noted in my preliminary remarks, one of the solutions is to de-leverage and take the liquidity from the system. It would be reasonable to argue that excess European liquidity triggered the Irish property bubble because on the wholesale market it was possible to access money at very low interest rates. The banks, such as Anglo Irish Bank, sucked in money on the inter-bank market and used it for speculative purposes. The process was fuelled in such a fashion.

I understand the Deputy’s comments and there must be a solution at some point where Europe must grow again. It will need resources to do so and that must be part of the solution.

Deputy Stephen Donnelly: Does the Minister support quantitative easing as a policy?

Deputy Michael Noonan: There is a reasonable economics-based argument to be made for it but I am giving the Deputy the European Central Bank’s position. All the advocacy in the world will not move that position currently. In the UK there will be a third or fourth tranche of quantitative easing shortly and it is being considered in Washington DC as well. Europe has been awash with liquidity so throwing more petrol on the fire may not be the solution.

I do not support a European super-state but I support a European currency that would be properly managed. To run a currency across the nations of Europe——

Deputy Luke ‘Ming’ Flanagan: There must be a super-state.

Deputy Michael Noonan: ——there must be rules of the game. We are where we are because the rules were not put in place when the currency was implemented.

Deputy Luke ‘Ming’ Flanagan: It would be nice to have a say in the rules.

Deputy Michael Noonan: With regard to going around with tags in our ears, I would be a reactor in that case. With regard to Deputy Boyd Barrett’s comments, we will see if the Greek prescription works. If he wants to apply the Greek prescription to Ireland, he can go on the street, burn down the bank, hurt and kill a few people.

Deputy Richard Boyd Barrett: I would not kill people.

Deputy Michael Noonan: Suddenly there is a solution and the Deputy believes everybody will roll over and cancel debts. Everybody will live happily ever after. The plan does not appear to be working out in Greece so I would not like to take the Greek formula and prescribe it for Ireland.

Deputy Richard Boyd Barrett: Why did the Greeks get a write-down?

Deputy Pearse Doherty: In the finance committee the Minister responded to a question on fiscal integration by saying he would support greater fiscal integration. He mentioned how he would like that and the six pack of measures are on the table. What other measures would the Minister like to see with regard to greater fiscal integration and will any of those require a treaty change? For example, last night British Prime Minister Cameron indicated there would be a need for a treaty and referendum in Britain because of necessary changes down the line. What does the Minister support with regard to further fiscal integration and where is the cut-off line?

Deputy Mick Wallace: Does the Minister agree the goal posts have moved slightly in Europe over the past while, particularly as the Italians, who owe €1.9 trillion, have come into the equation? I built out there for years and remember going into a hardware store that turned over €50 million per year. The first question I was asked was if I wanted to pay VAT or if I wanted an invoice. Does the Minister believe that no unsecured bondholders will be unpaid in the next two years?

Deputy Michael Noonan: We are going beyond the terms of the debate. We will have the debate on the six pack when legislation is introduced.

Deputy Clare Daly: When?

Deputy Michael Noonan: The fiscal responsibility Bill will be in the House before Christmas, so we can kick it off on that. I think we will need a cup of coffee to discuss the proposition about VAT.

Private Members' Business**Closure of Army Barracks: Motion (Resumed)**

The following motion was moved by Deputy Dara Calleary on Tuesday, 4 October 2011:

That Dáil Éireann:

- recognises that, through supporting local businesses and services, Army barracks are an integral part of the local economy in the towns in which they are based;
- affirms and supports the crucial role that soldiers and their families play in the fabric of the local communities where they are stationed;
- further recognises that towns throughout the country are under immense pressure due to the current economic climate and need to be supported;
- acknowledges the consolidation of Army barracks in recent years due to the changed security situation in Northern Ireland and the consequent reinvestment of funds to fully modernise the Defence Forces;
- further acknowledges investment into the infrastructure of Army barracks across Ireland in recent years;
- confirms that as a result of previous consolidation and investment no further Army barrack closures are necessary;
- notes with deep concern reports of the imminent closure of a number of barracks across Ireland such as the Dún Uí Néill Barracks, Cavan, Columb Barracks, Mullingar, Kickham Barracks, Clonmel, Stephens Barracks, Kilkenny and the Military Barracks, Castlebar;
- condemns the Minister for Defence's refusal to rule out the closure of any Army barracks throughout the country, regardless of its integral role in the local area;
- opposes the closure of Dún Uí Néill Barracks, Cavan, Columb Barracks, Mullingar, Kickham Barracks, Clonmel, Stephens Barracks, Kilkenny, the Military Barracks, Castlebar, and any further Army barracks across the country;
- opposes the gradual closure of further Army barracks through a reduction of personnel numbers stationed in them; and
- calls on the Government to develop a rational strategy to maximise the effectiveness of the Defence Forces that encompasses their role in the towns in which they are based.

Debate resumed on amendment No. 1:

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

- “ — commends the Government’s resolute action in facing the economic crisis and notes that this action is now bearing fruit;
- supports the Government in taking the further difficult and unpopular decisions that are necessary to restore the public finances;
- accepts that reform and reorganisation in the public service, including the redeployment of staff, are essential to maximise value for money for the taxpayer;
- accepts that, because of reductions in the budget and strength of the Defence Forces required by the 2011 Estimates decided by the previous Government and because of the constraints imposed by the EU/IMF agreement entered into by the previous Government, further savings are required;
- notes that these savings are being examined in the context of the Comprehensive Review of Expenditure currently underway;
- rejects the glaring inconsistency of the proponents of the motion who, when in Government, closed ten barracks and also caused the fiscal crisis that the current Government has to address;
- notes that the experience of the previous Government confirms that barrack closures deliver a substantial efficiency gain to the Defence Forces; and
- condemns mischievous attempts to exaggerate the impact of these necessary decisions and create unnecessary fears among local communities.”

- (Minister for Defence)

Deputy Clare Daly: I wish to share time with Deputy Mattie McGrath.

An Ceann Comhairle: Is that agreed? Agreed. The Deputies have ten minutes between them.

Deputy Clare Daly: There is no doubt that it is a little cynical of Fianna Fáil to table this motion and wax lyrical about the further closure of Army barracks when the party stood over the destruction of 11 barracks in the last decade of its reign. However, that is not an excuse to allow this Government to deflect attention from or escape responsibility for this serious attack. I oppose the closure of more Army barracks throughout the country.

I am from an Army background. I was reared beside the Curragh Camp and there is no question about the stimulus the Army provided to the local economy. It was absolutely vital and essential. It would be total lunacy on the part of this Government to ignore the role of the State in achieving balanced regional economic development, especially at a time of austerity and job losses. When many rural communities are being decimated in that regard, the role of the State is even more important. The towns involved are the towns where people bought homes for record prices during the boom. They are now in serious negative equity but they are shackled there through 30 and 40 year mortgages.

Another reason I consider this issue very serious is based on my experience of living beside areas where the closure of an Army barracks was handled poorly, particularly Magee Barracks in Kildare. It was closed over a decade ago but it has been an utter disaster. Closed without a

[Deputy Clare Daly.]

plan, the barracks are lying derelict after being scavenged and looted. It is an eyesore for residents and a haven for anti-social behaviour. We must consider the current decision to close more barracks against the backdrop of our experience to date.

While it might have been possible to secure alternative viable uses for the barracks during the boom, those days are gone. These are potentially valuable State resources and nothing should be done to jeopardise them. There is no basis for an alternative use and no logic has been put forward to support that argument. Those facilities must be protected and the best way to do that is by maintaining them in use. The Government has not explained the purpose of its decision or the advantage in further closures. No evidence has been submitted.

The Government says this is not about reducing numbers in the Army, but one must seriously question that. It clearly will not improve morale or soldiers' conditions. Instead, the 200 soldiers from Mullingar and the 140 from Cavan will be fighting with the ones who have already been transferred from Longford for accommodation in Athlone, even though the taxpayer has paid to upgrade the facilities, accommodation, roads, gymnasium and so forth in the facility from which they are moving. It is absolute lunacy. In addition, they will be forced to travel to Athlone each day when there is no viable bus service and against the backdrop of decimated pay and conditions on foot of the austerity that has been unleashed on public service workers.

Clearly, families will have to move out of the areas and towns in which they live. That will have a major impact on schools, local businesses and so forth. No viable reason been put forward, nor is there any identifiable alternative use. The only figure I have seen is a net saving of €200,000 in the case of Mullingar. That is a pittance; it would not even cover a banker's bonus or offset the cost of securing the barracks. It is ludicrous. In fact, it will cost money. It will certainly cost the towns money and result in more jobs losses because personnel do not have the money to spend in the local economies. This lunacy must stop. The Government must see sense.

Our armed forces personnel need trade union rights. I salute the efforts of the Army wives who have highlighted this. I voted for an Army wife in the first election in which I voted. However, PDFORRA and the Army personnel should not have to rely on their spouses to articulate their cause. They deserve trade union rights so they can defend their jobs and conditions like every other worker.

Deputy Mattie McGrath: I am delighted to speak on this motion and I compliment my colleagues in Fianna Fáil on tabling it. I do not agree with the previous speaker that it is opportunistic. I welcome the Army personnel and their families from Columb Barracks who are in the Visitors Gallery. I understand some of their colleagues from Clonmel are expected to arrive as well.

I salute the previous Government. I had many difficulties with that Government but, in fairness, it protected the barracks it could protect. It certainly protected Kickham Barracks in Clonmel, south Tipperary, which I represent. I invited the former Ministers, Deputy Willie O'Dea and former Deputy Tony Killeen, to visit Kickham Barracks. They both visited the barracks to see what a wonderful institution it is. It is a fabulous facility. They met the personnel and saw its infrastructural impact on the town. It has an excellent location and has been there for hundreds of years.

There was a vague response last night from the Minister. It is a retrograde step that there is not a separate full Ministry for defence, with due respect to the Minister of State, Deputy Dinny McGinley. It was a bad move by the Government because it sends the wrong signal. Will we get rid of the Army altogether? Have we no interest in the Army? I have received

many contacts from soldiers and their families in Kickham Barracks in Clonmel over recent weeks. Indeed, Deputy Troy raised the matter in a Topical Issue debate and he was told emphatically that there was no threat to the barracks. Since then, there have been many rumours and counter rumours.

I visited Kickham Barracks twice in the past two weeks. I called in last Monday and was instructed when I was leaving that I was not to call again without the permission of the Department of Defence. That is a retrograde step.

Deputy Dinny McGinley: Security.

Deputy Mattie McGrath: Security is right. You will need security. Ministers will have to come out of their bunkers because they promised and attacked so much. My constituency colleague, Deputy Tom Hayes, was quoted in the local newspaper, *The Nationalist*, last week. He said the gloves are off as regards the Army barracks and that he would save it. Yesterday, however, he said he will not vote against the Government, regardless of what it closes.

Deputy Dinny McGinley: I lost two barracks three years ago when Deputy O'Dea was Minister.

Deputy Mattie McGrath: I know. Can I continue without interruption? There was a reconfiguration in some places. However, there is a fine barracks in Donegal.

Deputy Dinny McGinley: There are two, in Lifford and Rockhill.

Deputy Mattie McGrath: We also have one in Clonmel. The barracks in Cavan and Mullingar have people to fight on their behalf. The fight will continue because it is unfair to Army personnel, who are muzzled and not allowed to speak to anyone. I have been told I cannot visit the barracks without getting permission from the Department. If I wish to go to the officers' mess to have some refreshments, will I have to ask the Minister for permission? This is outrageous.

Deputy Tom Hayes, in particular, attacked the Fianna Fáil Government in recent years over any whiff of a wind that something might close. He was quickly on his high horse to preach. He topped the poll because he preached all that doom and gloom. I call on him now to keep the gloves off, or has he any say with his Government? He did not get a position in the Government. He has been a good colleague of mine for years but I call on him now to assert himself and do the same as his colleague in County Roscommon, rather than talking about it and saying he is organising meetings with Ministers. We have not had a single meeting with a Minister since this Government was formed. Deputy Hayes told me once that he has sole responsibility for organising meetings with Ministers, so where is the meeting? I invited the Minister, Deputy Shatter, to come to Clonmel some months ago. He said he would consider it but he has not. I hope he will not make an announcement that the barracks will be closed because it is a wonderful institution and a valuable part of the infrastructure. It makes a huge contribution to the economy and to community life. A major flood relief project is under way currently. It was built and designed with the intention to provide assistance from the Army when there are flood warnings but it will be in Kilkenny, Cork or Limerick. It is a strategic location in the south east and a very valuable——

Deputy Dinny McGinley: Deputy Tom Hayes is on the way.

Deputy Mattie McGrath: He is always on the way. I welcome that but I call on him to be a man and to stand up for Tipperary South. He criticised me over the years and said I would not

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do things and that I huffed and puffed. However, we kept our hospital and many other services. From Tipperary Town to Carrick-on-Suir, there are threats to valuable projects, community facilities and HSE facilities. This is the latest threat.

There has been innuendo and talk and it is unfair to Army personnel and their wives and families. The wives met in Clonmel last night and I compliment them on that. It is unfair on the wives who have commitments on child care, schools and mortgages. They are not in a position to travel with their spouses to Limerick because it would not pay them. However, their spouses cannot refuse to go. I do not know what will happen. Perhaps Deputy Tom Hayes might provide a bus for them. I call on him to be a man. So many times in the past he has apologised to me and said that he would have to have a go at me over this or that. I said that was no problem and that he could have a go at me. I stand for Tipperary South. On the night of the count following the general election, he said he would not cause trouble and be like Mattie McGrath. I said I cause trouble when I have to in the interests of my electorate in Tipperary South. That is what I am elected to do and will continue to do. I call on Deputy Tom Hayes to be man and not a mouse and to stand up and be counted.

Deputy Anthony Lawlor: I am delighted by the fighting spirit shown by Deputy Mattie McGrath. For a minute I thought he was an Army officer leading his troops into battle.

I have a great interest in history and one of the key dates I can recollect is 14 January 1922 when a decision was made by the people to accept the treaty negotiated by the great Michael Collins. On that day, many of the barracks occupied by the British Army were taken over by the young men of the Army of the Irish Free State. It is ironic that one member, the late President Éamon de Valera, decided he would not accept the democratic decision of the people.

I am proud to say I have great respect for the young men of the Irish Free State Army who stood by the democratic decision of the people. I have great respect for the young men of the Army who, when this country became a Republic, stood by the people of the Congo where some of them lost their lives. I also have great respect for and honour the people of the Army who served in Bosnia and Lebanon and who stood by the people there. I have no problem with the way they have defended democracy in various places around the world and along the Border here. A good friend of mine was badly injured on his way home from a barracks on the Border during the Troubles in the North of Ireland.

I come from County Kildare which is well known as having a close affinity with the Army. In 1813 a barracks was opened in Naas. That barracks no longer exists because it was closed in 1998 by a Fianna Fáil-led Government. In 1901 a barracks was rebuilt in Kildare but that barracks was closed by a Fianna Fáil-led Government in 1998.

Deputy Seamus Healy: We will stop Fine Gael as well.

Deputy Anthony Lawlor: Is the Deputy Fianna Fáil?

Deputy Seamus Healy: No. We stopped Fianna Fáil in 1998 and we will stop Fine Gael in 2011.

Deputy Anthony Lawlor: The Army has become a modern, slim and trim fighting machine. It has been dealt budgetary cuts in recent years and the number of personnel in the Army has been reduced from 11,500 to 9,500. The Minister has made a commitment that the figure of 9,500 personnel will be maintained.

The hierarchy in the Army recognises that it is spread too thinly over the country. I asked an Army officer if he had a blank sheet and looked at the country, how many of the existing

barracks would be there. He said many of them were not strategically placed and that the important thing was to locate barracks in areas in which they could be useful.

The decisions we must make are justifiable because we are living in straitened economic times. One must look at what the Army has done over the years spending wisely to modernise itself. I have total respect for the modern Army we have produced and I support the call that we make strategic decisions to maintain the figure of 9,500 personnel and ensure they have the equipment so that they can support the Government and carry out their peacekeeping duties.

Deputy Martin Heydon: It is ironic that Fianna Fáil has tabled this motion on the closure of Army barracks when, in the best of economic times, Fianna Fáil-led Governments saw the closure of up to 11 barracks. Now that it is in opposition and we are in troublesome economic times, does it believe it made a mistake closing those barracks or what has changed?

We are living in very difficult economic times and tough decisions must be made. This Government will not shy away from making those decisions. I accept the need to rationalise and to trim down the number of barracks. We must look at where we came from. Barracks locations date back to a different era. Most of these barracks were built in the 1700s and the 1800s by the British to try to stem the rising tide of Irish freedom fighters. Thankfully, we live in a very different country today. Some of these barracks are no longer fit for purpose and the reason for their location is historical.

The most important thing is the numbers in the Defence Forces. As a Deputy for Kildare South, the Curragh is in my constituency and a large number of Defence Forces personnel are my constituents. I am all too aware of the issues affecting them. There is no greater issue than the number of Defence Forces personnel. If Fianna Fáil Deputies had the choice between the closure of some barracks or a reduction in the number of personnel, which would they choose? That is a very obvious question. I can only take from its motion that it would prefer to see a reduction in the number of Defence Forces personnel than see any barracks closed.

Our Defence Forces have enhanced our reputation internationally through their peacekeeping duties. They have the best reputation of any defence force in the world in carrying out those duties. That role must be maintained and protected where possible.

Another point which must be borne in mind in regard to barracks is that if we were to reduce the number of personnel as opposed to the number of barracks, that would result in the closure of barracks in time because one would not have enough personnel to maintain all of them. That would happen by default. Having said that, if barracks are to close, we need to be well organised and aware of the issues which will arise in certain locations.

In 1998 a previous Fianna Fáil-led Government closed Magee Barracks in Kildare Town. There have been difficulties with Magee Barracks. The reason it lies idle today is a long and protracted one and I will not go into the litany of failed policy decisions by the previous Government which has left this large site in the centre of a vibrant town surrounded by housing estates idle. However, we need to deal adequately with vacant barracks.

Magee Barracks has seen problems from anti-social behaviour, bonfires at night, vandalism, theft of lead off roofs, theft of manhole covers, the extraction of metal cables from the ground as well as fear and intimidation among the families living adjacent to the site. The issue is one of policing. One cannot have a large site in the centre of a town and say it is enough to fence it off. I have raised the problems that affect Magee Barracks with the Minister and his departmental officials and I acknowledge the great lengths they have gone to in trying to address them. The gardaí in Kildare already have a lot on their plate and I urge the Minister to work with the Defence Forces to provide adequate patrols of the barracks and surrounding sites. The problems that have arisen for Magee Barracks are short term and will persist for the

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duration of the economic crisis. We need to put in place a system that ensure the protection of people who live beside vacant barracks until the economy recovers to the stage where a positive use can be found for these sites.

I continue to work with the Minister on recruiting personnel to offset the retirements and losses that will occur in the Defence Forces over the coming months. Our focus should be on protecting our fantastic Defence Forces.

Deputy Nicky McFadden: Since the foundation of the State, Fine Gael has been dedicated to the Defence Forces and our commitment will remain. As someone who comes from a garrison town, I am proud of the Defence Forces. I know first hand the contribution our personnel make to communities at local, national and international levels and their conduct as ambassadors abroad is second to none.

Last week, I visited soldiers from Athlone and Mullingar deployed with the UN in Lebanon. I attended a medal parade for the 104th Irish battalion at Camp Shamrock in Tibnin. The soldiers are drawn from the fourth western brigade and the Defence Forces training centre in the Curragh and are under the command of Lt. Col. Frank Bolger. They arrived in Lebanon in May 2011 and will rotate out at the end of November. I thank Lt. Col. Bolger for his kind invitation to attend the medal parade and the opportunity to visit the men and women who do us so proud. Morale was extremely high and they appreciate all the support they receive from their friends and family in Ireland.

Approximately 195 personnel, including officers, enlisted personnel and civilian employees, are stationed in Columb Barracks. The barracks houses the fourth field artillery regiment, which is an element of the fourth western brigade and the last artillery regiment in the State.

The primary objective for any barracks reorganisation or personnel redeployment is the efficient and effective delivery of military capabilities. The Government has not yet made a decision on the future of Columb Barracks.

The strength of the Permanent Defence Force has been reduced to the level of the 1970s due to the austerity measures initiated by the previous Government. Fianna Fáil Deputies appear to have forgotten the deadly legacy they left for this country. This conversation would not be taking place but for the actions required of us by the EU and the IMF. Nobody on the Opposition benches proposed constructive measures to improve our current situation. Fianna Fáil sold off our economic sovereignty and now it is irresponsibly introducing this Private Members' motion. This is a legacy issue which arose during the term of the previous Government. The EU-IMF deal requires the State to achieve a budget deficit of 8.6% next year. This will involve cuts of at least €3.6 billion in the next budget, including up to €30 million in cuts from the Department of Defence.

Any action the Government takes is based on the ultimate objective of restoring our economic sovereignty and ensuring our future financial independence. I support the Minister for Defence in his aims of concentrating our investments in areas of the Defence Forces which are important to its operational and overseas capabilities and ensuring it is properly equipped and trained. I do not want to see a reduction in the strength of the Defence Forces below the current level of 9,559 personnel but we must consider every option for effecting savings and using our resources wisely. I want to see further recruitment in the future. Nobody wants to see barracks closures and I have every faith that the Minister's decisions will be based on securing the long-term future of the Defence Forces. I fear, however, that we may spread our resources too thinly with the result that equipment and training will be insufficient to the tasks required from the members of the Defence Forces. We must prioritise our resources.

Deputy Ann Phelan: Despite the obvious political opportunism attached to this motion on the reorganisation of our Defence Forces, I welcome the opportunity to speak about adverse effects which a downgrading of Stephens Barracks in Kilkenny will have on my constituents and the strategic position of the Army in the south east of Ireland.

The wind is gone from the sail of this motion because Fianna Fáil in Government consistently refused to give an absolute commitment on retaining specific barracks. This is a matter of public record and established practice. It supported the consolidation of Defence Forces units into a smaller number of locations as part of its objective of maximising efficiency. In January 2010, when it commenced the review of public service numbers under the employment control framework, it cast doubt on the future of a viable unit in Kilkenny. Taking note of the number of questions raised in the past by other Deputies, it is obvious that uncertainty has surrounded Stephens Barracks for a considerable period of time.

Now that the Chief of Staff has carried out a series of internal briefings in regard to decreasing the numbers in one infantry battalion in each of the three brigades, it is important that the Government remains aware of the need to maintain a regional balance in any agreed outcome. There are operational benefits in retaining a strategic regional Army presence in Kilkenny. I understand that the suggested consolidation plan will increase the numbers in two battalions and reduce numbers in the third. This will involve downgrading a battalion to a training unit with limited resources and scope.

The value of the Army's civil support role was not fully appreciated until we experienced the severe weather conditions of recent winters. In January, the Army stood ready to provide vital assistance to the people of the south east during a national emergency that had not yet received an adequate response from the Government.

Many of my constituents both in Carlow and Kilkenny, particularly those living in remote and upland areas, owe a great debt to the Defence Forces for their expertise and provision of specialist vehicles to local authorities and health and community care interests. I am aware of the vital emergency support role the Defence Forces played during the periods of bad weather in moving patients, medical staff and supplies where poor road conditions prevailed. It is no use telling a whole region that vital assistance is available elsewhere in Dublin, Cork or Limerick.

James Stephens Barracks in Kilkenny has provided steady employment to both military and civilian families alike. The city and county has lost a number of its high-profile, intensive industries in recent years. Any reduction in Army personnel will have a disproportionate effect on the lives and livelihoods of those in my constituency in a region that has the lowest *per capita* standard of living in the country.

As a component part of the First Southern Brigade, Kilkenny is rich in accommodation and ancillary facilities so that the financial challenge to meet expansion there is reduced. Critically, in these austere times, viability must be one of the principal considerations in any decision. It goes without saying that the rubber-stamping by this Government of recommendations by senior Defence Forces management must be based on the costs.

I have set out my views based on two aspects of the motion. I have also set out clear reasons why colleagues who are not burdened with barracks closures in their constituency should support the viable and strategic regional retention of James Stephens Barracks in Kilkenny. I reject the motion because Fianna Fáil Members who are acting like *prima donnas* were responsible for the present difficulties.

Deputy Dominic Hannigan: Hear, hear.

Deputy Ann Phelan: This small proud country that is struggling to maintain its sovereignty is playing a commendable role in international peacekeeping and deserves better than this cynical opportunistic motion.

Deputy Dominic Hannigan: I thank the previous speaker for sharing her time with me so generously. I welcome the opportunity to speak tonight on this Private Members' motion. I support the amendment tabled by the Minister for Defence. I know from my own county the importance of the role played by the Defence Forces when they are called upon to help in times of need.

The barracks of Gormanston is in County Meath. It is currently used as a training facility for the Defence Forces and it houses the Air Accident Investigation Unit. Its history up to now has been very different. In the 1920s it took on three different roles. First, it was the demobilisation centre for the Black and Tans. Then it was used by the Free State Army as an internment camp for republican prisoners. Up to 2,000 people were held there until the late 1920s. It later became the transport headquarters for the Army. When the Troubles began in the late 1960s the camp was used to house refugees from Belfast who had fled south. At various times there were between 200 and 300 people there. Eventually it became the transition stop as refugees were moved on to Wicklow and Cork. At those times the camp played an important role, and it still does today. It is a role that is universally respected.

Last night the Fianna Fáil backbenchers spoke about the respect that society has for the Defence Forces. I know about that respect because I hear it from my constituents who see the great work the Army did, particularly in recent times when we had very inclement weather last winter. Residents of Ashbourne, Dunboyne and Stamullen were stuck during the cold weather but they managed to get to work and get their children to school because of the hard work of the Defence Forces at the time.

I am also aware of the respect other countries have for our Defence Forces. When I was the Labour Party spokesperson on defence in the Seanad I spoke about the respect the Defence Forces command when they serve abroad in peacekeeping missions in such places as Lebanon and Chad. This motion is not about respect. It is a return to the politics that Deputy Micheál Martin said he would leave behind him. It is not constructive opposition; it is playing local politics in the national Chamber. This is not the time for flippant Private Members' motions, it is a time for the Parliament to focus on restoring our economic sovereignty, which Fianna Fáil signed away. Perhaps what is more cynical is that the motion ignores completely the previous decisions made by the Fianna Fáil Government.

Deputy Dara Calleary: Deputy Hannigan should read the motion.

Deputy Dominic Hannigan: There seems to be a collective amnesia not just among older Deputies but among new Deputies as well about exactly what Fianna Fáil did in the previous Government. It is as if they have joined a different party. One Deputy said last night that he carries no torch for the previous Administration.

An Leas-Cheann Comhairle: The Deputy should speak through the Chair please.

Deputy Dominic Hannigan: I remind Fianna Fáil Deputies, old and new, that since 1998 ten barracks have been closed by Fianna Fáil. I also remind them that in the budget of 2009 they voted for the closure of four barracks in places such as Monaghan, Lifford, Longford and Letterkenny. In the motion before us tonight Fianna Fáil confirms that as a result of previous consolidation and investment no further closure of Army barracks is necessary.

Deputy Barry Cowen: Exactly.

Deputy Dominic Hannigan: That is not what the previous Minister for Defence, Mr. Tony Killeen, said one year ago last week. He said that any properties that are considered surplus to military requirements will be disposed of. A year later in October 2011 Fianna Fáil is condemning the Minister's refusal to rule out the closure of any Army barracks throughout the country regardless of their integral role in the local area. Just one year ago in October 2010 the Minister said the dispersal of personnel over an extended number of locations is a major impediment to essential collective training. It will take more than a year for people to forget about the damage that Fianna Fáil has done not just to this country but to the Army.

Deputy Barry Cowen: It will take them less than six months to cop on to the Government.

Deputy Mattie McGrath: What about all the U-turns?

Deputy Dominic Hannigan: Members of the Opposition proposed this motion to try to embarrass the Government but they have really ended up embarrassing themselves because the motion is cynical and is creating unnecessary fears among local communities.

Deputy Dara Calleary: The Deputy's colleagues are doing that.

Deputy Dominic Hannigan: It does nothing to support the Defence Forces. It is the type of politics that will not get us out of the problems we are in.

Deputy Seamus Healy: What about the Minister of State who said it was crass stupidity to close the barracks in Mullingar?

Deputy Tom Hayes: I am pleased to have an opportunity to speak on the motion on an issue that is important to many people in my constituency. In recent weeks I have received countless telephone calls and e-mails on this matter. It is an issue that dominates my work at present and will continue to do so until a final decision is reached.

For the record, I am opposed to the possible closure of Kickham Barracks in Clonmel. I have conveyed that to the Minister. My opposition is not simply based on the financial impact on the town but also because of the rich military tradition that exists in Clonmel, which is a source of great pride in my constituency. The service of the men and women in the barracks is something of which we can be proud. Some of my colleagues have mentioned that they met with the military families. I am pleased to say that I have also met some of them and listened to their cases. I look forward to meeting more of them at a public meeting in Clonmel on Monday night.

We often thank those in the Defence Forces for their service, rightly so, but I also thank the families — husbands, wives, sons and daughters that often say goodbye to loved ones for months at a time as they represent this country overseas. I would like to reassure those families that they too are in my thoughts with regard to this matter. I hope to be able to address some of their concerns in the coming weeks.

I have already stated publicly that I will support the Government on this matter, although that may not be popular with many people in my constituency. I was elected to not only represent my constituency but to get work done on rebuilding the country, to bring people back to work, to stop the high levels of emigration and the flight from our country that is taking place. I will not be swayed by political stunts, such as the one on display in the House tonight and last night, with such a serious topic currently in discussion with the Department as well as at Cabinet.

What I find so disappointing about the motion is not the issue itself but its use by the Opposition for publicity and self-promotion on local radio and in local newspapers.

Deputy Mattie McGrath: Deputy Hayes was good at that himself. That rings hollow.

Deputy Tom Hayes: This motion is grounded entirely in politics. It appears that after years of irresponsible leadership and poor decision making, Fianna Fáil has yet to return to reality. Given the financial burden placed on the Government and the people, as well as a loss of economic sovereignty, every Department has been placed under severe pressure.

I agree with the Minister that our priority must be to maintain the current numbers of military personnel serving in the Defence Forces. We are already back to the 1970 levels but it is my belief that to maintain our current commitment overseas we must not reduce military numbers any further, and I am glad that the Minister is not doing that. However, importantly, the overall operations of the Defence Forces can only be decided by senior military commanders in consultation with the Department of Defence. They are the ones best positioned to advise on decisions such as these. All I would ask is that the Minister takes into account the enormous impact the Defence Forces have in Clonmel and south Tipperary, and that they consider the financial effect such a closure would have on the many local businesses, not alone in Clonmel but throughout Tipperary. I will continue to fight for these people and their communities.

I finish by thanking the Defence Forces for their great commitment to the country. I hope the Minister listens to the plea I have made tonight. I am glad a decision has not been made and that it will take some time for a decision to be made on the issue.

Deputy Mattie McGrath: The surgical gloves are still on.

Deputy Robert Troy: I thank my colleague for bringing this Private Members' business before the House this evening.

I am deeply saddened that the Government's actions have warranted this motion. I take no pleasure in speaking on this tonight, but I do so in the best interests of the Army personnel working in Columb barracks, their families and the business community of Mullingar and in the interests of the public purse.

I acknowledge those who have travelled from Mullingar tonight: family and friends of Army personnel, IUNVA — Post 20, ex-Army personnel, members of the business community and local councillors — Collentine, Glynn, Penrose and Dollard.

Both Government and Opposition are at one when we speak of the pride we have in the men and women who serve in the Defence Forces. These men and women have instilled pride in their families, communities, counties and country.

I ask the Government Members tonight, if no decision has been made, why have so many Deputies come out giving excuses about why closures are needed. Last night, and in recent days, Ministers accused us of typical opportunistic opposition, but what else would they say? Do the same Ministers accuse themselves or their party colleagues of having opportunistic agendas? I saw no politician from any party speaking in favour of the closure or downgrading of Columb Barracks at the protest meeting last week, that is, those of us who turned up to it. Anyone who knows me and who has worked with me as a councillor for seven years on Westmeath County Council will know that I have always worked constructively with all members across all parties in the interests of the county and would be one of the less partisan politicians in the county. Since Fianna Fáil was soundly defeated in the last general election, we have not engaged in opportunistic opposition, as some would lead one to believe. In fact, we have supported the Government on various legislative issues since then — 11 out of 15. Is that the record of an opportunistic Opposition?

It was senior Army personnel, who are directly responsible to the Minister for Defence, who visited the barracks in question announcing impending closures. It was they who generated the anxiety and fear all concerned.

Since then, and previously, I along with my colleagues have tried to get answers from the Minister, but he has treated us with contempt and, in doing so, has so treated the people we represent. He refuses to outline his proposals despite the fact that the Department has completed the value for money review. He also declined my invitation to visit this barracks — another insult to the personnel. The past three Ministers visited Columb Barracks and confirmed its future on each occasion.

In our motion, we acknowledged that the previous Government engaged in consolidation of Army barracks but we feel that the process is complete if we are to maintain the Defence Forces at the current level of 9,500.

Columb Barracks can trace its history back almost 200 years. It is the home of the 4th Field Artillery Regiment and also acts as a headquarters of the Reserve Defence Force and the 54th Regiment. 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. Currently, there are more than 200 serving personnel based in the barracks along with 20 highly-skilled civilian staff.

I will point out a few reasons Columb Barracks should not close. On costs, there is no economic gain. This decision, according to a more senior politician than I, is crass stupidity and economic lunacy. There would be immediate costs involved in transferring and redeploying the 200 troops current based there. There is no spare capacity in other locations in the command area and closing Columb Barracks would involve building new facilities in another location.

The closure of Columb Barracks would result in a net loss of approximately €8 million to the local economy at a time when local businesses are finding it increasingly difficult to survive and are getting no support from the Government. The Government opposes reforming rates and only last week the controlling parties on Westmeath County Council voted against proposals by the chamber of commerce on modifying parking charges to help the traders.

There has been a close historical connection between the town and the Defence Forces. The troops in Columb Barracks provide important local supports to the community.

Recruitment to the PDF and RDF is highest in areas where there is an Army barracks. Closing Columb Barracks would diminish local recruitment. Maybe this is part of the Government's plan.

The convenient location of Defence Forces is critical in time of emergency. We saw at first hand over the past two winters just how critical it was to have them on board.

Mr. Declan Power, an independent security consultant, was quoted last week in the local *Westmeath Topic*, which reported:

“There seems to be no strategy”, he said. “I think the Government are more concerned about the optics of being seen to close things. But I ask, where is the common sense to satisfy such optics?”

He pointed out that Columb Barracks has undergone a costly revamp in recent years.

Last night the one of the reasons the Ministers used for closing the barracks was that we did so in the past, and he commended the previous Government on doing so. While I appreciate the new Government has adopted many of the previous Government's economic policies, there is no need to adopt consolidation of the Defence Forces.

My constituency colleague described the decision to close Connolly Barracks as a “shameful and ill-thought out decision”. Does he now think the same of Columb Barracks? I sincerely hope he does because three years after the closure of the Connolly Barracks, it still remains unsold, derelict in the heart of Longford town. Only last week the Minister for Defence refused to sign over the

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barracks to the local authority. He expects the Department of the Environment, Community and Local Government to pay the Department of Defence, bearing in mind that all moneys come from the Department of Finance.

Members of the Government like to blame the EU-IMF deal for further closures while at the same time claim any moneys raised will be re-invested in the Defence Forces. Other Members claim that there is no economic gain by closing the Army barracks. Why then would the EU-IMF be interested? The EU-IMF has set a target of 8.6% of GDP by 2012 which, incidentally, is something on which we agree. However, how that is achieved is by making choices. The Government did this when it chose to introduce the pension levy. It chose to spare the cuts when it appointed its own advisers without paying any heed to the cap. The cost of special advisers to senior Ministers far exceeds the €300,000 that will allegedly be saved at Columb Barracks.

I am aware of the difficult job facing the Government. That is why we have pledged to be constructive in opposition. Tonight is not about party politics; it is about the future of these barracks and the integral role they play in local communities and economies. A dark cloud is hanging over the future of these barracks and the Minister for Defence is the only person who can lift it. I ask him to listen to his Cabinet colleague who continues to support the retention of the barracks. No further consolidation should be announced. I ask the Government to be upfront and honest with the people, as it pledged it would be in February this year, and to remove the uncertainty.

Deputy Mattie McGrath: Hear, hear.

Deputy Robert Troy: The Government should clearly outline its plans for these barracks. People's lives are at risk. They do not know what to do or how to plan for the future. The only ones who can remove that uncertainty are the members of the Government.

Deputy John McGuinness: The motion before the House is neither cynical nor opportunistic. It is clear from the contributions to the debate that Deputies on all sides of the House were anxious to air their views on the importance of the Defence Forces and the barracks situated around the country. They have done so with passion. I commend Deputy Troy for his speech in defence of his own area, the local barracks and the Defence Forces in general. His appeal to the Minister to use common sense was well founded. I encourage the Minister to take on board the views of Opposition and Government Members. I appreciate that Deputies on the other side of the House can defeat the motion if they wish.

The Defence Forces have served the country well. I commend the 3rd Infantry Battalion which is based at James Stephens Barracks in Kilkenny for the contribution it has made to the locality. I wish the Officer Commanding, Lieutenant Philip Brennan, well in heading up a 100-man unit that is going to serve overseas. The unit will play the leading role in the project in matters such as transport and medical services, etc. It shows the value of the Defence Forces' operations abroad and the value of James Stephens Barracks as part of the Army infrastructure throughout the country.

I acknowledge the work of previous Ministers. I was Mayor of Kilkenny in 1996 when James Stephens Barracks was threatened once again. The local story is that the barracks seems to be mentioned whenever barracks closures are threatened. Contrary to what has been said, the Fianna Fáil Minister for Defence at the time made it perfectly clear to the local community in Carlow and Kilkenny and the surrounding counties that James Stephens Barracks would not be closed. It did not close at the time, when Fianna Fáil was in government, despite all the political nonsense and noise to the effect that it would.

The number of personnel serving at James Stephen Barracks has continued to grow, despite the wrong and misleading commentary of a number of years ago. The number in service at the barracks

is 270. Over €2 million was invested in the 14-acre site in recent times. Rather than considering the closure of the barracks, the Government should look at the services provided for the local community at the Garda and Army barracks. Perhaps some of the difficulties being experienced at the Garda barracks might be dealt with. James Stephens Barracks could be used to house a special Garda unit that is seeking a home. Perhaps they could be used beyond the Army, within the tightened resources and moneys available.

The Minister could easily increase the number of Defence Forces personnel serving at James Stephens Barracks. He could easily utilise to a greater degree the 14 acres available to him, for example, by facilitating the extension of the services provided from the existing Garda barracks on the other side of our growing city. I repeat that James Stephens Barracks could house the special Garda unit that has been designated for Kilkenny. It is a question of building on the investment made in the Army and the investment the Army has made in local communities, not just in Kilkenny but in every part of the country. Members of the House have spoken about exactly what has been done in the barracks in their local areas. They have emphasised the esteem in which Army personnel are so dearly held in each of these areas.

I note that some members of Óglaigh na hÉireann are present. Having served their time in the Army, they are here to support the force and ensure no further reduction in numbers is made. It is essential that the infrastructure is firmly protected for the future. The Minister needs to play a role in that regard. As a constructive Opposition party, we will work with the Minister and the Government in drawing up the budgets necessary to ensure the country's future. Certain values need to be reflected in what we are doing. Every time we impose a cut, we make a statement. We should not make a statement by reducing the number of Army personnel or infrastructure. We can make a brave statement by supporting those who have supported us at home and abroad.

Deputy John Browne: I would like to share some of my time with Deputy Healy-Rae.

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

Deputy John Browne: The debate in the House over the last two nights has exercised the minds of Deputies on all sides. I have noticed that very few Labour Party Deputies came into the House last night and tonight. Perhaps that, in itself, is a good sign. I know some of them are unhappy about the decision that may be taken by the Fine Gael-Labour Party coalition. I am sure they will use all their power at the Cabinet table to ensure the mass closure of barracks that the Minister is allegedly planning does not happen. One of the problems with this debate is that we are operating in a vacuum to an extent. There has been much talk about the closure of barracks. Last night the Minister did not say how many, if any, will be closed, or if they are all going to close. This is totally unfair on the Defence Forces and the communities in which barracks are located. The Minister should set out clearly what he intends to do. If he intends to impose closures, he should explain how he will bring them about.

I am not very good at reading the computer, but I looked today at the manifestos published by the Labour Party and Fine Gael before this year's general election. Nothing in the documentation suggested Army barracks would be closed. I wonder, given that they have changed their minds and broken their promises in so many other areas, whether they intend to do likewise in this respect. The Fine Gael manifesto included very little about the Defence Forces. The Labour Party manifesto stated:

Labour will publish a White Paper on the Defence Forces setting out our vision for the Defence Forces to 2020. This will include a strategy to restore the strength of the Defence Forces to 10,500 members. Such a paper will also consider what the appropriate role for PDFORRA might be within the wider Trade Union movement.

[Deputy John Browne.]

It is obvious that the Labour Party was making plans for the future of the Defence Forces. I suggest its Deputies should have come to the House to spell out where they stand on this issue.

We all proudly acknowledge the participation of the Army in peace missions across the world. Those who have served are held in high regard. We must also recognise the substantial contribution of the Defence Forces to the security of the State during the years. During my life in politics, I have seen the great work carried out by the Defence Forces in times of need, including during fire brigade strikes and flooding problems. During all of the snow and the resulting emergencies last winter, we saw at first hand the work and support given by the Defence Forces, including to nurses and doctors in making sure valuable medical and food services were provided to people in need.

We need to recognise this role. Army personnel are not just based in Army barracks as they also make a valuable contribution to communities throughout the country. We must also remember the role they played during the violence in Northern Ireland, when they risked life and limb on Border duty in protecting the State from subversives and illegal organisations.

Of course, Fianna Fáil must acknowledge that it closed some barracks. However, the money from this was used to revamp the Defence Forces, in particular to upgrade and reinvest in equipment and to upgrade remaining barracks. Some €84.98 million was realised from the sale of barracks in the recent past and directing this funding to the upgrading of equipment proved very important, given some equipment was obsolete and in need of replacement. That money was wisely spent and the reinvestment was critical in raising the standard of equipment and facilities used by the Defence Forces from what was considered to be a position below international standards. If we are to be involved in peacekeeping efforts throughout the world, it is only right that the Defence Forces would have the proper, state-of-the-art equipment that is necessary.

The Reserve Defence Force also underwent a systematic overhaul and re-branding. The recommendations of the Reserve Defence Force Review Implementation Board in 2004 set out very clearly a series of measures to ensure the development of the future operations of the reserve forces and, in 2004 and 2005, working groups in this area also made strong recommendations.

Deputy Troy referred to value for money. The Minister should make public the value for money audit that was carried out, if one was carried out. If so, it should be made available to PDFORRA and to this House. When we carry out financial reviews, the reports that result are very important. It is very easy to take into account the money saved through the closure of barracks but what about the loss to the communities and the effect it will have on them? The soldiers and their families are an essential part of the local economy in the towns in which they are located.

I support Deputy McGuinness in regard to the James Stephens Barracks in Kilkenny. Many soldiers and members of the Defence Forces operating there are from my own county of Wexford and some have contacted me in recent weeks to express serious concern about the downgrading of this barracks.

I understand the Minister of State, Deputy Kehoe, attended the PDFORRA conference today and I am sure he heard of the difficulties and problems it would have with the closure of barracks, in particular in regard to recruitment. I did not agree with the outgoing Fianna Fáil Minister in regard to putting a ban on recruitment to the Army. I am sure many young people from County Wexford attend the office of the Minister of State, Deputy Kehoe. If they are on jobseeker's benefit, we are paying such people €200 a week if they are single and nearly €500 a week if they are married with two children. Many of these people want to get into the Army or be involved in the Defence Forces. We should seriously consider recruitment for the future. It is not good enough to have young people walking the streets when, for very little extra money, they could be training in the Defence Forces and doing something worthwhile for their country.

Deputy Michael Healy-Rae: I thank Deputy John Browne for affording me the opportunity to speak on this important issue and for sharing time. I acknowledge the presence of the Government Chief Whip, the Minister of State, Deputy Paul Kehoe, and thank him for the work he has done in the past. I also acknowledge the people from Columb Barracks in Mullingar and those who travelled from Clonmel and Cavan. I welcome them in a very special way and I respect the fact of each of them have travelled here today to support us in what we are trying to achieve.

I wish to support the motion opposing the proposed closure of a number of key Army barracks throughout the country and to condemn the Minister's refusal to avail of the opportunity to rule out the closure of any Army barracks, despite the massive boost to the local economy they generate in the towns in which they are based. With regard to Dún Uí Néill Barracks in County Cavan, I want to acknowledge the man who brought the barracks to that town in the first place, namely, the late, great Mr. John Wilson, a highly respected and respectable politician and public representative who worked very hard for many years. I can only imagine how he would feel if he were here to see this debate taking place and to see a Minister refusing to acknowledge the possible severity of the implications of these actions.

We are proud of both current and past members of our armed forces for the courage and respectability they have portrayed while abroad, and for their unwavering dedication to the people here at home. During times of trouble and strife in particular, the Army could always be relied upon to work hard on behalf of all the people.

If barracks were to be closed, I believe those who assert that no money would be saved and that the opposite could occur. When it comes to closing any facility, we have to learn from and remember our past mistakes, for example, when our sugar beet factories were closed down and we found out a short time later that they never should have been allowed to close and that there was no justification in closing them. Rather than closing the barracks, we should consider imaginative and creative ways of utilising them for further good purposes. One idea is the encouraging of the Reserve Defence Force to recruit more young people by utilising these barracks for training grounds and facilities.

I also wish to condemn wholeheartedly any proposed gradual closure of barracks through the reduction of the number of personnel stationed in them. The Government must ensure it maximises the use and effectiveness of the Defence Forces in a way that involves them in the communities where the barracks are based. Surely the Minister recognises that the closure of any Army barracks will tear the heart and soul out of the communities where they are based. Many small shops, pubs, restaurants and other businesses are highly dependent on the economic support the barracks and their personnel provide. I repeat that it will cost the Government more money if it goes ahead with closures as the knock-on effect to local businesses could result in forcing employees out of gainful employment and onto the ever-increasing social welfare queues.

Since the recent discussions on this subject have become public, families of Army and civil personnel are suffering greatly because of the uncertainty of what is proposed. I call on the Minister not to fudge this issue but to make clear statements of intent and stop hiding behind waffle and bluster.

I do not like referring to a Minister when he is not in the Chamber but I will do so as I am not to blame that he is not present. Last week, the Minister virtually sneered at me and a colleague of mine when we raised the issue of the closure of rural Garda stations. I can tell the Minister that comments he may have considered smart did not go down well with members of the Garda or the public in general. Obviously, people in rural Ireland were outraged by his glib response. Will he try to do tonight what he did last week, namely, place the blame for his actions at the feet of a former Member of this House? I emphasise he singled out one Member and he certainly did not show himself in a good light last week by attacking a former Member of Dáil Éireann.

Deputy Mattie McGrath: Hear, hear.

Deputy Michael Healy-Rae: The Minister's performance last week left much to be desired and he certainly let himself down. I hope he will do better with this issue and in this debate. I remind the Minister — I hope someone will pass on this message to him — that despite his long years of service in this House, he must serve many more years in Dáil Éireann before achieving politically the same amount achieved for his constituency and constituents by the Member he condemned last week.

Deputy Mattie McGrath: Hear, hear.

An Leas-Cheann Comhairle: I ask the Deputy to conclude.

Deputy Michael Healy-Rae: Finally, I ask for common sense to prevail tonight and for the barracks to remain open. Overall, it would save money to do so and would be the sound, prudent and sensibly politically correct thing to do.

Deputy Minister of State at the Department of Defence (Paul Kehoe: I remind Deputy Healy-Rae that his own father voted with the Government to close the sugar beet factories a number of years ago. This is a bit rich coming from him.

Deputy Michael Healy-Rae: That also is a fairly poor response from the Chief Whip.

Deputy Paul Kehoe: Since going into opposition, Members on the other side of the House are continuing with their long tradition——

Deputy Michael Healy-Rae: That is as bad as the man last week.

An Leas-Cheann Comhairle: Order.

Deputy Paul Kehoe: ——of trying to be all things to all people.

An Leas-Cheann Comhairle: Order.

Deputy Paul Kehoe: They either will not, or lack the capability, to face up to the facts and to be honest with people.

Deputy Mattie McGrath: The Minister of State does not know what that is.

Deputy Paul Kehoe: Their stance on barracks consolidation is no different. Given the desperate financial state of this country, which the Government inherited from Fianna Fáil——

Deputy John Browne: The Minister of State is in government now.

Deputy Paul Kehoe: ——choices must made, most of which will be hard choices, as to how the Government prioritises in this regard.

Deputy Robert Troy: That is it. The Government can prioritise and it will be its choices.

Deputy Mattie McGrath: The Government has choices.

Deputy Paul Kehoe: Thanks to Fianna Fáil and its reckless handling of the economy, as well as its failure to capitalise on the benefits of the Celtic tiger years, Government expenditure in all areas must be reduced and substantially so in many areas. Consequently, instead of looking at areas of the Defence Forces in which to make worthwhile investments that would in turn improve and be

of benefit to the Defence Forces and our international standing, the Government is forced into a position of making hard and difficult choices. Whatever stance Members on the other side of the House wish to adopt in this debate, the issue really is about using taxpayers' money in the most effective way and in a productive way——

Deputy Mattie McGrath: But last January, so doing was wrong.

Deputy John Browne: Why did the Minister of State not say this six months ago?

Deputy Paul Kehoe: ——rather than squandering it like the previous Government did for many years. This is taxpayers' money——

Deputy Mattie McGrath: We know that.

Deputy Paul Kehoe: This is money the Government will respect and will spend wisely.

Deputy Mattie McGrath: Yes, on advisers.

Deputy Paul Kehoe: This is purely a parochial game which simultaneously ignores the national requirement. The Government will not continue the Fianna Fáil habit of wasting taxpayers' money. Rather, its aim is to use that money to get the best possible return for the country as a whole.

Barracks consolidation is not an easy matter to deal with and there is no point in saying otherwise. However, it is an issue that must be faced up to and it will be extremely difficult for the Government to ensure the Defence Forces are allowed to manage their resources to the full, as well as to properly equip and train them to meet their roles. In this context, tying up substantial numbers of personnel in barracks-related duties and having small numbers of units and personnel spread out across the country in a large number of barracks will not allow this. Were Members on the other side of the House being honest, they also would admit this. As the Minister stated last night, were Fianna Fáil to have its way, the country would be left with an unsustainable number of poorly maintained barracks with little or no modern equipment.

Deputy John Browne: We introduced all the new equipment.

Deputy Paul Kehoe: If I wished, I could quote at length this evening from statements made by Fianna Fáil Ministers for Defence on the benefits to the Defence Forces of barracks closures but I will not. However, I will list the barracks closed by Fianna Fáil-led Governments over the last 11 years.

Deputy John Browne: We invested the money wisely.

Deputy Paul Kehoe: Ballincollig Barracks, County Cork, was closed by a Fianna Fáil Government in 1998. Fermoy Barracks, County Cork, was closed by a Fianna Fáil Government in 1998.

Deputy Mattie McGrath: Address the future.

Deputy John Browne: What about Dún Uí Néill Barracks, Cavan? What about Stephens Barracks?

Deputy Paul Kehoe: Devoy Barracks, County Kildare, was closed by a Fianna Fáil Government in 1998.

Deputy Barry Cowen: What about the only barracks that was ever built by this State?

An Leas-Cheann Comhairle: Order, please.

Deputy Paul Kehoe: Magee Barracks, County Kildare, was closed by a Fianna Fáil Government in 1998.

Deputy John Browne: Think of Vinegar Hill.

Deputy Paul Kehoe: Castleblayney Barracks, County Monaghan, was closed by a Fianna Fáil Government in 1998.

Deputy Barry Cowen: What else happened in '98?

Deputy Paul Kehoe: Clancy Barracks, Dublin, was closed by a Fianna Fáil Government in 1998.

Deputy John Browne: The Minister of State should announce the ones that will be closed next week and the week after.

An Leas-Cheann Comhairle: Order, please.

Deputy Mattie McGrath: Think of the future.

Deputy Paul Kehoe: Monaghan Barracks was closed by a Fianna Fáil Government in 2009. Lifford Barracks, County Donegal, was closed by a Fianna Fáil Government in 2009.

Deputy Mattie McGrath: Think of the future.

Deputy Paul Kehoe: Longford Barracks was closed by a Fianna Fáil Government in 2009 and Rockhill House, Letterkenny, County Donegal, was closed by a Fianna Fáil Government in 2009.

Deputy Mattie McGrath: The Minister of State is living in the past.

Deputy John Browne: What about the ones that will close in the future?

Deputy Paul Kehoe: Fianna Fáil Members opposite are experts on closing Army barracks.

Deputy Robert Troy: Will the Government close Columb Barracks, Mullingar?

Deputy Michael Healy-Rae: It would make a lot of sense——

An Leas-Cheann Comhairle: Order, please.

Deputy Paul Kehoe: Deputy Mattie McGrath referred to the Government performing U-turns.

Deputy Mattie McGrath: Yes, it gave commitments.

Deputy Paul Kehoe: Deputy McGrath did so many U-turns himself when he was on this side of the House he was spinning around on the bench.

Deputy Mattie McGrath: We kept the barracks in Clonmel.

(Interruptions).

An Leas-Cheann Comhairle: Order.

Deputy Paul Kehoe: The transformation of Sinn Féin is absolutely outstanding.

Deputy Mattie McGrath: The Minister of State is on a spin.

Deputy Paul Kehoe: Last night in the Chamber, I was absolutely astounded. Not so long ago, Sinn Féin refused to recognise the Irish Army in this State.

Deputy Mattie McGrath: Is the Minister of State going to do another tweet?

Deputy Paul Kehoe: I am delighted Sinn Féin finally has admitted there is one true republican Army, Óglaigh na hÉireann, and that is in this State, which Sinn Féin refused to recognise for years. I refer to the hypocrisy of Sinn Féin Members talking about barracks closures last night in the Chamber. I will not go as far as I would wish in this regard or will not say it in the Chamber.

Deputy Jonathan O'Brien: Say it.

Deputy Michael Healy-Rae: The Minister of State will tweet it.

Deputy Barry Cowen: As the Minister has privilege, he should go ahead.

Deputy Paul Kehoe: It was absolutely outstanding and unbelievable. As for Deputy Healy-Rae, his father——

Deputy Mattie McGrath: The Minister of State should mind his manners.

An Leas-Cheann Comhairle: I am sorry, Minister of State, please——

Deputy Paul Kehoe: Deputy Healy-Rae——

An Leas-Cheann Comhairle: The Minister of State should resume his seat. Everyone should note I want some silence for the speaker.

Deputy John Browne: The Minister of State's time is over.

An Leas-Cheann Comhairle: The Minister of State should conclude his remarks as we must move on to the next speaker.

Deputy Paul Kehoe: I remind Deputy Healy-Rae that on previous occasions, his father walked up those steps and turned left——

Deputy Michael Healy-Rae: The best the Minister of State can do is talk about a man who has retired——

Deputy Paul Kehoe: ——in voting with the Government.

An Leas-Cheann Comhairle: Please.

Deputy Michael Healy-Rae: ——from politics as a respectable politician. How dare the Minister of State?

An Leas-Cheann Comhairle: Deputy, stop.

Deputy Paul Kehoe: It was Deputy Healy-Rae's father, as well as Deputy Mattie McGrath——

Deputy Michael Healy-Rae: The Minister of State should have a small bit of manners in this House.

Deputy Paul Kehoe: ——who held up that Government for years——

An Leas-Cheann Comhairle: Order please.

Deputy Michael Healy-Rae: Have a bit of respect.

Deputy Paul Kehoe: —which now has the country in economic ruin.

An Leas-Cheann Comhairle: Minister, please.

Deputy Paul Kehoe: It is because the country is in economic ruin—

Deputy Michael Healy-Rae: Have a small bit of respect.

Deputy Paul Kehoe: —that the Government must take the actions it will be obliged to take in the future.

Deputies: Hear, hear.

An Leas-Cheann Comhairle: I now call Deputy Cowen, who has five minutes. I ask for silence for the speakers, for whom time is limited, please.

Deputy Barry Cowen: I support the motion tabled by Deputy Calleary. It recognises that soldiers and their families are an essential and integral part of their local economy. Moreover, their facilities are shared by many of their communities. Apart from their conventional role, the Defence Forces are critical in times of emergency to counteract adverse weather, disease and so on. It goes without saying that Members owe a debt of gratitude to the Defence Forces for the goodwill they have afforded the country while on peacekeeping duties abroad. The debate last night and again just now has been amazing. The Minister and his colleagues have deployed the usual tactic to which Members have become accustomed in the past six months. It is the usual mantra and battle-cry that it is not the Government's fault but that it was walked into it.

Deputy Ray Butler: The Deputy is dead right.

(Interruptions).

An Leas-Cheann Comhairle: Order, please.

Deputy Patrick O'Donovan: Fianna Fáil has no shame at all.

An Leas-Cheann Comhairle: Deputies, please.

Deputy Barry Cowen: The main thrust of that hypocrisy is that Fianna Fáil is being hypocritical in respect of barracks closure. The motion itself acknowledges that Fianna Fáil closed barracks. It recognises “the consolidation of Army barracks over the past number of years due to the changed security situation in Northern Ireland and the consequent reinvestment of those funds” to modernise the Defence Forces. Fianna Fáil acknowledges the previous Government made hard choices, delivered difficult budgets and passed severe Finance Acts. Moreover, it was not done in the interests of Fianna Fáil but in the interests of the country. Fianna Fáil Members, more than Members opposite, know what culpability is about. More than most, they are aware of the political consequences and it is high time Members opposite began to see that and recognise that as it approaches.

(Interruptions).

An Leas-Cheann Comhairle: Order, please.

Deputy Barry Cowen: This week, the Central Bank produced reasonable figures. I refer to slightly better unemployment figures, a small degree of growth in the economy and better economic projections. Why is this? As the Minister, Deputy Rabbitte, said, the Government has implemented last year's budget and Finance Act. However, he does not tell too many people how vehemently he and his colleagues opposed the Finance Bill and the four-year plan. The Government wants it both ways. It wants two jerseys to be on both teams. It speaks out both sides of its mouth.

Deputy Ann Phelan: No, we do not.

Deputy Barry Cowen: It is coming to an end and Government has only a short while to wait because the reviews of the Departments are complete — they have not been published and will not be published.

Deputy Ann Phelan: They will be published.

Deputy Barry Cowen: However, it will need to make a few choices apart from these. It will need to bring in its own budget and make its own decisions, which will not be popular and will fly in the face of all the populist commitments Government Members made when they were going around the country in February. We will see then what they are made of. They were elected in such numbers.

Deputy Brendan Griffin: That says something, does it not?

Deputy Barry Cowen: They will tell the people that things were not as they thought they were.

Deputy Patrick O'Donovan: The IMF is not coming. Does the Deputy remember who said that?

Deputy Barry Cowen: Even though the books were made available and the Ministers, Deputies Noonan and Burton, reviewed them, they will tell the people they were bound by the IMF and EU agreement despite having promised to turn it upside down. They will say they were hamstrung by the memoranda of agreement.

(Interruptions).

An Leas-Cheann Comhairle: Order.

Deputy Barry Cowen: However, they are not set in stone. The Minister for Finance says he got no extra revenue, but he came back flying the flag after saving €1 billion from the rate reduction achieved by accident rather than design. The Government will not give that to Mullingar, Kilkenny or Clonmel. In essence those of us on this side of the House can look forward to various acts of humility around the country when Government Members go back to Mullingar, Cavan, Kilkenny and Clonmel——

Deputy Paudie Coffey: Fianna Fáil let the IMF in through the backdoor and did not tell the truth.

Deputy Barry Cowen: ——and tell the people there how they committed to keep Army barracks in February, but could not stand by them here tonight. One Minister described this proposal as crass stupidity and I could not agree with him more along with many others here. We will see what they are made of when they go to Cabinet next Tuesday and he is left on his own. I wonder why the Labour benches are empty tonight.

Deputy Niall Collins: I welcome the opportunity to take part in this lively debate. For my part and on behalf of the people I represent I acknowledge the very fine work done my members of

[Deputy Niall Collins.]

the Defence Forces over generations since the foundation of the State. We all owe them a great debt of gratitude. That unites all of us in this House because we have a common purpose in what they serve and what we serve in representing them. Internationally on their foreign missions, for example with the UN in Lebanon and our missions to Chad they have done outstanding work. We should take every opportunity to highlight that they have done us all proud.

They have supported many voluntary groups and organisations locally. They helped out at the time of the big freeze and when we had flooding. Regarding community events, they will attend country fairs and markets when asked. When they are requested they always show up. They are an integral part of the fabric of our society and we need to have an honest debate about the future of our Defence Forces, which has been lacking. The comprehensive spending review which has been under way for some months has been mentioned. Last week during Leaders' Questions and on the Order of Business we heard that the review will not be published, which is a disgrace. If decisions are to be taken about the future of our Army personnel and their families based on a comprehensive spending review, that information should be published and we should all have the opportunity to have an informed debate rather than the ding-dong of who closed what and when over the years. That does not do the people who are in the Visitors Gallery any good nor does it do any good for members of the Defence Forces or their families.

When Army barracks are closed we continue to own those barracks and we still need to pay the personnel. We need to maintain the buildings, and pay for insurance and other overheads. What is to be achieved by closing Army barracks and transferring the personnel? The local communities will suffer a loss of business and commerce. The entire fabric of the local community will be affected right down to the schools. It will lead to upheaval for families. If internal military briefings are taking place highlighting that people will need to be moved, lifestyle choices will be taken without people being informed as to the basis upon which those decisions should be taken, which is wrong in anybody's language. Decisions should be taken in an open and transparent fashion with people fully informed.

I want to mention Sarsfield Barracks in Limerick city. I ask the Minister of State present tonight whether the future of those barracks is guaranteed. While it is not in my constituency, but in the neighbouring constituency of Limerick City, I represent many of the personnel who serve there and their family members who live in my constituency.

While we are discussing barracks, what is the position on Garda barracks? We have heard much of Garda stations tonight. I could list the places in my constituency affected, including Murroe, Doon, Cappamore, Croom and Askeaton. I have read newspaper reports of Fine Gael local authority members rightly making the case as to why they should be kept open. We need an open and transparent debate on that matter also.

People are saying this debate is cynical and opportunist, which I resent. It is our duty as it was the duty of Government Members when they were on this side of the House. They raised issues of public importance and of concern to the citizens, which is exactly what we are doing here tonight as we are duty bound to do. It is a disgrace for them to say we are being cynical and opportunist. The people in the Visitor's Gallery have listened to the Minister of State say we are being opportunist and populist, which is a disgrace and he should withdraw those remarks.

Deputy Paul Kehoe: We did not bring the country to economic ruin as Fianna Fáil did.

An Leas-Cheann Comhairle: Please, Minister.

Deputy Sean Fleming: I welcome the opportunity to contribute to this debate. It was inevitable that we would have such a debate very early in the lifetime of the Government. After the false

promises of the general election when the people were sold a pup, the parties negotiated the programme for Government. On the first day of new Dáil and the formation of the Government for the first time in the history of the State we got a Government without a Minister for Defence. We have a Minister for Justice and Equality who does the job of Minister for Defence in his spare time.

Deputy Mattie McGrath: He is not here.

Deputy Sean Fleming: That showed the priorities of the Government party leaders on the day the Government was formed. It showed what they thought of the Defence Forces. If anybody has any doubt about the barracks we have discussed, every other town, city and locality with military barracks——

Deputy Paul Kehoe: Our Minister has a more proactive approach to defence than any Fianna Fáil Minister ever had.

An Leas-Cheann Comhairle: Order.

Deputy Sean Fleming: ——is facing the same because they do not have a full-rank Minister at the Cabinet table with sole responsibility for the Department of Defence. This is coming home to roost now. I want to talk about the Minister with responsibility for this area. He was in the House last week talking about Garda stations. He said that Garda buildings did not matter. He is embarking on a programme to close Garda stations; he has commenced a process to close Army barracks and he has already closed several courthouses around the country in his few months in office. For example, during the summer recess he announced through a sly press release that the courthouse in Portllington in my constituency was to close. He is closing courthouses, Garda stations and Army barracks, and he will close more. The Defence Forces better watch out.

As has been well rehearsed, we all know there is no economic sense in this. There are no savings on staff — there are additional staff costs because they need to be relocated. There is maintenance of the old buildings which cannot be sold in these economic times. If property was sold during the good economic times, we might have got value for the taxpayer, but the taxpayer will get no value from selling any of these properties. They will need to be protected from vandalism and some of the new barracks into which people will move will need to be upgraded. To facilitate the new staff coming in and for health and safety reasons they will need to be brought up to a higher standard. While there are no barracks in my constituency I am very proud of and happy with the work the Army do on the security of Portlaoise prison.

The Government is hiding behind the EU and IMF on this matter. There is nothing in that deal about closing Army barracks as everybody on the Government side knows. The Government has used the EU and IMF deal for every harsh decision it has had to make. However, it was able to make several decisions that were not contained in that EU and IMF deal.

It brought in a pension levy and robbed the pensioners of their money. It introduced an insurance levy last week to bail out Quinn Insurance. That was not in the IMF deal. Ministers claimed they would cut the airport travel tax, yet that was not in the IMF deal. They closed Roscommon hospital and that was not in the IMF deal.

Deputy Derek Keating: Roscommon hospital was not closed.

Deputy Sean Fleming: This Government is not committed to the Defence Forces, and it showed that on its first day in office by not appointing a Minister for Defence. Its members will rue the day and this will haunt them for the lifetime of this Government.

Amendment put:

The Dáil divided: Tá, 94; Níl, 44.

Tá

Barry, Tom.
 Breen, Pat.
 Broughan, Thomas P.
 Bruton, Richard.
 Burton, Joan.
 Butler, Ray.
 Buttimer, Jerry.
 Byrne, Catherine.
 Byrne, Eric.
 Carey, Joe.
 Coffey, Paudie.
 Collins, Áine.
 Conaghan, Michael.
 Conlan, Seán.
 Connaughton, Paul J.
 Conway, Ciara.
 Coonan, Noel.
 Corcoran Kennedy, Marcella.
 Costello, Joe.
 Coveney, Simon.
 Creed, Michael.
 Daly, Jim.
 Deasy, John.
 Deenihan, Jimmy.
 Deering, Pat.
 Doherty, Regina.
 Donohoe, Paschal.
 Dowds, Robert.
 Doyle, Andrew.
 Durkan, Bernard J.
 English, Damien.
 Farrell, Alan.
 Feighan, Frank.
 Ferris, Anne.
 Fitzpatrick, Peter.
 Gilmore, Eamon.
 Griffin, Brendan.
 Hannigan, Dominic.
 Harrington, Noel.
 Harris, Simon.
 Hayes, Brian.
 Hayes, Tom.
 Heydon, Martin.
 Howlin, Brendan.
 Humphreys, Heather.
 Humphreys, Kevin.
 Keating, Derek.

Kehoe, Paul.
 Kelly, Alan.
 Kenny, Seán.
 Kyne, Seán.
 Lawlor, Anthony.
 Lynch, Ciarán.
 Lynch, Kathleen.
 Lyons, John.
 McCarthy, Michael.
 McEntee, Shane.
 McFadden, Nicky.
 McGinley, Dinny.
 McLoughlin, Tony.
 Maloney, Eamonn.
 Mathews, Peter.
 Mitchell, Olivia.
 Mitchell O'Connor, Mary.
 Mulherin, Michelle.
 Murphy, Dara.
 Murphy, Eoghan.
 Nash, Gerald.
 Naughten, Denis.
 Neville, Dan.
 Nolan, Derek.
 Noonan, Michael.
 Ó Ríordáin, Aodhán.
 O'Donnell, Kieran.
 O'Donovan, Patrick.
 O'Dowd, Fergus.
 O'Mahony, John.
 O'Reilly, Joe.
 O'Sullivan, Jan.
 Phelan, Ann.
 Rabbitte, Pat.
 Reilly, James.
 Ring, Michael.
 Ryan, Brendan.
 Sherlock, Sean.
 Shortall, Róisín.
 Stagg, Emmet.
 Stanton, David.
 Timmins, Billy.
 Tuffy, Joanna.
 Twomey, Liam.
 Wall, Jack.
 Walsh, Brian.
 White, Alex.

Níl

Adams, Gerry.
 Browne, John.
 Calleary, Dara.
 Collins, Niall.
 Colreavy, Michael.
 Cowen, Barry.
 Crowe, Seán.
 Daly, Clare.
 Doherty, Pearse.
 Dooley, Timmy.

Ellis, Dessie.
 Ferris, Martin.
 Flanagan, Luke 'Ming'.
 Fleming, Sean.
 Fleming, Tom.
 Halligan, John.
 Healy, Seamus.
 Healy-Rae, Michael.
 Kelleher, Billy.
 Kirk, Seamus.

Níl—*continued*

| | |
|-------------------------|------------------------|
| Kitt, Michael P. | Ó Caoláin, Caoimhghín. |
| Lowry, Michael. | Ó Fearghaíl, Seán. |
| Mac Lochlainn, Pádraig. | Ó Snodaigh, Aengus. |
| McConalogue, Charlie. | O'Brien, Jonathan. |
| McDonald, Mary Lou. | O'Dea, Willie. |
| McGrath, Finian. | O'Sullivan, Maureen. |
| McGrath, Mattie. | Ross, Shane. |
| McGrath, Michael. | Smith, Brendan. |
| McGuinness, John. | Stanley, Brian. |
| McLellan, Sandra. | Tóibín, Peadar. |
| Moynihan, Michael. | Troy, Robert. |
| Murphy, Catherine. | Wallace, Mick. |

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

Amendment declared carried.

Question put: "That the motion, as amended, be agreed to."

The Dáil divided: Tá, 92; Níl, 44.

Tá

| | |
|-----------------------------|--------------------------|
| Barry, Tom. | Harris, Simon. |
| Breen, Pat. | Hayes, Brian. |
| Broughan, Thomas P. | Hayes, Tom. |
| Bruton, Richard. | Heydon, Martin. |
| Burton, Joan. | Howlin, Brendan. |
| Butler, Ray. | Humphreys, Heather. |
| Buttimer, Jerry. | Humphreys, Kevin. |
| Byrne, Catherine. | Keating, Derek. |
| Byrne, Eric. | Kehoe, Paul. |
| Carey, Joe. | Kelly, Alan. |
| Coffey, Paudie. | Kenny, Seán. |
| Collins, Áine. | Kyne, Seán. |
| Conaghan, Michael. | Lawlor, Anthony. |
| Conlan, Seán. | Lynch, Ciarán. |
| Connaughton, Paul J. | Lynch, Kathleen. |
| Conway, Ciara. | Lyons, John. |
| Coonan, Noel. | McCarthy, Michael. |
| Corcoran Kennedy, Marcella. | McEntee, Shane. |
| Coveney, Simon. | McFadden, Nicky. |
| Creed, Michael. | McGinley, Dinny. |
| Daly, Jim. | McLoughlin, Tony. |
| Deasy, John. | Maloney, Eamonn. |
| Deenihan, Jimmy. | Mathews, Peter. |
| Deering, Pat. | Mitchell, Olivia. |
| Doherty, Regina. | Mitchell O'Connor, Mary. |
| Donohoe, Paschal. | Mulherin, Michelle. |
| Dowds, Robert. | Murphy, Dara. |
| Doyle, Andrew. | Murphy, Eoghan. |
| Durkan, Bernard J. | Nash, Gerald. |
| English, Damien. | Neville, Dan. |
| Farrell, Alan. | Nolan, Derek. |
| Feighan, Frank. | Noonan, Michael. |
| Ferris, Anne. | Ó Riordáin, Aodhán. |
| Fitzpatrick, Peter. | O'Donnell, Kieran. |
| Gilmore, Eamon. | O'Donovan, Patrick. |
| Griffin, Brendan. | O'Dowd, Fergus. |
| Hannigan, Dominic. | O'Mahony, John. |
| Harrington, Noel. | O'Reilly, Joe. |

Tá—*continued*

O'Sullivan, Jan.
Phelan, Ann.
Rabbitte, Pat.
Reilly, James.
Ring, Michael.
Ryan, Brendan.
Sherlock, Sean.
Shortall, Róisín.

Stagg, Emmet.
Stanton, David.
Timmins, Billy.
Tuffy, Joanna.
Twomey, Liam.
Wall, Jack.
Walsh, Brian.
White, Alex.

Níl

Adams, Gerry.
Browne, John.
Calleary, Dara.
Collins, Niall.
Colreavy, Michael.
Cowen, Barry.
Crowe, Seán.
Daly, Clare.
Doherty, Pearse.
Dooley, Timmy.
Ellis, Dessie.
Ferris, Martin.
Flanagan, Luke 'Ming'.
Fleming, Sean.
Fleming, Tom.
Halligan, John.
Healy, Seamus.
Healy-Rae, Michael.
Kelleher, Billy.
Kirk, Seamus.
Kitt, Michael P.
Lowry, Michael.

Mac Lochlainn, Pádraig.
McConalogue, Charlie.
McDonald, Mary Lou.
McGrath, Finian.
McGrath, Mattie.
McGrath, Michael.
McGuinness, John.
McLellan, Sandra.
Moynihan, Michael.
Murphy, Catherine.
Ó Caoláin, Caoimhghín.
Ó Fearghaíl, Seán.
Ó Snodaigh, Aengus.
O'Brien, Jonathan.
O'Dea, Willie.
O'Sullivan, Maureen.
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 Seán Ó Fearghaíl.

Question declared carried.

The Dáil adjourned at 9.20 p.m. until 10.30 a.m. on Thursday, 6 October 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 11, inclusive, answered orally.

Licensed Moneylenders

12. **Deputy Brian Stanley** asked the Minister for Finance if he is concerned with the reports that legal moneylenders are now going door to door seeking custom; and his plans to regulate this behaviour and to further reduce the interest rates that these legal moneylenders can apply to their customers. [27672/11]

Minister for Finance (Deputy Michael Noonan): Firstly, I wish to assure the Deputy that there is a comprehensive regulatory licensing system in place for moneylenders. Moneylenders have to apply to the Central Bank annually to have their licences renewed. Section 93 of the Consumer Credit Act 1995 (the Act) sets out the Central Bank's powers in relation to the grant or refusal of a moneylender's licence. The appropriate moneylending application form (new or renewal) must be completed and returned to the Central Bank with a number of items, for review and consideration.

Under section 97 of the Act, the licensed moneylender is required to issue an authorisation to any person who is engaging in the collection of repayments on his/her behalf. Agents employed by licensed moneylenders are subject to the requirements of the Act and the Central Bank's Consumer Protection Code for Licensed Moneylenders (the ML Code) in the same way that the licence holder is. A copy of the ML Code is available on the Central Bank's Website *www.centralbank.ie*. All moneylenders (and their agents/employees) must comply with these provisions. There are a number of provisions which are particularly relevant to moneylenders who call to consumer's homes, including the following:

- moneylenders are prohibited from offering unsolicited pre-approved credit facilities to consumers under common rule 31 of the ML code,
- moneylenders are prohibited from offering top-up loans to consumers under section 99 of the Act,
- section 110 of the Act sets out requirements relating to prohibitions on collecting repayments at certain times. Specifically, moneylenders (or their agents/employees) cannot collect repayments between the hours of 9 o'clock in the evening on any week day and

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10 o'clock in the morning on the following day, or at any time on a Sunday or a public holiday. If the consumer has given his/her express consent, in writing, then a money-lender can collect repayments between the hours of 8 o'clock and 10 o'clock in the morning on any week day. If the consumer has given this consent, he/she may withdraw it at any time, if he/she so wishes.

- moneylenders are obligated to assess the creditworthiness of consumers before concluding an agreement with the consumer in accordance with regulation 11 of the European Communities (Consumer Credit Agreements) Regulations 2010.

The Central Bank has informed me that they use a number of methods to assess compliance with their codes and other applicable legislation. Licensed moneylenders who fail to comply with the provisions of any of the Central Bank's codes or applicable consumer protection laws could be subject to possible sanction under the Central Bank's Administrative Sanctions Procedure.

With regard to the interest rates charged by moneylenders, I set out, below, the position.

Interest rates and financial products are not regulated by the Central Bank so each institution determines the rate it charges its customers, depending on a number of factors, including risk. I have no function in this regard. Interest rate caps for moneylenders are not provided for in the Consumer Credit Act 1995. It should also be noted that there are no interest rate caps in relation to the industry categories which the Central Bank supervises (apart from the interest rate cap imposed on the credit union sector).

However, the Central Bank is endeavouring to increase disclosure and understanding of the costs associated with loans from moneylenders.

Under Common rule 3(b) of the MLCode, prior to entering into an agreement with a consumer, a moneylender consumer must:

- disclose all the fees, costs and interest in a clear manner, and
- prominently indicate the high-cost nature of the loan on all loan documentation where the APR is 23% or higher. This disclosure must take the following form:

Warning: This is a high-cost loan.

In addition, the annual percentage rate allowable under moneylending licences are publicly stated on the public register of moneylenders which is available on the Central Bank's website.

I would expect that, in future, the Annual Regulatory Performance Statement of the Central Bank will refer to the regulation of moneylenders. This statement will be presented to each House of the Oireachtas. The Central Bank Reform Act 2010 provides that a Committee of the Oireachtas may request the Governor of the Central Bank or the Head of Financial Regulation to attend before it and provide information relating to the regulatory performance statement. This will allow Deputies the opportunity to see relevant information on regulatory matters, including the regulation of moneylenders.

Budget Submissions

13. **Deputy Mick Wallace** asked the Minister for Finance if he will publish a gender audit of budget 2012 when he presents the budget proposals to Dáil Éireann in December 2011; and if he will make a statement on the matter. [27652/11]

Minister for Finance (Deputy Michael Noonan): I understand the Deputy to be referring to a process whereby each element of revenue and expenditure contained within the Budget would be examined to assess its impacts on gender equality. As the Deputy is aware, the

Government's primary focus at the moment, as regards budgetary matters, is on reducing the deficit further and returning sustainability to the public finances in the coming years. The focus of Government in this regard will be on taking decisions in a way that spreads the burden of the adjustment in a fair and equitable manner, while at the same time, seeking to minimise the negative impact on economic growth. There are no plans to publish a gender audit of Budget 2012. However, I would point out that the Programme for Government does contain a commitment to require all public bodies to take due note of equality and human rights in carrying out their functions. Furthermore, the Cabinet handbook requires a statement on the likely effects of the decision sought on gender equality to be included in Memoranda to Government. Consequently, Government does consider gender equality at an individual policy or programme level. I would also remind the Deputy that the State and its bodies take the provisions of equality legislation into account in the development and delivery of its policies and services.

Fiscal Policy

14. **Deputy Timmy Dooley** asked the Minister for Finance his position on the introduction of euro bonds and greater fiscal integration among the eurozone member states following recent comments by European Commission President Jose Barroso; and if he will make a statement on the matter. [27621/11]

Minister for Finance (Deputy Michael Noonan): The economic crisis and the recent euro-area debt crisis highlighted deficiencies in the current EU economic governance system and illustrated that broader and enhanced surveillance of member states' fiscal and macroeconomic policies is required in order to ensure financial and economic stability within the Euro Area. In March of this year the European Commission proposed a comprehensive and coherent package of reforms called the "six pack" to strengthen existing tools and extend them for coordinating economic and fiscal policy in the EU. The Ecofin Council formally adopted these legislative measures at its meeting on 4 October 2011. A strengthened system of economic governance in the EU will be good for the EU as a whole, and for the individual Member States. Ireland is a strong supporter of the six-pack and the other measures that have already been put in place such as EU2020, the European Semester and the Euro Plus Pact. These measures when fully implemented will go a long way towards addressing the weaknesses in the previous European economic governance system.

The debate on enhancing economic governance in the euro area is developing further.

At the meeting on 21 July, the Eurozone leaders called on the President of the European Council, Herman Van Rompuy, in close consultation with the President of the Commission, José Manuel Barroso, and the President of the Eurogroup, Jean-Claude Juncker, to make concrete proposals by October on how to improve working methods and enhance crisis management in the Euro Area.

Ireland is supportive of the objective of enhancing the economic governance of the Euro Area. We will continue to welcome constructive proposals in this regard and I look forward to President Van Rompuy's further governance proposals.

Here in Ireland, as the Deputy may be aware, the Government is committed to significant reform of our Budgetary architecture including the recently-established independent Fiscal Advisory Council, medium-term expenditure planning and performance management.

In addition, the EU/IMF Programme of Financial Support contains commitments to introduce a Fiscal Responsibility Bill by the end of the year. Work is being advanced in relation to the Fiscal Responsibility Bill and it is intended that the commitment in relation to this will also be met before the end of the year.

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The role of the Irish Fiscal Advisory Council is to provide an assessment of whether the Government is meeting its own stated targets and objectives. It is also charged with assessing the appropriateness and soundness of the Government's fiscal stance and macroeconomic projections as well as an assessment of the extent of compliance with fiscal rules.

On euro bonds, President Barroso has stated in his State of the Union speech to the European Parliament last week that he intends to offer proposals in the coming weeks for what he calls "Stability Bonds". He has stated that some of the options he will present could be implemented within the current Treaty, whereas fully-fledged Eurobonds would require Treaty change. As always, it is the Commission's prerogative as to what exact proposals they make; I am sure the Deputy will agree that it is prudent to wait and see the details of the proposals before finalising our position on the matter.

Credit Availability

15. **Deputy Seán Crowe** asked the Minister for Finance the position regarding his review of access to finance for small and medium-sized enterprises; and if the findings of the review will be made public. [27668/11]

Minister for Finance (Deputy Michael Noonan): As the Deputy may be aware, my Department published an invitation to tender for a telephone survey to ascertain the situation in relation to the demand for credit within the SME sector in Ireland on the "etenders" website on 21 September last. The closing date for receipt of tenders was noon today. The successful tenderer will conduct a survey, securing completed responses from 1,500 SMEs, to ascertain the situation in relation to:

- the demand for credit from SMEs;
- their level of knowledge on their rights in relation to credit;
- the reasons given for refusal of credit and;
- the failure of SMEs to seek credit.

The purpose of the survey is to provide data on the demand for credit by SMEs in the period April-September 2011.

The results of this survey, which will be submitted to my Department by mid November, will be a valuable resource in informing policy decisions in this area going forward. It is my intention to publish the findings of the survey in due course.

Departmental Reports

16. **Deputy Niall Collins** asked the Minister for Finance the reason he has not published the reports by McCann Fitzgerald and Ernst & Young into legacy issues at Irish Nationwide Building Society and his plans to publish same; and if he will make a statement on the matter. [27616/11]

Minister for Finance (Deputy Michael Noonan): The reports by Ernst & Young and McCann FitzGerald concerning Irish Nationwide Building Society have been furnished to my Department are at this point of an interim nature, are confidential, and subject to legal privilege. These reports have been provided to the Central Bank of Ireland, as well as to the Department of Finance, and the work in relation to them is continuing. . In view of the sensitive nature of the reports and their potential, if made public, to prejudice any future actions that may arise, I do not propose to publish the reports referred to at this time.

Tax Code

17. **Deputy Michael Colreavy** asked the Minister for Finance his views on whether the programme for Government commitment to maintain current rates of income tax together with bands and credits will be adhered to in budget 2012. [27674/11]

Minister for Finance (Deputy Michael Noonan): The Programme for Government states that as part of the Government's fiscal strategy we will maintain the current rates of income tax together with bands and credits. As the Deputy is aware, the Government has initiated a Comprehensive Review of Expenditure (CRE) to provide the Government with a set of decision options to meet the overall fiscal consolidation objectives and re-align spending with the Programme for Government priorities. The CRE is currently being completed.

On receipt of this Review, the Government will examine the findings and, based on these findings and consultation with the Troika, will seek to introduce fiscally neutral changes to the detail of the EU/IMF Programme of Financial Support for Ireland.

As the Taoiseach has said we will have to renegotiate with the Troika in order to follow our fiscal strategy within the framework of a Budget that will also meet our targets under the Financial Support Programme.

Credit Union Regulation

18. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Finance if he views credit unions in the same way as he sees banks; and if they require a similar or different form of regulation. [27656/11]

Minister for Finance (Deputy Michael Noonan): In recognition of the unique nature of credit unions, a statutory position of Registrar of Credit Unions was explicitly created within the Central Bank of Ireland to assume responsibility for the regulation of credit unions. The Registry of Credit Unions is responsible for the registration, regulation and supervision of credit unions. This will continue to be the position. In the Programme for Government 2011-2016, the Government stated that it recognises the important role of credit unions as a volunteer co-operative movement and the distinction between them and other types of financial institutions. In line with the Government commitment, we established a Commission on Credit Unions to review the future of the credit union movement and make recommendations in relation to the most effective regulatory structure for credit unions, taking into account their not-for-profit mandate, their volunteer ethos and community focus, while paying due regard to the need to fully protect depositors savings and financial stability. The Commission has provided me with an interim report which I am currently examining. The Report specifically addresses the differences between credit unions and banks. The Commission will have completed its work by end-March 2011.

19. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Finance the number of credit unions that have had lending restrictions imposed on them by the Financial Regulator on a monthly basis in the years 2010 and 2011; the kinds of restrictions imposed; and his views on whether these restrictions were being applied consistently. [27655/11]

20. **Deputy Pearse Doherty** asked the Minister for Finance the criteria currently being used by the Financial Regulator in imposing restrictions on the individual and general lending capacity of credit unions; if in view of this information his views that these restrictions are being applied fairly and consistently; and if he believes this process to be adequately transparent. [27654/11]

41. **Deputy Pearse Doherty** asked the Minister for Finance if his attention has been drawn to the restrictions being placed by the Financial Regulator on the general and individual lending capacity of credit unions across the country; his views on these restrictions; if he views these restrictions as having a negative impact on the viability of individual credit unions and overall consumer spending. [27653/11]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 19, 20 and 41 together.

I am aware that the Registrar of Credit Unions has imposed lending restrictions on a number of credit unions in recent months.

The imposition of lending restrictions is the responsibility of the Registrar of Credit Unions, who is the independent regulator for the sector. The Registrar is responsible for administering the system of regulation and supervision of credit unions provided for under the Credit Union Act 1997, with a view to the protection by each credit union of the funds of its members and the maintenance of the financial stability of credit unions generally.

As Minister for Finance, my role is to ensure that the legal framework for credit unions is appropriate for the effective operation and supervision of credit unions.

Within his independent regulatory discretion, the Registrar of Credit Unions acts to support the prudential soundness of individual credit unions, to maintain sector stability and to protect the savings of credit union members. It is on this basis that the Registrar has put in place lending restrictions on credit unions as their financial position has deteriorated. Restrictions are imposed on a case-by-case basis and are reviewed regularly. Before setting the level of restriction on a credit union the Registrar carries out an analysis of the credit union business and financial position and the restrictions are designed to allow these credit unions to continue to lend, albeit at a more prudent level, in order to protect the savings of their members. The Registrar will give priority to protecting the savings of credit union members and to maintaining financial stability.

With regard to the impact of these restrictions, the Registrar advises me that they are structured to allow credit unions to lend a higher number of small value loans to the broader membership, thereby reducing concentration risk. He also advises that initial analysis indicates that the credit unions which are restricted continue to have higher levels of arrears than those which are not and this remains a concern. The Registrar closely monitors and interacts with those credit unions where lending restrictions have been imposed.

The restriction on a credit union is determined taking account of its financial data including the level of its lending, average loan size, its arrears trends and bad debt provision levels. Credit unions are able to continue to lend to members within their financial capacity to do so. If a credit union can demonstrate an improved financial position then such restrictions can be reviewed.

The imposition of these restrictions is not considered lightly and the type of lending restrictions imposed takes account of the particular business profile and financial position of each credit union concerned. The type of lending restrictions can include maximum individual loan size and overall maximum monthly lending limits. As regards the number of lending restrictions imposed each month in 2010 and 2011, the Registrar has advised me that this is confidential regulatory information and it is not his policy to release it into the public domain. He can say however that lending restrictions have been imposed on in excess of 50% of credit unions at this time. Where lending limits are specified for individual credit unions, this is communicated directly with the credit union.

It would not be appropriate for me, as Minister for Finance, to examine or adjudicate on whether the placing of lending restrictions is necessary on a case by case basis. I believe that such action would represent interference in the work of the independent financial regulator.

Tax Code

21. **Deputy David Stanton** asked the Minister for Finance his plans to reduce the current €250 threshold for qualifying for tax relief on charitable donations; and if he will make a statement on the matter. [27643/11]

Minister for Finance (Deputy Michael Noonan): Section 848A of the Taxes Consolidation Act 1997 allows tax relief at the marginal rate on donations made by either individuals or corporate bodies to eligible charities and other approved bodies. In order to qualify for the tax relief currently, a minimum donation of €250 must be made to the body concerned. The number of donors in respect of whom tax relief was claimed was approximately 155,000 in 2009. Reducing the threshold to allow tax relief on smaller donations, as the Deputy has proposed, could significantly increase the current cost of the scheme to the Exchequer.

Representatives of the charities sector estimated in 2005, that were the threshold to be reduced to €100, that it could double the cost of the scheme.

The tax relief available for donations is already very generous. There is no upper limit on the amount that can be donated generally and relief is granted at the donor's marginal rate of income tax. Donations can be cumulative, so that a donation of just €5 per week over the course of a year would qualify.

Reducing the threshold would greatly increase the administration overhead associated with the scheme. For example, many donors making such smaller donations may not be paying tax at all, but may not indicate this on the relevant form, with the result that the charitable body might claim a refund from Revenue on the basis that the donor is a PAYE taxpayer. The additional checking required and possible denial of the refund would increase the administrative burden all round.

The €250 threshold has not changed since it was introduced in 2002. Normal inflation levels effectively have reduced the value of the threshold over time. In addition, the donations scheme was introduced to encourage the donation of large sums of money to charities and certain other bodies. It was never envisaged that the scheme should subsidise smaller donations, which in all likelihood, would be made in any event.

Notwithstanding the foregoing, the Deputy will be aware that all tax reliefs and incentives are subject to regular review as part of the annual Budget and Finance Bill process. Any significant decisions taken by the Government to change such reliefs or incentives in this regard would normally be announced on Budget Day.

It is worth also noting that the Government has re-established the Forum on Philanthropy and Fundraising and it will be considering how philanthropy can be encouraged, including suggestions for tax changes.

Tax Reliefs

22. **Deputy Jonathan O'Brien** asked the Minister for Finance if he will consider publishing an annual list of all tax expenditure; and their cost to the State in advance of Budget 2012. [27676/11]

Minister for Finance (Deputy Michael Noonan): The Office of the Revenue Commissioners is the main source of statistics and data on tax incentives and expenditure. They provide costs

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of tax credits, allowances and reliefs in their Annual Statistical Reports. The most recent figures related to tax expenditures appear in the 2009 report, which sets out the total identifiable costs to the Exchequer of all income tax and corporation tax allowances, reliefs, exemptions and tax credits available for 2007 and 2008, the most recent year for which information is available. Details for the following year will be published as soon as they become available. In my response to Deputy Pearse Doherty's question of 7th June last on the cost of tax expenditures (PQ 14499) I outlined the position regarding the Commission on Taxation's comprehensive review of tax expenditures and the costings therein. In addition my Department periodically publishes aggregate data relating to tax expenditures, and as recently as July 2010 published a review of tax expenditures announced in Finance Bill 2010.

All tax expenditures are kept under review and as a matter of course form part of the Tax Strategy Group's (TSG) discussions in advance of the Budget. The TSG papers are subsequently published on the Department of Finance's tax policy website (www.taxpolicy.gov.ie).

For these reasons I do not consider it appropriate to do as the Deputy asks but, as I have previously suggested, if there is any serious tax relief to which the Deputy can draw my attention, concerning which he believes the cost is great and the abolition thereof would lead to a significant yield, I will ask Revenue to provide as detailed a costing as possible.

Fiscal Policy

23. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent to which the Central Bank of Ireland here, through the European Central Bank, influenced this country's and EU lending and borrowing policies over the past ten years; the degree to which the ECB directed such policies; the lessons, if any, learned in the process; and if he will make a statement on the matter. [27608/11]

Minister for Finance (Deputy Michael Noonan): The relationship between the Central Bank of Ireland and the European Central Bank is governed by the Treaty of Rome and the Statute of the European System of Central Banks (ESCB). The independence of the Governor and the Central Bank of Ireland in carrying out their ESCB related functions is guaranteed in statute. Section 6A (3) of the Central Bank Act 1942 provides that the Minister for Finance may not request information relating to ESCB functions from the Governor or the Bank. Additionally, section 19A (2) of the Act provides that the Governor has sole responsibility for the performance of the functions imposed, and the exercise of powers conferred, on the Bank by or under the Rome Treaty or the ESCB Statute.

Banking Sector Remuneration

24. **Deputy Gerry Adams** asked the Minister for Finance the number of the persons employed in the 50 most senior positions in Anglo Irish Bank pre-nationalisation that are currently still employed by Anglo Irish Bank or any of its subsidiaries; the position and responsibilities they held pre-nationalisation and the positions and responsibilities that they currently hold within the bank; and the number of these that earn more than €175,000 a year. [27658/11]

Minister for Finance (Deputy Michael Noonan): As the Deputy is aware the Board of the bank is responsible for the day to day operations of the bank including the remuneration of staff other than senior management of the bank. The Bank has informed me that their Legal advice dictates that the bank can respond to this question in general terms only and is not in a position to provide any personal information or information that would lead to the identifi-

cation of any individuals employed by the Bank. However, the bank has indicated that since nationalisation there has been an extensive re-structuring of the governance and management of Anglo Irish Bank. None of the current executive or non executive directors of the Bank were involved with the Bank prior to nationalisation. None of the direct reports into the Group Chief Executive, Mike Aynsley, were direct reports to the previous Chief Executive at the end of 2008. Of the 50 most senior people employed pre-nationalisation, 28 have since left the Bank. Of the remaining 22 people, the majority now have different roles and responsibilities to those held pre-nationalisation, as the principal role of the Bank has become that of an asset recovery vehicle. Of the 22 individuals remaining, 19 have a base salary in excess of €175,000.

Banks Recapitalisation

25. **Deputy Mary Lou McDonald** asked the Minister for Finance his view or the view of the capacity of the covered institutions to absorb losses from domestic mortgages without requiring further capitalisation. [27659/11]

Minister for Finance (Deputy Michael Noonan): As the Deputy is aware, the Central Bank of Ireland's Prudential Capital Assessment Review (PCAR), which was published in March 2011 and formed part of the Financial Measures Programme, provides for an annual stress test of the capital resources of the domestic banks under a given stress scenario. The loan loss exercise in the Financial Measures Programme, which includes estimated losses on residential mortgages, measures the loan losses banks might experience under the base and adverse (stress) scenarios over both a three year and a loan-lifetime horizon, stretching out to 2040. The Central Bank's three year projected base loss for the Irish residential mortgage loan book is estimated to be 5.8% (€5.7bn) while the adverse (stress) scenario is 9.2% (€9bn). BlackRock Solutions performed an independent loan loss assessment exercise and show lifetime loan losses post-deleveraging for the total mortgage loan book is 10% (€9.7bn) in the base scenario which the adverse (stress) scenario is 16.7% (€16.3bn).

Under the PCAR requirements, the banks will be capitalised to meet the projected Central Bank's three year stress losses, this includes a significant proportion of the projected life time losses to 2040. It is important to point out that these stress loan-loss estimates are not considered likely to materialize, they are an input designed to ensure the associated capital requirements are fully convincing as being sufficient to cover even extreme and improbable losses.

The recapitalisation commitment from the Irish State is lower than initially expected as a result of the LME exercises with subordinated bondholders conducted since 31st March 2011 and private sector investment in Bank of Ireland. Out of the total identified capital of €70.3 billion, at the end of July actual capital investment was circa €63 billion. There will be further stress tests in 2012 by the Central Bank of Ireland through a PCAR and also by the European Banking Authority. I believe that the Irish banks will have sufficient capital to absorb losses from domestic mortgages.

Banking Sector Remuneration

26. **Deputy Richard Boyd Barrett** asked the Minister for Finance if he will give a clear commitment that there will be no consideration of lifting the cap of €500,000 on bankers' pay; and if he will make a statement on the matter. [27640/11]

27. **Deputy Peadar Tóibín** asked the Minister for Finance if he will ensure that the remuneration cap for bank officials will not be breached during his term of office including the recent application from Allied Irish Bank. [27663/11]

28. **Deputy Charlie McConalogue** asked the Minister for Finance his views on what he regards to be an appropriate remuneration package, including basic salary, for the next chief executive of AIB; if he will provide a progress report on the remuneration and severance arrangements that apply at the covered institutions; and if he will make a statement on the matter. [27628/11]

47. **Deputy Joan Collins** asked the Minister for Finance if he will give a clear commitment that there will be no consideration of lifting the cap of €500,000 on bankers' pay; and if he will make a statement on the matter. [27650/11]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 26 to 28, inclusive, and 47 together.

As I stated in a reply to a question on this matter yesterday (ref. 27136/11 of 4 October 2011), no decision has been made on the matter. As the Taoiseach, indicated in the Dáil last week, I, as Minister for Finance, will consider the matter having regard to the existing policy and bring any proposal to Government for decision.

A review of remuneration policies and practices by each of the covered institutions is ongoing. I fully recognise that there is a real public interest in the levels of remuneration at the covered institutions and I will endeavour to have this completed in the shortest timeframe possible with a view to putting the information into the public domain.

European Investment Bank

29. **Deputy Sandra McLellan** asked the Minister for Finance if he or any other Government Department has applied for funding to the European Investment Bank to part fund major capital intensive infrastructure projects to be initiated during the life time of the Government. [27670/11]

Minister for Finance (Deputy Michael Noonan): My Department has no direct role in relation to capital investment projects. The Department of Public Expenditure & Reform has a role in terms of setting the overall capital investment framework and the basic principles to be observed for the appraisal, assessment, procurement and evaluation of projects. Individual Ministers are responsible for projects and programmes in their areas, within that overall framework. Decisions on the funding arrangements for those projects are also the responsibility of individual departments. Departments are obliged to seek the opinion of the National Development Finance Agency whose statutory role is to advise any State authority of what, in the opinion of the Agency, are the optimal means of financing the cost of public investment projects in order to achieve value for money. Details about the funding arrangements for individual projects can be obtained directly from the relevant Department. However, I am aware that the European Investment Bank has given provisional approval to co-finance a number of PPP projects in the transport and education sectors.

Universal Social Charge

30. **Deputy Sandra McLellan** asked the Minister for Finance if he has completed the review of the universal social charge as committed to in the programme for Government; the outcome of this review; if he will make the findings public; and if he intends to amend or abolish the USC. [27669/11]

Minister for Finance (Deputy Michael Noonan): The Review of the Universal Social Charge is currently underway. The Terms of Reference of the Review are broad and wide-ranging and include, but are not limited to, the following areas:

- Low paid income earners;
- Persons over 65;
- Medical Card Holders;
- Widows/Widowers;
- Self-employed;
- Public Service Pensioners;
- Employer contributions to PRSAs; and
- Any other issues (including any operational issues that have arisen in the administration of the charge).

When the Review is completed and the findings are presented to me, I will make any necessary decisions in the context of Budget 2012.

Mortgage Arrears

31. **Deputy Denis Naughten** asked the Minister for Finance the steps which he is taking to deal with mortgage arrears; and if he will make a statement on the matter. [27387/11]

33. **Deputy Denis Naughten** asked the Minister for Finance the steps he is taking to assist homeowners with mortgage arrears; and if he will make a statement on the matter. [27388/11]

40. **Deputy Joe Higgins** asked the Minister for Finance the work he has undertaken to coordinate Government policy on the mortgage crisis facing many householders and families. [24429/11]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 31, 33 and 40 together.

There are a number of measures in place to assist people who are having genuine difficulties in meeting their mortgage repayments. The Central Bank's revised Code of Conduct for Mortgage Arrears (the Code) applies to mortgage lending activities with borrowers in respect of their principal private residence in the State. Compliance with the Code is mandatory on all mortgage lenders registered with the Central Bank. The Code came into effect on 1 January 2011. With effect from 30 June 2011, lenders must have in place the required systems and trained staff necessary to support the implementation of the Code. The Code sets out the framework that lenders must use when dealing with borrowers who are in arrears or are in pre-arrears. For the purposes of the Code a "pre-arrears" case arises when the borrower contacts the lender stating that he or she is in danger of getting into financial difficulties and/or is concerned about getting into mortgage arrears. The Code can be accessed at www.centralbank.ie.

The main provisions of the Code are as set out below:

(1) Lenders must establish a Mortgage Arrears Resolution Process known as "MARF" and use this framework when dealing with borrowers who are in arrears or in pre-arrears situations.

(2) The lender must not apply to the courts to commence legal action for repossession of the borrower's primary residence until every reasonable effort has been made to agree an alternative arrangement with the borrower or his/her nominated representative.

(3) Where a borrower cooperates with the lender, the lender must wait at least 12 months from the date the borrower is classified as a MARF case (i.e. 31 days from the date the

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arrears first arose) before applying to the courts to commence legal action for repossession of a borrower's primary residence.

(4) Where a borrower is in mortgage arrears, a lender may commence legal action for repossession of the property without the 12 month period applying, only in the following circumstances:—

- where a borrower does not cooperate with the lender,
- in the case of fraud perpetrated on the lender by the borrower, or
- in the case of a breach of contract by the borrower other than the existence of arrears.

(5) A lender must not require a borrower to change from an existing tracker mortgage to another mortgage type as part of an alternative arrangement offered to the borrower in arrears or in pre-arrears.

(6) Lenders must establish an Appeals Support Unit which must be adequately staffed, to manage cases under the MARP.

(7) Borrowers can make an appeal in relation to the decision of the Arrears Support Unit and the lender's treatment of the borrowers under the MARP, to an internal Appeals Board which lenders are required to establish.

The Central Bank has produced, with input from the National Consumer Agency, a consumer guide to assist consumers in understanding the new process under the revised Code that lenders representing the majority of the market have already implemented or indicated their willingness to implement a Deferred Interest Scheme (DIS) or a variation of it as recommended by the Expert Group on Mortgage Arrears and Personal Debt. A DIS is intended to allow borrowers, subject to certain criteria being satisfied, to pay at least 66% of their mortgage interest but less than 100%. Payment of the balance may be deferred for up to 5 years.

Financial assistance is available to eligible claimants under the Department of Social Protection's Mortgage Interest Supplement Scheme.

People in debt or in danger of getting into debt can avail of the services of the Money Advice and Budgeting Service. This is a national, free, confidential, and independent service.

I would like to assure the Deputies that the Government is acutely aware of the increasing financial stress that some householders are facing arising from difficulties in meeting their mortgage commitments. Against this background, the Government's Economic Management Council, prior to the summer recess, requested an Inter-Departmental Group to consider further necessary actions to alleviate the increasing problem of mortgage over-indebtedness and to report to it by the end of September.

The outcome of the work carried out by the Group, which was chaired by my Department and comprised of representatives from other relevant Departments, the Central Bank and expertise from the banking sector, has been presented to the Economic Management Council. I will bring the Report to Cabinet next week, after which it will be published. My preference is that the Dáil will be given an opportunity to debate fully the contents and the findings soon afterwards.

EU-IMF Programme

32. **Deputy Aengus Ó Snodaigh** asked the Minister for Finance his views on whether the

targets contained in the EU-IMF support programme for Ireland need to be adjusted downwards in view of the downward adjustment of growth projections for the EU and US economies and concerns that the global economy is heading for a second recession. [27666/11]

Minister for Finance (Deputy Michael Noonan): As the Deputy implies, recent data indicate a slowing in activity in the US and EU economies. However, the extent of this slowdown is not yet clear and policy-makers are considering a number of measures to support growth. While some commentators are saying that the global economy is headed for recession, this is not the view of the lead international forecasting institutions. Indeed, while the IMF has identified a number of risks to global growth prospects and revised down its outlook for the global economy in September's World Economic Outlook, it still expects world economic output to grow by 4 per cent both this year and in 2012. While Ireland cannot expect to remain immune from a slowdown in the pace of the global recovery, the Quarterly National Accounts (QNA) data recently published by the CSO for the second quarter were encouraging. These showed that GDP in the first half of the year grew by 1.3 per cent on an annual basis. My Department's latest published projection for the year as a whole contained in the April Stability Programme Update was for GDP growth of 0.8 per cent. Although the slowdown in economic activity over the summer months points to a weaker second half to the year, it is still reasonable to assume that overall economic activity in the region of the earlier published Stability Programme Update forecasts remains achievable. My Department is currently reviewing its economic and fiscal forecasts for 2011 and later years in light of the emerging data and revised forecasts will be published later this month in the Pre-Budget Outlook.

The Ecofin Council implementing decision of 7 December 2010 on the granting of financial assistance to Ireland, set out that Ireland's General Government deficit shall not exceed 10.6 per cent of GDP in 2011 and 8.6 per cent in 2012. My Department's most recent forecasts are for a deficit of around 10 per cent of GDP this year, which is within the Programme target. Budgetary consolidation of €3.6 billion is required under the EU-IMF Programme, but I have already stated that if there are downward revisions to our growth projections for next year, a higher adjustment package may be required to ensure we meet the deficit target. As noted already, the Department of Finance will set out its assessment of the likely amount of consolidation required to achieve the deficit target of 8.6 per cent of GDP as per our Programme target.

As has been continually noted, both domestically and internationally, Ireland is making good progress under the terms of the EU-IMF Programme and we are meeting our fiscal targets. This fact has been recognised by the markets, as reflected in the very significant reduction in the yields on Irish Government bonds. It is essential that we continue to deliver on our recovery strategy through reforming our banking system, restoring growth to our economy and returning sustainability to our public finances.

Question No. 33 answered with Question No. 31.

Tax Yield

34. **Deputy Peadar Tóibín** asked the Minister for Finance if he will provide an accurate figure of the total number of non-life insurance policyholders to which the new insurance compensation fund levy of 2% will apply. [27664/11]

Minister for Finance (Deputy Michael Noonan): The information sought by the Deputy is not readily available within either my Department or the Central Bank. Based on information received from the Revenue Commissioners and the Irish Insurance Federation, however I have

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been able to establish that about 2.5 million policies were issued in 2010, including renewals of existing policies. While it is acknowledged that this figure does not represent the number of policyholders, as persons may hold multiple insurance policies (e.g. motor, home, health), it does give some general insight into the number of people to whom the levy will be applied.

Credit Availability

35. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent to which he or his Department, directly or through the Central Bank of Ireland, has monitored the borrowing requirements of the business sector over the past 12 months on a monthly basis; the extent if any to which the banks have responded positively to such requirements; the discussions if any he has had with both sectors with a view to ensuring an adequate supply of credit in order to provide for an acceptable level of economic growth; and if he will make a statement on the matter. [27609/11]

Minister for Finance (Deputy Michael Noonan): Both pillar banks provide my Department with monthly figures on balance sheet volumes, sanctioned facilities and geographic and industrial breakdowns of their SME lending. The Deputy may also be aware that under the terms of the Government recapitalisation, both banks also produce a quarterly report which incorporates figures for sanctions and drawdowns by SMEs. The data contained in these reports will continue to be reviewed and analysed by my Department and the Credit Review Office to ensure that the banks are compliant with the terms of the Government recapitalisation as it relates to the provision of credit for SMEs. As the Deputy may be aware, the Government has imposed lending targets on the two domestic pillar banks for the three calendar years, 2011 to 2013. 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.

Both pillar banks have provided me with their plans to ensure that the 2011 target is achieved. This is particularly relevant given 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 €3 billion sanction target for new and restructured facilities in the current year.”

On the issue more generally of the demand for credit, my Department is in the process of commissioning an independent survey of the demand for credit within the SME sector. The outcome will provide the necessary information to better inform Government policy in this important sector of the Irish economy.

It is vital that the banks continue to make credit available to support economic recovery. However, it is not in the interest of the banks, businesses or the economy for finance to be provided unless the business is viable and has the capacity to meet the interest payments and repay the sum borrowed.

Personal Debt

36. **Deputy Pádraig Mac Lochlainn** asked the Minister for Finance if he will provide figures on household debt as a percentage of household income for the years 2010 and 2011 broken down by quarter. [27662/11]

Minister for Finance (Deputy Michael Noonan): Figures on household debt are taken from the Central Bank’s Quarterly Financial Accounts — Table 8.1b — total loans outstanding of households and non-profit institutions serving households. Figures for disposable household income are taken from the quarterly Institutional Sector Accounts produced by the CSO. This

represents all income earned by the household in a particular quarter. This is not readily comparable with the level of debt. In order to make these figures more broadly comparable, the quarterly income figures have been annualised.

| | Debt (€m) | Income (€m) | Ratio |
|---------|-----------|-------------|-------|
| Q1 2010 | 193,978 | 86,668 | 2.24 |
| Q2 2010 | 188,690 | 91,856 | 2.05 |
| Q3 2010 | 187,722 | 89,220 | 2.10 |
| Q4 2010 | 185,615 | 82,740 | 2.24 |
| Q1 2011 | 184,912 | 85,488 | 2.16 |

Public Service Pay

37. **Deputy Robert Dowds** asked the Minister for Finance if he has considered imposing a large additional universal social charge on the bonuses being paid to some senior public servants such as top civil servants and county managers; and if he will make a statement on the matter. [27389/11]

Minister for Finance (Deputy Michael Noonan): The issue of remuneration, which includes the granting of Performance Related Awards Schemes for senior public servants and county managers, is a matter for the Minister for Public Expenditure and Reform in the first instance. I am informed by my colleague, Mr. Brendan Howlin, T.D., Minister for Public Expenditure and Reform that Performance Related Award Schemes were available to certain posts in the following areas of the public service:—

1. Civil Service
2. Permanent Defence Forces
3. An Garda Síochána
4. Health Service
5. Local Authorities
6. A number of Non Commercial State Agencies

However, against the background of the deterioration in the public finances it was considered that such schemes were no longer appropriate. In this context the schemes for Civil Service, the Permanent Defence Forces, An Garda Síochána, the Health Service or the Local Authorities were suspended in 2009 (and no awards were made in 2009 in respect of 2008 performances). This remains the position.

Moreover, I do not believe that the tax code or, more specifically, the Universal Social Charge should be the preferred mechanism to deal with bonuses paid to senior public servants. If performance related bonuses are not justifiable or affordable they should not be paid in the first place rather than being taxed after the fact.

Fiscal Policy

38. **Deputy Martin Ferris** asked the Minister for Finance if he is preparing any contingency plans to deal with the possibility of the State being unable to re-enter the financial markets at the end of 2013 and if so, if he will outline these plans. [27680/11]

44. **Deputy Martin Ferris** asked the Minister for Finance his views on whether the State can re-enter the financial markets in part during 2012 and in full by mid 2013. [27679/11]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 38 and 44 together.

Under the EU/IMF Programme of Financial Support, Ireland has access to sufficient funding for its requirements until late 2013.

The National Treasury Management Agency (NTMA) has maintained a low-level presence in the markets in recent months, borrowing for very short durations. The Agency would hope to be in a position to expand its borrowing in the latter part of 2012 by slowly extending the maturity of the debt raised before beginning efforts to raise long-term debt. Ultimately, the timing of these decisions will depend on many different circumstances, both national and international, and on Ireland's continued success in implementing the EU/IMF Programme of Financial Support. The recent improvement in the performance of Irish Government bonds on the secondary markets is encouraging in this respect.

The conclusion of the third review under the EU/IMF Programme was that Ireland is meeting all of the conditions and targets of our Programme, that the Programme is on track and that Ireland is making progress. We have met the fiscal, banking and structural reform targets on time. Indeed, implementation of some of the financial sector reforms occurred ahead of schedule. The third quarterly review was completed successfully on 2 September when the IMF Executive Board and the ECOFIN Council approved the completion of the third quarterly review. This enables the next disbursement of the agreed funding by the IMF and the EU's funding mechanisms.

The strong start we have made to delivering on Programme commitments has been maintained and it remains the Government's key priority. This performance and the Government's continuing commitment to keep the Programme on track is the best way to ensure that we emerge successfully from this Programme. That will mean that we can return safely to the financial markets for funding in as timely a manner as possible.

Deputies will also be aware that the statement by Heads of State or Government of the euro area and EU Institutions on 21 July last affirmed their determination to continue to provide support to Programme countries until they have regained market access, provided they successfully implement those Programmes.

EU Funding

39. **Deputy Aengus Ó Snodaigh** asked the Minister for Finance the estimated cost to the State arising from any commitments contained in the European Stability Mechanism. [27665/11]

Minister for Finance (Deputy Michael Noonan): As the Deputy will be aware, the European Stability Mechanism (ESM) will replace the temporary mechanisms of the European Financial Stability Facility (EFSF) and the European Financial Stabilisation Mechanism (EFSM) which will remain in force until June 2013. The function of the ESM will be to mobilise funding and provide financial assistance, under strict conditionality, to the benefit of Euro-Area Member States, which are either experiencing, or threatened by, severe financing problems, if seen as indispensable to safeguarding the financial stability of the euro area as a whole.

Under the proposed ESM Treaty, the capital structure of the ESM will have a total subscribed capital of €700bn. Of this amount, €80 billion will be in the form of paid-in capital by the Euro Area Member States, paid in five equal annual instalments from July 2013. The balance of €620bn will be callable capital. The contribution key for each Member State is based

on the ECB capital contribution key. For Ireland the key is 1.592% of the total paid and committed capital.

Therefore Ireland's share of the €80 billion of paid in capital will be just above €1.27bn to be paid in five equal instalments, of approximately €254 million each, starting in July 2013. Ireland's share of the €620bn callable capital will amount to €9.87bn.

As the Deputy will be aware, the Euro Area Heads of State or Government (HOSG) decided on 21 July 2011 to increase the flexibility of the EFSF and the ESM by allowing them to act on the basis of a precautionary programme, finance recapitalisation of financial institutions through loans to Governments and to intervene in primary and secondary markets on the basis of ECB analysis. This decision means that the ESM Treaty signed by Euro Area Finance Ministers in July 2011, subject to the necessary Parliamentary procedures, will now require amendment. Discussions are continuing at technical level on the text of these amendments. When finalised, these amendments along with the original Treaty, will be brought forward in draft legislation later this year.

Question No. 40 answered with Question No. 31.

Question No. 41 answered with Question No. 19.

Question No. 42 answered with Question No. 7.

Global Economic Forecasts

43. **Deputy Joan Collins** asked the Minister for Finance his response to the IMF's World Economic Outlook report and the UNCTAD report in terms of austerity; if he has read these reports; the impact their analysis might have for the economy here; and if he will make a statement on the matter. [27651/11]

Minister for Finance (Deputy Michael Noonan): Like other reports that have been published in recent times, both reports consider that the recovery of the global economy has weakened considerably and downside risks have increased sharply. The International Monetary Fund's World Economic Outlook (WEO) was published on 20 September 2011. The IMF forecasts world growth of about 4% in both 2011 and 2012 (revised down from 4.5% for both years in the April WEO forecast). However, they point to the recovery being very unbalanced — with growth of 6.4% forecast for emerging market countries for 2011, but only 1.6% for advanced economies. The UNCTAD Trade and Development Report, published 6 September, considers that, after a rapid post-crisis recovery, the world economy is slowing down from about 4% GDP growth in 2010 to around 3% in 2011, with developing countries showing stronger growth. The European Commission in its Interim Forecast published on 15 September revised down its forecast for global output to 4% in 2011 (a downward revision of about $\frac{1}{2}$ percentage point compared to the spring forecast). Reflecting this weaker global outlook, the Fund revised down its growth projections for the Irish economy in 2011 and 2012. It now expects growth of 0.4% this year and 1.5% next year, representing downward revisions of 0.1% and 0.4%, respectively, from those published in the previous WEO in April. It is important to note, however, that these revisions were made prior to the release of second quarter national accounts data by the Central Statistics Office which confirmed that the Irish economy grew at a very strong pace in the first half of this year. Real GDP increased by 1.9% and 1.6% in the first and second quarters respectively (on a quarter-on-quarter basis). Furthermore, the Fund continues to anticipate average annual growth of around 3% in the Irish economy over the medium term (2013 to 2016).

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The UNCTAD is of the view that fiscal contraction is harming overall growth at the global level. However the IMF Managing Director in her recent comments about fiscal consolidation at the global level was careful to distinguish between those countries that have the space to stimulate and those that do not. She was of the view that countries which have solid measures to anchor savings in the medium and long term can do more in the short term to accommodate growth. She specifically stated that the amount of available space depends, of course, on country circumstances. We are clearly in the category of first needing to put our budgetary position in order as soon as we can do so.

In this regard I would like to take this opportunity to reiterate this Government's firm commitment to restoring sustainability to Ireland's public finances. Clearly, this will present challenges for policymakers, but we must remain steadfast in our commitment to reduce the deficit to below 3 per cent of GDP by 2015. Accordingly, the agreed deficit target of 8.6% of GDP for 2012 must be achieved. Ireland needs to remain on a credible path of budgetary adjustment, particularly when there is so much uncertainty further afield. Through continuing to deliver upon our targets we can limit the risks of contagion and continue to rebuild confidence in this economy and return to a path of solid growth.

Question No. 44 answered with Question No. 38.

Mortgage Arrears

45. **Deputy Mary Lou McDonald** asked the Minister for Finance the position regarding his programme for Government commitments on tackling mortgage distress including increasing mortgage interest relief to 30% for first time buyers in 2004 to 2008, introducing a two year moratorium on repossessions of modest family homes when a family makes an honest effort to pay their mortgage and making greater use of mortgage interest supplement to support families who cannot meet their mortgage payments. [27660/11]

Minister for Finance (Deputy Michael Noonan): I wish to confirm to the Deputy that the Government is examining a number of proposals in relation to the commitment in the Programme for Government to help those persons who are experiencing difficulty with the repayment of mortgages. With regard to the proposal relating to increasing mortgage interest relief to 30% for first time buyers who bought during the period 2004 to 2008, the position is that when the proposals have been examined and the findings presented to me, I will make any necessary decisions in the context of Budget 2012. As regards a moratorium on repossession of family homes, the Deputy might wish to note that the Central Bank's Code of Conduct on Mortgage Arrears contains the provisions set out below.

(1) Lenders must establish a Mortgage Arrears Resolution Process know as "MARP" and use this framework when dealing with borrowers who are in arrears or in pre-arrears situations.

(2) The lender must not apply to the courts to commence legal action for repossession of the borrower's primary residence until every reasonable effort has been made to agree an alternative arrangement with the borrower or his/her nominated representative.

(3) Where a borrower co-operates with the lender, the lender must wait at least 12 months from the date the borrower is classified as a MARP case (i.e. 31 days from the date the arrears first arose) before applying to the courts to commence legal action for repossession of a borrower's primary residence.

(4) Where a borrower is in mortgage arrears, a lender may commence legal action for repossession of the property without the 12 month period applying, only in the following circumstances:-

- where a borrower does not co-operate with the lender,
- in the case of fraud perpetrated on the lender by the borrower, or
- in the case of a breach of contract by the borrower other than the existence of arrears.

As regards making greater use of the Mortgage Interest Supplement Scheme, this is a matter in the first instance for my colleague, the Minister for Social Protection.

Rent Reviews

46. **Deputy Seán Crowe** asked the Minister for Finance if he has made a submission to the Department of Justice and Equality on the issue of upward only rent reviews and the impact this would have on the financial stability of the banks and on the National Assets Management Agency; and if he will outline those concerns. [27667/11]

Minister for Finance (Deputy Michael Noonan): In the context of the Government's consideration of Upward Only Rent Reviews, my Department prepared a short economic assessment of the potential effects of removing the ban on upward only rent reviews, with a view to informing the policy response being developed by the Minister for Justice and Equality. I sent this assessment to the Minister for Justice and Equality in July. A ban on upward only rent reviews would have a downward effect on the market value of certain properties, including properties which underpin loans transferred to NAMA or remaining with the banks. Any potential downside from a NAMA/banks perspective would have to be weighed against the necessary objective of easing pressures on the commercial sector.

The Deputy will be aware that the Minister for Justice and Equality recently announced that following on from an initial consultation process, he forwarded outline proposals to the Attorney General for further examination and development and that those proposals have been the subject of preliminary discussion by Government. The recently published legislative programme indicates the relevant legislation will be published by the Minister for Justice and Equality during the current Dáil session.

Question No. 47 answered with Question No. 26.

Pension Provisions

48. **Deputy Jonathan O'Brien** asked the Minister for Finance if the EU-IMF programme requirement to reduce private pension tax reliefs will be adhered to in budget 2012 and, if so, if he will provide details of same. [27675/11]

Minister for Finance (Deputy Michael Noonan): The gradual reduction from marginal to standard rate tax relief on pension contributions commencing in 2012 forms part of the fiscal consolidation measures in the agreement with the EU, IMF and the ECB over the period 2011 to 2014. When introducing the temporary pension scheme levy to pay for the Jobs Initiative on 10 May last, I gave a commitment to examine the issue of reducing the tax relief on pension contributions to the standard rate.

The Government is carrying out a Comprehensive Review of Expenditure in order to provide it with a set of decision options to meet the overall fiscal consolidation objectives and re-align spending with the Programme for Government priorities. Once completed, the Government

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will then examine the findings and, in consultation with the EU, IMF and ECB, will introduce fiscally neutral changes to the detail of the EU/IMF Programme of Financial Support for Ireland while maintaining the overall commitment to fiscal consolidation.

I will examine the scope for any change to the proposed standard rating of tax relief on pension contributions in that context.

Tax Code

49. **Deputy Gerry Adams** asked the Minister for Finance when he will issue a commencement order to give effect to the legislative basis included in Finance Act 2001 for restricting the use of legacy property reliefs and ultimately guillotine all outstanding reliefs. [27657/11]

Minister for Finance (Deputy Michael Noonan): As the Deputy notes Finance Act 2011 provided a legislative basis for initially restricting the use of legacy property reliefs and ultimately ‘guillotining’ all outstanding reliefs subject to a commencement order. The Act required that an economic impact assessment be undertaken in advance of the commencement of the measures. In the Programme for Government we committed to reducing, capping or abolishing property tax reliefs and other tax shelters which benefit very high income earners. Accordingly I requested that my Department carry out an impact assessment of the potential effects of amending, curtailing and/or abolishing the “legacy” property reliefs. This assessment will assist in providing an evidence base and better understanding of the benefits that may accrue to the Exchequer in terms of additional tax yield as well as the consequences for investor groups and the wider economy.

In order to enable all interested parties to submit their views my Department undertook a public consultation, which concluded in July. Over 700 submissions were received from a wide range of organisations and individuals in response to the consultation. (This is an update of an estimate of over 500 provided in September last in my reply to PQ’s 23400/11 and 24193/11.)

These submissions are currently being examined and will feed into the overall impact assessment process. The results of the assessment will be considered in the context of the budgetary process. As is customary, I do not propose to comment in advance of the Budget on any matters that may be the subject of Budget decisions.

Banking Sector Regulation

50. **Deputy Pádraig Mac Lochlainn** asked the Minister for Finance the steps he has taken in directing mortgage providers in receipt of State support to cut their costs, over and above existing plans, in a fair manner by a sufficient amount to forgo a 25 basis point increase on their variable rate mortgage. [27661/11]

Minister for Finance (Deputy Michael Noonan): As I have informed this House previously as part of the restructuring and recapitalising plans announced last March as part of the PCAR and PLAR exercise, the banks are engaging in cost cutting plans, which are already underway. The effects of these cost-cutting plans will be to enable costs saving through shared services and economies of scale. They are also expected to bring about cost reductions which will improve operating margins and permit the banks to better absorb funding costs.

The Government remains in consultation with the banks in connection with the more significant parts of these plans.

Financial Services Regulation

51. **Deputy Michael Colreavy** asked the Minister for Finance his plans for the regulation of

home budgeting services including the form such regulation will take and the estimated date when the necessary legislation will be brought before Dáil Éireann. [27673/11]

Minister for Finance (Deputy Michael Noonan): The Government is committed to having in place an effective regulatory/supervisory system for those firms providing a household budgeting and bill payment service, a debt management service and/or a debt advice service. The Central Bank has informed me that it is undertaking a review of all firms in the State which appear to offer consumers debt advice and/or debt management type services. The findings of the investigations by the Central Bank 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. Following completion of this work, the timing of any proposed legislation will be determined.

Human Rights Issues

52. **Deputy Pádraig Mac Lochlainn** asked the Tánaiste and Minister for Foreign Affairs and Trade his view on the news that 20 medics have been sentenced to up to 15 years imprisonment by a court in Bahrain for treating injured protesters earlier this year; the actions he will take in co-operation with his European and international partners to address this outrage; and his further views on the appropriateness of the Royal College of Surgeons Ireland continued commercial partnership with the Bahraini Government in these circumstances. [27735/11]

Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore): I am very concerned at the verdicts handed down last week to a group of medical doctors and nurses in Bahrain, a number of whom were either trained by or have worked with the Royal College of Surgeons in Ireland (RCSI). The sentences, which are being appealed, range from five to fifteen years. I am concerned at both the lack of due process — for example, allegations of torture while the accused were in custody and the fact that these civilians were tried in military courts — and the severity of the sentences. The sentences undermine prospects for much-needed national dialogue, reconciliation and reform in Bahrain. I recall that Bahrain is a signatory to the International Covenant on Civil and Political Rights which upholds the right to a fair trial. The Government has been pressing for an active response at EU level. I fully support the statement of EU High Representative Catherine Ashton on 30 September which Ireland together with other EU partners encouraged as a response to these sentences. The US has also issued a highly critical statement on the sentencing as has UN Secretary General Ban who has expressed his deep concern over the harsh sentences handed down. It is important that the Bahraini authorities should now facilitate the requested visit by the UN High Commissioner for Human Rights as soon as possible.

I have already requested our Ambassador in Saudi Arabia, who is accredited to Bahrain, to make known our concerns directly to the Bahraini authorities. I would also strongly urge that none of those convicted on 29 September should be re-arrested, pending the appeal process which is now underway. I understand that these cases will now be transferred to a civilian legal appeal process, which hopefully will allow for a more sympathetic consideration of these cases. The Government will continue to convey its concerns in the fullest terms to the Bahraini authorities, through our Embassy in Riyadh and through EU and other appropriate channels.

In relation to the RCSI, I have already placed on record that it is necessary to distinguish between the involvement of the Royal College of Surgeons in the training of Bahraini medical personnel, which is entirely positive, and the detention of medical personnel by the Bahraini authorities, about which the Government is very concerned. The RCSI is a private third-level

[Deputy Eamon Gilmore.]

institution which has its own relationships in Bahrain and which must decide for itself the extent to which it wishes to comment on developments there. It also needs to be acknowledged that the RCSI has been involved on a commercial basis in Bahrain for some years now and that the medical campus and facilities which it operates represent a very substantial investment which is of direct economic relevance to this country. I know from my discussions with them that the RCSI has sought to use its influence in a positive way, by encouraging the Bahraini authorities to embark upon a process of reconciliation and pointing out the damage that current actions are having on Bahrain's international reputation.

I would further add that I regard the activities of the RCSI in assisting with the training of foreign medical personnel overseas as a highly worthwhile activity through which the College makes a significant contribution to the quality of life of millions of people around the world. The RCSI, as an educational provider, also has a responsibility to all of its students and ensuring they are able to complete their medical training.

International Agreements

53. **Deputy Pádraig Mac Lochlainn** asked the Tánaiste and Minister for Foreign Affairs and Trade the reason Ireland is the only European State not to ratify the co-operation agreement of 26 October 2004 between the European Community and its member states, on the one part, and the Swiss Confederation on the other part, to combat fraud and any other illegal activity to the detriment of their financial interests. [27736/11]

Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore): In 2004, the EU and Switzerland signed a Cooperation Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other part, to combat fraud and any other illegal activity to the detriment of their financial interests. The Agreement provides for comprehensive cooperation between European and Swiss administrative and justice authorities by way of administrative and mutual assistance. The scope of the Agreement covers indirect tax (VAT and excise duties) and customs offences (including smuggling), corruption and money laundering. As a mixed agreement, it must be approved and ratified by the European Union and its Member States. It will enter into force one month after the last notification of instruments of ratification or approval is received. However, pending its entry into force any Contracting Party may at any time declare that it shall be bound by the Agreement in its relations with any other Contracting Party having made the same declaration. Thus, implementation of the terms of the Agreement need not be held up pending its ratification.

The Department of Justice and Law Reform is responsible for ensuring that constitutional and legislative requirements have been fulfilled in order that Ireland may ratify the Agreement. Ratification of the Agreement by Ireland has been delayed because not all of the domestic legislation that is required is yet in place. Some of the legislative requirements were provided for in the Criminal Justice (Mutual Assistance) Act 2008. The Office of the Attorney General has advised the Department of Justice and Law Reform that specific statutory measures are also needed to deal with the provisions in the Agreement concerning mutual assistance for the recovery of claims relating to certain levies, duties, taxes and other measures. It is proposed that the statutory measures in question will be included in a Bill that is currently being drafted by the Office of the Revenue Commissioners to enable Ireland to comply with its obligations under the OECD Convention on Mutual Administrative Assistance in Tax Matters. It is expected that draft legislative proposals will be submitted to the Oireachtas early in the New Year. Once this legislation is in place, the Department of Justice and Law Reform will then be

in a position to ask the Department of Foreign Affairs and Trade to seek Government approval to enable Ireland to ratify the Agreement.

Illicit Trade in Tobacco Products

54. **Deputy Brendan Griffin** asked the Minister for Finance if he will consider the introduction of a minimum fine for cigarette smuggling; and if he will make a statement on the matter. [27730/11]

60. **Deputy Brendan Griffin** asked the Minister for Finance if his attention has been drawn to the fact that according to Retailers Against Smuggling, the Exchequer lost €460 million from the avoidance of tobacco duty here in 2010; the measures he proposes to tackle this revenue loss; and if he will make a statement on the matter. [27720/11]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 54 and 60 together.

I am informed by the Revenue Commissioners who are responsible for the collection of tobacco products tax, and for tackling the illicit trade in cigarettes and tobacco products, that the tackling of this illicit trade is a key objective.

The strategies employed by Revenue to tackle this illicit trade are multi-faceted. They include ongoing analysis of the nature and extent of the problem, developing and sharing intelligence on a national, EU and international basis, ongoing review of operational policies, development of analytics and deployment of detection technologies, optimum deployment of resources at point of importation and internally to intercept the contraband product and to prosecute those involved.

Interception at the point of importation is achieved through a combination of risk analysis, profiling, intelligence, and the screening of cargo, vehicles, baggage and postal packages. Revenue enforcement officers also target this illicit trade at the post-importation level by carrying out intelligence-based operations and random checks at retail outlets, markets and private and commercial premises. Revenue also carries out regular multi-agency operations, particularly in relation to large maritime importations and in checks at inland markets.

They have established a high level internal group, chaired at Commissioner level, to examine the risks related to tobacco products tax and to oversee and optimise the detection of counterfeit and contraband tobacco products. This group has promoted a number of initiatives aimed at counteracting the illicit trade in tobacco. These include adoption of a comprehensive tobacco strategy and action plan.

Revenue continually reviews and updates their strategies and in July 2010, Revenue launched a series of nationwide tobacco ‘blitz’ type operation, which concentrated additional Revenue resources at ports, airports and at various inland retail points, including markets for the purpose of identifying illicit tobacco products. To date, Revenue has conducted seven tobacco blitz operations that have resulted in the seizure of in excess of 33.2m cigarettes. Further large-scale nationwide operations are scheduled to take place during the last quarter of 2011. In addition to this, there is a programme of Regional level blitz type operations that target markets and other distribution points.

To date in 2011, a total of 92m cigarettes with a retail value of approximately €38.7m and 9,156 kgs of tobacco with a retail value of approximately €3.3m have been seized.

I am aware that various figures have been quoted by the Retailers Against Smuggling and other bodies as representing the loss to the exchequer from the avoidance of tobacco duty. However, the Revenue Commissioners have advised me that a survey commissioned by

[Deputy Michael Noonan.]

Revenue and the Office of Tobacco Control in 2009 estimated that 20% of cigarettes consumed in the State had not been taxed in this jurisdiction. The 20% figure was further broken down as 14% illicit product and 6% legally imported by passengers arriving into the State from other jurisdictions. Revenue and the Office of Tobacco Control commissioned a similar survey in the last quarter of 2010 and the results of this latest survey show a consistency with the 2009 figures i.e. 20% of all cigarettes consumed in the State were not taxed in the State with 14% again classified as illegal product and 6% classified as legal non-Irish duty paid product. Based on an estimate of 14%, the loss to the exchequer from illicit cigarette consumption during 2010 would be in the region of €250m (excise duty + VAT).

Regarding the introduction of a minimum fine for cigarette smuggling, I am informed by the Revenue Commissioners that the penalties for cigarette smuggling are contained in section 119, as amended, of the Finance Act 2001. That section sets out the various actions that constitute offences of evasion or attempted evasion of excise duty, as well as the penalties, by way of a fine or imprisonment, or both fine and imprisonment, for such offences.

Where a conviction occurs following a summary prosecution, the fine that may be imposed is €5,000. For convictions following prosecution on indictment, the applicable fine is an amount not exceeding €126,970 or, where the value of the excisable products concerned is greater than €250,000, not exceeding three times the value of the products.

The fine that applies in the case of conviction following summary prosecution was last increased in 2008. The fine for convictions following prosecution on indictment was increased substantially by the Finance Act 2010. That Act also brought the penalty that applies where a case is dealt with under section 13 of the Criminal Procedure Act 1967 into line with that for summary convictions.

The penalty to be imposed in any particular case is, of course, a matter for the Courts. Section 130(2) of the Finance Act, 2001 permits a trial judge, in his or her discretion, to mitigate a fine incurred for an offence under excise law, provided that the amount so mitigated is not greater than 50% of the amount of the fine.

The question of possible increases in the penalties for tobacco smuggling will be considered in the context of the Finance Bill 2012, in consultation with the Revenue Commissioners.

Illicit Trade in Tobacco Products

55. **Deputy Brendan Griffin** asked the Minister for Finance if he will consider the purchase of an additional scanner, with the assistance of EU funding, for use in our ports to assist in the efforts to reduce cigarette smuggling; and if he will make a statement on the matter. [27731/11]

67. **Deputy Catherine Murphy** asked the Minister for Finance if the Customs Service has an adequate number of scanning machines; the location of these machines; if they are mobile; if it is intended to purchase additional machines; if there are EU sources of funding available for such machinery; and if he will make a statement on the matter. [27811/11]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 55 and 67 together.

I am informed by the Revenue Commissioners, who are responsible for the collection of tobacco products tax, that the use of detection technologies, including scanning machines, is just one part of a multi-faceted strategy employed by Revenue to tackle the illicit trade in tobacco products. This strategy includes ongoing analysis of the nature and extent of the problem, developing and sharing intelligence on a national, EU and international basis, ongoing

review of operational policies, development of analytics and deployment of detection technologies, optimum deployment of resources at point of importation and internally to intercept the contraband product and to prosecute those involved.

Interception at the point of importation is achieved through a combination of risk analysis, profiling, intelligence, and the screening of cargo, vehicles, baggage and postal packages.

Revenue maintains an up-to-date knowledge of all currently available technology, and the selection and deployment of detection technologies is constantly reviewed. Revenue has made use of the EU Hercule 11 Programme in the past to fund detection technology and will consider applying for funding, as appropriate in the future. The actual technology selected and the deployment of that technology is a matter for the Revenue Commissioners.

Under the present rules of the Hercule 11 Programme, Ireland would have to fund a minimum of 50% of the capital costs and 100% of the on-going operational costs. The capital cost of a new mobile X-ray container scanner is in the region of €3 million with annual running costs of approximately €320,000.

Revenue currently has 2 mobile X-ray container scanning systems. One is based in Dublin Port, while the second is located at Rosslare Ferry Port, but both scanners are available for deployment at other ports as required. Revenue intends to maintain and increase the frequency and variety of scanner deployments at various locations throughout the country.

In addition to the container scanners, smaller static baggage/parcel scanners are deployed at all major ports, airports and postal depots.

Revenue seized a total of 178.3 million cigarettes with a retail value of approximately €75.3 million in the course of 2010. In addition, during the period January 2011 to date, a total of 92 million cigarettes with a retail value of approximately €38.7 million were seized.

Tax Code

56. **Deputy Dominic Hannigan** asked the Minister for Finance his views on the proposal to lower the VAT rate on personal protective equipment to 0% to encourage more persons to avail of such equipment; and if he will make a statement on the matter. [27774/11]

Minister for Finance (Deputy Michael Noonan): I am informed by the Revenue Commissioners that the supply of personal protective equipment (PPE) clothing for children up to 10 years of age is liable to VAT at the zero rate in accordance with paragraph 10(1) of Schedule 2 of the Value-Added Tax Consolidation Act 2010. The supply of PPE clothing for children older than 10 years and adults is liable to VAT at the standard rate of 21% as provided for in Section 46(1)(a) of the VAT Consolidation Act. The application of a reduced rate of VAT in Ireland to the supply of PPE clothing to older children and adults is prohibited by the EU VAT Directive, with which Irish VAT law must comply. Article 110 of that Directive provides that Member States which, at 1 January 1991, applied a zero rate or a reduced rate of VAT could continue to apply those rates. The standard rate of VAT applied to older children and adult PPE clothing at 1 January 1991 so Ireland could not and cannot apply a VAT rate lower than the standard rate to these items.

Illicit Trade In Tobacco Products

57. **Deputy Catherine Murphy** asked the Minister for Finance his plans to add new penalties including minimum fines for the sale of illicit tobacco products; and if he will make a statement on the matter. [27807/11]

Minister for Finance (Deputy Michael Noonan): I am informed by the Revenue Commissioners that it is an offence, under section 78 (as amended) of the Finance Act 2005, to offer cigarettes for sale other than in packs to which the appropriate tax stamp is affixed in the prescribed manner. Where a person is convicted of such an offence, the Courts may impose a fine or a term of imprisonment, or both. Where a conviction occurs following a summary prosecution, the fine that may be imposed is €5,000. For convictions following prosecution on indictment, the applicable fine is an amount not exceeding €126,970 or, where the value of the excisable products concerned is greater than €250,000, not exceeding three times the value of the products.

The fine that applies in the cases of conviction following summary prosecution was last increased in 2008. The fine on conviction following prosecution on indictment was increased substantially by the Finance Act 2010. That Act also brought the penalty that applies where a case is dealt with under section 13 the Criminal Procedure Act 1967 into line with that for summary convictions.

The fine to be imposed in a particular case is, of course, a matter for the Courts. Section 130(2) of the Finance Act 2001 permits a trial judge, in his or her discretion, to mitigate a fine incurred for an offence under excise law, provided that the amount so mitigated is not greater than 50% of the amount of the fine.

The question of possible changes to the penalties for tobacco-related offences will be considered in the context of the Finance Bill 2012, in consultation with the Revenue Commissioners.

Departmental Staff

58. **Deputy Catherine Murphy** asked the Minister for Finance if staff of Customs and Excise are regarded as front line workers; if he is satisfied that there are sufficient staff employed in this area in view of the evidence of smuggling products such as tobacco, fuel, and so on; his plans to increase staff numbers; and if he will make a statement on the matter. [27808/11]

Minister for Finance (Deputy Michael Noonan): I have been informed by the Revenue Commissioners that they are a fully integrated tax and customs administration. Revenue currently has over 2,000 staff engaged on activities that are dedicated to target and confront non-compliance. These front-line activities include audit, assurance checks, anti-smuggling, investigations, prosecutions and anti-avoidance. Revenue, in tackling the illicit trade in tobacco products and mineral oil, deploy officers at all key ports and airports in the state and at strategic locations along the land frontier with Northern Ireland. Revenue enforcement officers also target this illicit trade at the post-importation level by carrying out intelligence-based operations and random checks at retail outlets, markets and private and commercial premises. Staff deployed at these locations are often augmented by additional staff from other areas when specific operations are organised. The Revenue Commissioners are subject to the Employment Control Framework staffing reductions. However, the need to replace the loss of key skills and experience in Revenue while meeting the existing Employment Control Framework allocations is recognised. The Minister for Public Expenditure and Reform has recently sanctioned the recruitment by Revenue of 40 Information and Communications Technology specialists. In the context of expected retirements by February 2012, the Revenue Commissioners will continue to review their staffing requirements. The Revenue Commissioners will consider making a business case to replace the loss of key skills, if required.

State Banking Sector

59. **Deputy Pearse Doherty** asked the Minister for Finance the steps he has taken to impose

burden sharing on the guaranteed Anglo Irish Bank senior bond, MTN No. 339A, which is due to mature on 2 November 2011 at a cost of €703,900,000; if he will indicate whether he has considered instructing Anglo Irish Bank not to pay this bondholder; and if he will make a statement on the matter. [27957/11]

Minister for Finance (Deputy Michael Noonan): As you are aware, the Government is considering burden sharing with senior bondholders in both Anglo and INBS in consultation with our EU partners. In the current circumstances, the State is not in a position or minded to act unilaterally in this regard. I had the opportunity to meet with President Trichet on the margins of the Ecofin meeting in Poland on Saturday, 17th September. I raised with him the issue of the burden sharing with the senior unguaranteed bondholders in Anglo (including INBS). This was unresolved business and I pressed the case for such burden sharing. However, President Trichet was of the strong view that such action was not in the interests of Ireland or the Euro Area, particularly given the challenges facing the euro area at this time and the contagion that we witnessed recently that has affected Italy and Spain. Commissioner Rehn also made the same point on this issue when I met him at a separate meeting.

President Trichet was very complimentary of the progress being made by Ireland and he noted the narrowing of bond spreads that had taken place, which he would not wish to see put at risk. I noted the points he made and I said I would report back to Government on the discussion.

I also mentioned to President Trichet, and in the separate meeting with Commissioner Rehn, the situation in relation to the Promissory Notes. These Promissory Notes are amounts due from the State to Anglo Irish Bank as consideration for the capital provided in 2010. While the State has budgeted to meet both the interest and cash requirements I am eager to have the Promissory Notes examined to see if they can be re-engineered in a better way for the State, for example, by lengthening their maturity and reducing their interest rate. This re-engineering would have to be completed in a manner which does not impact on the capital position of Anglo. This may or may not be feasible. I proposed that our experts get together to examine the technical aspects and the implications of any potential changes. They were agreeable to this on the basis that there is clearly no commitment on their part upfront. We are now proceeding on that basis.

Question No. 60 answered with Question No. 54.

EU-IMF Programme

61. **Deputy Michael McGrath** asked the Minister for Finance if the entirety of the agreement between him and the EU-ECB-IMF as part of the programme of financial support for Ireland has been published on his Department's website with the programme documents dated 16 December 2010; if he will confirm if there are any further elements of the agreement contained in unpublished letters or correspondence; and if he will make a statement on the matter. [27776/11]

Minister for Finance (Deputy Michael Noonan): The EU/IMF Programme of Financial Assistance for Ireland documentation dated 16 December 2010 sets out the policy conditions for the provision of financial support to Ireland by EU Member States and the International Monetary Fund. These documents underpin the three year Programme of banking and economic measures that have been agreed with the European Commission, the European Central Bank and the International Monetary Fund (the Troika). The documents are:

- the Memorandum of Economic and Financial Policies (MEFP)

[Deputy Michael Noonan.]

- the Memorandum of Understanding on Specific Economic Policy Conditionality, (MoU)
- the Letters of Intent to the IMF and the EU Authorities; and
- the Technical Memorandum of Understanding (TMU) attached to the Letter of Intent (LoI) to the IMF.

All of these documents can be found on the Department's website: *www.finance.gov.ie*.

In addition to this documentation, there was correspondence which was confidential because it contained commercially sensitive information concerning planned financial sector reform including the restructuring of Anglo Irish and INBS.

As the Deputy will be aware, following the joint first and second quarterly programme review in April 2011 and the third quarterly review in July 2011, the programme documentation was revised. The revised documentation dated 28th April 2011 and 28 July 2011 can also be found on the Department's website.

National Asset Management Agency

62. **Deputy Michael McGrath** asked the Minister for Finance if the National Asset Management Agency plans to establish a deferred purchase scheme for residential properties which requires an amendment to the National Asset Management Agency Act 2009; and if he will make a statement on the matter. [27777/11]

Minister for Finance (Deputy Michael Noonan): The deferred consideration initiative was recently approved by the NAMA Board and the agency has written to me seeking my agreement to the initiative commencing. The proposal as submitted to me does not foresee any amendment to the National Asset Management Agency Act 2009. The details of the initiative are currently being reviewed within my Department and I will respond to NAMA when that review has been completed.

Financial Services Regulation

63. **Deputy Michael McGrath** asked the Minister for Finance if there is any evidence that financial institutions, regulated by the Central Bank of Ireland have sought to break the contractual arrangement in place with borrowers in respect of tracker mortgages; and if he will make a statement on the matter. [27778/11]

Minister for Finance (Deputy Michael Noonan): The Central Bank's revised Code of Conduct on Mortgage Arrears (the Code) applies to mortgage lending activities with borrowers in respect of their principal private residence in the State. Compliance with the Code is mandatory on all mortgage lenders registered with the Central Bank. The Code came into effect on 1 January 2011. With effect from 30 June 2011, lenders must have in place the required systems and trained staff necessary to support the implementation of the Code. The Code sets out the framework that lenders must adhere to when dealing with borrowers who are in arrears or in pre-arrears. Pre-arrears arises when a borrower contacts a lender stating that he or she is in danger of getting into financial difficulties.

Under the Code, lenders must establish a Mortgage Arrears Resolution Process known as MARP and use this framework when dealing with borrowers who are in arrears or in pre-arrears situations. For MARP cases, the lender must not require the borrower to change from an existing tracker mortgage to another mortgage type, as part of any alternative arrangement offered by the borrower. For MARP cases on existing tracker mortgages, where an alternative repayment arrangement this is put in place includes a fixed interest period, the borrower must

be permitted to revert to an interest rate that corresponds to the margin over prevailing ECB rate or other tracked rate as specified in the original mortgage contract, at the end of the fixed interest period.

In August 2010, the Central Bank published the findings of an examination of switching practices related to tracker mortgages by lenders and relevant customer communications. The examination did not find any evidence that customers are being offered incentives to move off tracker rate mortgages but mortgage lenders have been instructed to give careful consideration before offering any incentive to customers to move from tracker rate mortgages and to notify the Central Bank in advance of any such proposals. Concerns were also identified during the examination about the level of disclosure and transparency when consumers moved from tracker rate mortgages to other forms of mortgages.

As a result of this finding, mortgage lenders were requested to disclose fully, with immediate effect, the impact of any switch from a tracker mortgage rate in all customer communications. Customers must be notified that switching from a tracker rate may mean they will lose the ability to avail of a tracker rate mortgage in the future, where this is the case.

Mortgage lenders have been advised to include new information in all customer communications regarding switching from tracker rate mortgages, for any reason, with immediate effect. This information should include:

- indicative comparisons of the cost of monthly repayments of the customer's current tracker rate mortgage and the rates being offered,
- details of the advantages and disadvantages of the tracker mortgage rate compared to the other rates being offered.

The examination did not find evidence that customers were being offered incentives to move off tracker rate mortgages. Mortgage lenders have been instructed, by the Central Bank, to give careful consideration before offering any incentives to customers to move from tracker rate mortgages and to notify the Central Bank in advance of any such proposals.

I have been informed by the Central Bank that, where banks and other lending agencies made errors in removing persons from tracker rate mortgages, the Bank expects that such customers have been or will be compensated by the agency in question.

64. **Deputy Michael McGrath** asked the Minister for Finance if there is legislation on the Statute Book which provides for the offence of reckless management of a financial institution; and if he will make a statement on the matter. [27779/11]

Minister for Finance (Deputy Michael Noonan): There is no specific provision for an offence of reckless management of a financial institution in the statute book. However, most incorporated financial institutions are subject to potential liability for reckless or fraudulent trading under the Companies Acts and to the supervision requirements of the Central Bank.

On the broader question of enforcement action and sanctions applicable to those who have contravened Irish financial services law, the Central Bank (Supervision and Enforcement) Bill 2011 enhances the Central Bank's ability to ensure compliance and take enforcement action where necessary. The Bill also provides for a doubling of the maximum fine applicable to individuals found to have contravened Irish financial services legislation. These provisions will complement the roll-out of the Central Bank fitness and probity regime which sets the standards to apply to those performing senior and influential roles in financial institutions. Those found not to be in compliance with those standards may be suspended or prohibited from performing certain functions or, in the case of pre-approval controlled functions, prevented from performing those functions in the first place.

[Deputy Michael Noonan.]

The question of ensuring the necessary legislative provisions are in place to provide for proper supervision of financial institutions is under continuing review by my Department.

State Banking Sector

65. **Deputy Michael McGrath** asked the Minister for Finance if he will provide details of the number of persons currently working with Anglo Irish Bank as contractors as opposed to as employees of the bank; the number of contracting firms involved in such arrangements; the duties being performed by such persons and in each case, if he will show the date on which the person started working with the bank as a contractor and the amount of money being paid each month to each person; and if he will make a statement on the matter. [27780/11]

Minister for Finance (Deputy Michael Noonan): As the Deputy is aware the Board of the bank is responsible for the day to day operations of the bank including the recruitment and remuneration of staff, including payments to contract staff. The Bank has indicated that their Legal advice dictates that the bank can respond to this question in general terms only and is not in a position to provide any personal information or information that would lead to the identification of any individuals employed or commercial details of individual contracts with the bank.

However, the bank has informed me that Anglo Irish Bank had a total staff of 1,160 at the end of August 2011. This number includes a total of 289 staff employed by the Bank on fixed rate contracts for periods of up to 12 months. In addition to this total number of staff employed at that date, the Bank had retained the services of 93 separate contactors in the areas of special projects, operations, IT and work on cases administered on behalf of NAMA. These contractors have varying working arrangements with the Bank including working on call or a number of days a month.

Given the level of detail in this question, the Bank has indicated that it cannot provide a fuller response within the notice given and will revert at the earliest opportunity with:

- the number of contracting firms involved in such arrangements;
- the duties being performed by such persons and in each case,
- the date on which the person started working with the bank

I will write to the Deputy directly with this information once it becomes available to me.

Financial Services Regulation

66. **Deputy Patrick O'Donovan** asked the Minister for Finance in view of unsound investments that have been made in recent years, the regulations that are in place for financial advisers. [27810/11]

Minister for Finance (Deputy Michael Noonan): I assume that the Deputy is referring to financial advisers who provide advice to consumers in relation to investment products. The main regulations governing financial advice in relation to the sale of investment products are set out below.

1. Markets in Financial Instruments Directive (MIFID), 2007

This EU Directive provides harmonised regulation for the provision of investment services across the 30 member states of the European Economic Area. The main objectives of the Directive are to increase competition and consumer protection in investment services. Included in MIFID are regulations governing conflicts of interest, conduct of business obligations when

providing investments services to clients, provision of information to clients, portfolio management, handling of complaints and assessment of suitability and appropriateness.

2. *Life Assurance (Provision of Information) Regulations, 2001*

These regulations apply to the sale of all life assurance policies sold after 1 February 2001. The Regulations set out the information that must be provided to the consumer prior to signing a proposal form and at the policy “cooling off” stage. The information provided includes details such as the projected benefits, charges and commissions, as well as other general product information.

3. *The Central Bank’s Minimum Competency Requirements*

These requirements were introduced in 2007 to establish a minimum standard of knowledge for financial firms providing services to consumers. A revised Minimum Competency Code was published by the Central Bank on 1 September 2011 and it will come into effect on 1 December 2011.

Finally, the Central Bank’s Consumer Protection Code includes provisions that, when providing a product or service to a customer, a financial institution must comply with the ‘*Knowing the Customer*’ and ‘*Suitability Provisions*’ of the Code. This process involves, inter alia, gathering relevant information from the customer about his/her financial situation, individual circumstances and needs. The revised Code, which will come into effect on 1 January 2012 contains a chapter on investment products.

Question No. 67 answered with Question No. 55.

Banking Sector Regulation

68. **Deputy Billy Timmins** asked the Minister for Finance the position regarding debt forgiveness; and if he will make a statement on the matter. [27817/11]

Minister for Finance (Deputy Michael Noonan): As I stated to the Joint Oireachtas Committee on Finance, Public Expenditure and Reform on 1 September 2011, the issue of indebtedness, particularly mortgage indebtedness, is a complex one and it is clear that there is no quick and easy solution to solve all problems.

There have been many contributions to the debate, including suggestions for the granting of debt forgiveness. As the Deputy will appreciate, this is simply not a realistic option. Solutions must be found on a case by case basis through open and meaningful engagement between the borrower and the lender. The planned reform of the bankruptcy and debt settlement arrangements by my colleague, the Minister for Justice and Equality and Defence, is also a key element in any consideration of potential policy options.

The Government is acutely aware of the increasing financial stress that some householders are facing arising from difficulty in meeting their mortgage commitments. Against this background, the Government’s Economic Management Council, prior to the summer recess, requested an Inter-Departmental Group to consider further necessary actions to alleviate the increasing problem of mortgage over-debtedness and to report to it by the end of September.

The outcome of the work carried out by the Group, which was chaired by my Department and comprised of representatives from other relevant Departments, the Central Bank and expertise from the banking sector, has been presented to the Economic Management Council. I will bring the Report to Cabinet next week, after which it will be published. My preference is that the Dáil will be given an opportunity to debate fully the contents and findings soon afterwards.

Tax Incentives

69. **Deputy John McGuinness** asked the Minister for Finance if there are any incentives available for a private citizen or corporation to provide a loan to a small or medium enterprise; if there are, the terms of such schemes; if there are no such incentives, if any consideration has been given to such schemes by him; and if he will make a statement on the matter. [27841/11]

Minister for Finance (Deputy Michael Noonan): I presume the Deputy is referring to any tax incentives. The Business Expansion Scheme (BES) is already available to encourage investments in certain small and medium-sized businesses. Private citizens can provide investments under this scheme provided they are not considered “connected” for the purposes of the scheme.

This scheme is being amended to become the Employment and Investment Incentive. Under the new incentive, the lifetime limit that can be raised by companies will be increased from €2 million to €10 million, and the amount that can be raised in any twelve-month period will be increased from €1.5 to €2.5 million. The certification requirements will also be simplified. Full details of the incentive were set out in Section 33 of Finance Act 2011. However, the measure is subject to the approval of the European Commission. Pending the receipt of this approval, the existing BES will continue to operate.

In addition to the BES, firms in the normal course of events, may be able to claim interest relief on loans made to other firms, as a legitimate business expense.

Incentives for businesses, other than tax incentives, are a matter for my colleague, the Minister for Jobs, Enterprise and Innovation.

At present, I have no plans for any other specific tax incentive in this area.

Banking Sector Regulation

70. **Deputy Michael Healy-Rae** asked the Minister for Finance if he will review a matter (details supplied) regarding banks; and if he will make a statement on the matter. [27855/11]

Minister for Finance (Deputy Michael Noonan): I wish to inform the Deputy that the charging of a fee for the counting of funds to be lodged is an operational matter for the bank concerned. The Government operates at arm’s length from the institutions and does not consider it appropriate to direct a bank on such a matter.

National Treasury Management Agency

71. **Deputy Michael McGrath** asked the Minister for Finance the number of persons currently employed by the National Treasury Management Agency, broken down by its constituent entities; if he will further show, in the case of each entity, the number of employees that have specific provision in their contracts of employment for performance based payments; and if he will make a statement on the matter. [27856/11]

72. **Deputy Michael McGrath** asked the Minister for Finance if he will provide details of the pension arrangements that apply for employees at the National Treasury Management Agency, including details for each of its constituent entities; if there are separate schemes for each of the entities; if the schemes are defined benefit or defined contribution in nature; the percentage of salary that employees pay towards their pension by way of contribution and the percentage contributed by the employer; and if he will make a statement on the matter. [27857/11]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 71 and 72 together.

I am informed by the National Treasury Management Agency (NTMA) that staff numbers rose from 169 at end-2009 to 411 as of 30 September 2011. The increase in staff numbers since end-2009 is mainly in respect of the National Asset Management Agency. Staff are assigned as set out in the following table.

NTMA Staffing 30 September 2011

| | Number |
|---|--------|
| Funding and Debt Management | 12 |
| Banking Unit (on secondment to Dept of Finance) | 10 |
| State Claims Agency | 61 |
| National Pensions Reserve Fund | 13 |
| National Development Finance Agency | 39 |
| National Asset Management Agency | 180 |
| Finance, IT and Risk | 62 |
| HR and Corporate Services | 8 |
| Legal, Control and Compliance | 13 |
| Other | 13 |
| Total | 411 |

The NTMA's shared services (Finance, HR, IT etc) provide support to all of the Agency's business functions.

The legislation which established the NTMA in 1990 positioned it outside of the wider public service structures with operational freedom to negotiate market-competitive salaries.

Staff assigned to NAMA are recruited on the basis of specified purposed contracts — their employment lasts for as long as their function is required by NAMA.

Superannuation entitlements of all NTMA staff, irrespective of assignment, are conferred under a defined benefit superannuation scheme set up under section 8 of the National Treasury Management Agency Act 1990. Contributions are transferred to an externally-managed fund.

The NTMA contribution is determined on the advice of an independent actuary and is, at present, set at a level of 25 per cent of payroll in respect of members of the scheme who will receive benefits based on final salary. A contribution of 10 per cent of payroll is made in respect of new members of the scheme from 1 January 2010. These new entrants, including employees whose superannuation arrangements were previously based on Personal Retirement Savings Accounts (PRSAs), will receive benefits based on career average earnings. Other than in respect of a small number of employees who transferred from the Department of Finance to the NTMA upon its establishment, post-retirement increases are linked to the Consumer Price Index.

Employee contributions are 1.5 per cent of salary in respect of members who joined the pension scheme prior to 1 January 2010 and 2 per cent of salary in respect of new members admitted from 1 January 2010.

A small number of employees whose superannuation arrangements were based on PRSAs prior to 1 January 2010 opted not to join the defined benefit scheme. The NTMA makes a contribution of 10 per cent of salary to PRSAs in respect of these employees.

All NTMA staff pay the Public Service Pension Deduction.

As I have previously stated, it is my intention to examine the approach to remuneration in the NTMA in more detail in the coming months following consultation with my colleague, the

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Minister for Public Expenditure and Reform. I have also sought the views of the NTMA and the NTMA Advisory Committee in this regard. I will then see what changes, if any, might be appropriate in relation to the remuneration of all staff in the NTMA, having regard to the changing economic circumstances of the State and the need for transparency in public expenditure.

Banking Sector Remuneration

73. **Deputy Michael McGrath** asked the Minister for Finance if his attention has been drawn to the fact that, according to Bank of Ireland's published annual report for 2010, four executive directors (details supplied) earn a gross salary in excess of the €500,000 pay cap imposed in March 2009; if his approval has been sought for any of these salaries; if he will confirm the gross salary being paid to each person; if each person has a contractual arrangement governing their individual salary; if he has the power to intervene and insist that the salaries are brought within the cap; if he intends to raise this matter with the board of Bank of Ireland; and if he will make a statement on the matter. [27858/11]

Minister for Finance (Deputy Michael Noonan): As the Deputy points out in his question this information has been in the public domain as part of the publication, in April 2011, by Bank of Ireland of its annual report for 2010. The salary cap that the Deputy refers to was introduced following the report of the Covered Institutions Remuneration Oversight Committee of February 2009. The then Government decided to implement a base salary cap of €500,000 to be applied to the Chief Executive Officer (CEO) position at some of the Covered Institutions. This cap was waived, by the previous Government, in the case of the appointment of the CEO at Bank of Ireland.

The Deputy will be aware that the base salary cap applied to the CEO post only. The legal advice available was that pre-existing contracts conferred certain legal entitlements and so other senior executives were encouraged to bring their base salary in line with the cap but could not be compelled to comply. Two of the named executives waived a proportion of their salary to bring their base salary into line with the cap.

In recognition of the policy above, the remaining senior executive waived 10% of his base salary in 2010. Waivers to base salary were applied to all four named senior executives in 2009 and 2010. As indicated above the factual details on the extent of the waivers were published by the bank in its annual report for 2010.

All of the named individuals would have a contractual arrangement governing their respective salaries.

Tax Code

74. **Deputy Michael Healy-Rae** asked the Minister for Finance if he will reduce from €250 to €100 the amount of money on which tax relief can be achieved when being donated to charitable causes; and if he will make a statement on the matter. [27876/11]

Minister for Finance (Deputy Michael Noonan): Section 848A of the Taxes Consolidation Act 1997 allows tax relief at the marginal rate on donations made by either individuals or corporate bodies to eligible charities and other approved bodies. In order to qualify for the tax relief currently, a minimum donation of €250 must be made to the body concerned. The number of donors in respect of whom tax relief was claimed was approximately 155,000 in 2009. Reducing the threshold to allow tax relief on smaller donations, as the Deputy has proposed, could

significantly increase the current cost of the scheme to the Exchequer. Representatives of the charities sector estimated in 2005 that such a measure could double the cost of the scheme.

The tax relief available for donations is already very generous. There is no upper limit on the amount that can be donated generally and relief is granted at the donor's marginal rate of income tax. Donations can be cumulative, so that a donation of just €5 per week over the course of a year would qualify.

Reducing the threshold to €100 would greatly increase the administration overhead associated with the scheme. For example, many donors making such smaller donations may not be paying tax at all, but may not indicate this on the relevant form, with the result that the charitable body might claim a refund from Revenue on the basis that the donor is a PAYE taxpayer. The additional checking required and possible denial of the refund would increase the administrative burden all round.

The €250 threshold has not changed since it was introduced in 2002. Normal inflation levels effectively have reduced the value of the threshold over time. In addition, the donations scheme was introduced to encourage the donation of large sums of money to charities and certain other bodies. It was never envisaged that the scheme should subsidise smaller donations, which in all likelihood, would be made in any event.

Notwithstanding the foregoing, the Deputy will be aware that all tax reliefs and incentives are subject to regular review as part of the annual Budget and Finance Bill process. Any significant decisions taken by the Government to change such reliefs or incentives in this regard would normally be announced on Budget Day.

It is worth also noting that the Government has re-established the Forum on Philanthropy and Fundraising and it will be considering how philanthropy can be encouraged, including suggestions for tax changes.

75. Deputy Michael Healy-Rae asked the Minister for Finance if a VAT compensation scheme for charities will be introduced operating within the EU Commission rules; and if he will make a statement on the matter. [27877/11]

Minister for Finance (Deputy Michael Noonan): Charities and non-profit groups engaged in non-commercial activity are exempt from VAT under the EU VAT Directive, with which Irish VAT law must comply. This means they do not charge VAT on the services they provide and cannot recover VAT incurred on goods and services that they purchase. Essentially only VAT registered businesses which charge VAT are able to recover VAT. I have no plans to introduce a VAT refund scheme for charities. It is not clear that refunding VAT paid by charities is an appropriate method as opposed to grant-aiding the activities of charities using other criteria.

The tax code already treats charities in a favourable manner. The tax code currently provides exemption for charities from Income Tax, Corporation Tax, Capital Gains Tax, Deposit Interest Retention Tax, Capital Acquisitions Tax, Stamp Duty, Probate Tax, Dividend Withholding Tax and the uniform scheme of tax relief for donations.

EU-IMF Programme

76. Deputy Michael McGrath asked the Minister for Finance the priority issues he intends to raise with the EU-ECB and IMF during their forthcoming mission review visit here with particular regard to the possible renegotiation of elements of the memorandum of understanding. [27884/11]

Minister for Finance (Deputy Michael Noonan): The fourth quarterly review of the EU/IMF Programme of Financial Support for Ireland takes place from the 11th to the 21st October 2011. The review will comprise of a series of meetings to evaluate all the elements of the programme covering fiscal developments including the Comprehensive Spending Review and potential asset disposal, the macroeconomic outlook, progress on commitments in restructuring the financial sector and structural reform. Clearly, for the forthcoming review, the primary focus will be on our performance against the targets due by the end of the third quarter of 2011 and assessing progress on targets due in coming quarters. I have already signalled that notwithstanding the substantial consolidation already carried out, in particular the amount being delivered this year, difficult decisions in relation to future consolidation remain. There is no doubt that Budget 2012 will be another difficult Budget. Under the terms of the EU-IMF Programme Memorandum of Understanding, an adjustment of at least €3.6 billion is to be implemented next year. But as I have already signalled, consolidation above that amount may be required if we are to adhere to the General Government deficit target set for 2012. That will become clearer in the coming weeks in light of the continuing assessment of the most up-to-date information available.

The Government has repeatedly stated its commitment to the Programme targets. Meeting these conditions on time and on target, is the best way to ensure that we emerge successfully from this programme. That will mean that we can return safely to the financial markets for funding in as timely a manner as possible. This is one of the principal objectives of the programme. The Government's commitment to the Programme does not stop us from seeking and agreeing changes to aspects of the programme. We have already done this successfully. The Government will continue to do so at the appropriate time.

Mortgage Arrears

77. **Deputy Michael McGrath** asked the Minister for Finance in view of the fact that he has now received the report from the group chaired by Mr. Declan Keane established to examine ways to assist persons in difficulty with their mortgage, his views on the recommendations of the report; and the actions he intends to take, and when he intends to take them, arising from this report. [27885/11]

Minister for Finance (Deputy Michael Noonan): The Government is acutely aware of the increasing financial stress that some households are facing arising from difficulty in meeting their mortgage commitments. Against this background, the Government's Economic Management Council, prior to the Summer recess, requested an Inter-Departmental Group to consider further necessary actions to alleviate the increasing problem of mortgage over-indebtedness and to report to it by the end of September.

The outcome of the work carried out by the group, which was chaired by my Department and comprised of representatives from other relevant Departments, the Central Bank and expertise from the banking sector, has been presented to the Economic Management Council. I will be bringing the Report to Cabinet next week after which it will be published and my preference is that the Dáil will be given an opportunity to fully debate the contents and findings soon afterwards. Until the report has been considered by Government and released into the public domain, I do not wish to make any further comment on the contents.

Credit Availability

78. **Deputy Bernard J. Durkan** asked the Minister for Finance when it is expected that the banking sector will provide the necessary credit for business in order to maintain reasonable growth prospects in the future; and if he will make a statement on the matter. [27886/11]

79. **Deputy Bernard J. Durkan** asked the Minister for Finance the stage at which it is expected that Irish banks will lend sufficiently to meet the requirements of businesses; and if he will make a statement on the matter. [27887/11]

84. **Deputy Bernard J. Durkan** asked the Minister for Finance if the banks have given any indication as to their willingness to meet the borrowing requirements of the business and domestic sectors; and if he will make a statement on the matter. [27892/11]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 78, 79 and 84 together.

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 in SME and other important sectors. This is in excess of Central Bank 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.

As the Deputy may be aware, the Government has imposed lending targets on the two domestic pillar banks for the three calendar years, 2011 to 2013. 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.

Both pillar banks have provided me with their plans to ensure that the 2011 target is achieved. This is particularly relevant given 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.”

On the issue more generally of the demand for credit, my Department is in the process of commissioning an independent survey of the demand for credit within the SME sector. The outcome will provide the necessary information to better inform Government policy in this important sector of the Irish economy. It is vital that the banks continue to make credit available to support economic recovery. However, it is not in the interest of the banks, businesses or the economy for finance to be provided unless the business is viable and has the capacity to meet the interest payments and repay the sum borrowed.

National Debt

80. **Deputy Bernard J. Durkan** asked the Minister for Finance the full extent of national debt including the liability taken on by the State in the context of banking guarantees and or other supports in each of the past eight years to date in 2011; the extent to which this situation is expected to improve in the next five years; and if he will make a statement on the matter. [27888/11]

Minister for Finance (Deputy Michael Noonan): The information requested by the Deputy is provided in the table below, which has been compiled by the National Treasury Management Agency.

National Debt 2004-2011 (End-August):

| Year | (€m) |
|------|--------|
| 2004 | 37,846 |
| 2005 | 38,182 |
| 2006 | 35,917 |
| 2007 | 37,559 |

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| Year | (€m) |
|-------------------|---------|
| 2008 | 50,398 |
| 2009 | 75,152 |
| 2010 | 93,446 |
| 2011 (end-August) | 114,406 |

The purpose of Government borrowing is to meet the overall gap between total expenditure and total revenue and, as such, borrowing does not relate specifically to any expenditure item.

The sharp contraction in economic activity since 2007, three years of large budget deficits and the significant level of State support required for the banking sector have combined to drive up Ireland's national debt level. This rapid rise in the debt levels, which is evident in the figures above, underlines the importance of reducing the deficit and restoring order to the public finances. It is expected that national debt will continue to rise in the coming years, albeit at a reducing rate, as we will have to continue to borrow to fund the gap between expenditure and revenue.

Although much of the borrowings of the six covered institutions are being supported through the various bank guarantees, the debts of these institutions are not included in the calculation of the National Debt. It should be borne in mind that the fees paid over to the Exchequer from the Bank Guarantee Schemes, which totalled €1,333 million in 2009 and €972 million in 2010, reduce the national debt level in those years.

In terms of the impact on the national debt resulting from the State support to the banking sector, the Exchequer funded, in 2009, a €4 billion capital injection into Anglo Irish Bank.

In 2010, the Exchequer funded a €625 million payment to EBS and a €100 million payment to INBS by way of special investment shares, which gave the State extensive powers and full economic ownership of the two building societies.

Injections into the banks funded from the National Pensions Reserve Fund (NPRF), such as into Allied Irish Banks and Bank of Ireland in 2009 and Allied Irish Banks again in 2010 do not directly affect the national debt. However, in 2009 there was a frontloading of the 1% of GNP Exchequer contribution to the NPRF for 2009 and 2010 to assist in the recapitalisations of those institutions. The total Exchequer payment to the NPRF in 2009 was €3 billion and this increased the Exchequer deficit in that year.

The Deputy should be aware that while the €30.85 billion in Promissory Notes committed to Anglo Irish Bank, INBS and EBS in 2010 were added in full to the stock of General Government debt in that year, the annual payments affect the national debt on a phased basis only, beginning in 2011. The first of those payments, totalling €3,085 million, were funded through the Exchequer in the first half of 2011, thereby adding to the Exchequer deficit at that point.

The Exchequer has also funded €7,568 million in banking recapitalisation related payments this year and has, to end-September 2011, received €233 million in revenues from the sale of part of the State's shareholding in Bank of Ireland. These receipts help to reduce the national debt level in 2011.

Banking Sector Regulation

81. **Deputy Bernard J. Durkan** asked the Minister for Finance if he will indicate any advice given, if known, directly to Irish banks or through the Central Bank of Ireland by the ECB and or the European Commission in each of the five years prior to 2008; the extent to which such advice, if any, was followed; and if he will make a statement on the matter. [27889/11]

Minister for Finance (Deputy Michael Noonan): Under the EU and domestic regulatory framework for financial services, the Central Bank of Ireland has responsibility for the regulation and supervision of banks and other financial institutions. National competent authorities responsible for supervision of the financial services sector are also, since the start of 2011, supported in their roles through the work of the new European Supervisory Authorities and the European Systemic Risk Board.

In line with its role under the EU treaties, the primary responsibility of the European Commission in the field of financial services is to develop proposals for legislation, which may subsequently be adopted by the Member States acting in co-decision with the European Parliament. In this context, the European Commission does not provide advice to banks in individual Member States either directly or through national central banks.

Notwithstanding this, the European Commission does have a general surveillance role in relation to economic and financial matters and prepares reports on a regular basis on, inter alia, the economic outlook in individual member states as well as for the euro area and the EU as a whole. The Commission also prepares an annual European Financial Stability and Integration Report which addresses market and policy developments and presents indicators on financial integration, efficiency, stability and competitiveness. These reports are addressed to a general audience and not to individual financial institutions. In a similar vein, the European Central Bank publishes a bi-annual Financial Stability Review.

The relationship between the Central Bank of Ireland and the European Central Bank is governed by the Treaty of Rome and the Statute of the European System of Central Banks (ESCB). The independence of the Governor and the Central Bank of Ireland in carrying out their ESCB related functions is guaranteed in statute. Section 6A(3) of the Central Bank Act 1942 provides that the Minister for Finance may not request information relating to ESCB functions from the Governor or the Bank. Additionally, section 19A(2) of the Act provides that the Governor has sole responsibility for the performance of the functions imposed, and the exercise of powers conferred, on the Bank by or under the Rome Treaty or the ESCB Statute.

Household Savings

82. **Deputy Bernard J. Durkan** asked the Minister for Finance the full extent if known of savings held here; if incentives can be introduced to encourage the investment of such savings in a strategic fashion to benefit the economy directly; and if he will make a statement on the matter. [27890/11]

Minister for Finance (Deputy Michael Noonan): According to the CSO's quarterly Institutional Sector Accounts, household savings during the first quarter of 2011 were €2,761m. Looking at the stock of household deposits, according to figures from the Central Bank (Money and Banking Statistics, June 2011 — Table A1), monies on deposit amounted to €92,215m at end June 2011.

The Deputy will be aware that the NTMA, through the State Savings brand, offer's a suite of personal savings products which are used to finance the exchequer.

With regard to investment in a strategic fashion, the Deputy will also be aware that the Government recently announced the establishment of NewERA and the Strategic Investment Fund under the National Treasury Management Agency (NTMA).

Using the proceeds of the sale of State assets and subject to the agreement of the external partners, NewERA will work with line Departments and the private sector to develop and implement proposals for commercial investment in line with Programme for Government commitments in the areas of energy, water, broadband and bio-energy and forestry.

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NewERA will also examine other commercial investments and build upon existing work by the NPRF by working with it to develop the Strategic Investment Fund.

The Strategic Investment Fund, which will be the forerunner of the Strategic Investment Bank, will, following appropriate legislative changes to the investment policy of the NPRF, channel commercial investment from the NPRF towards productive investment in the Irish economy. As well as money from the NPRF, the Strategic Investment Fund will seek matching commercial investment from private investors and target investment in areas of strategic significance to the future of the Irish economy.

Legislative Programme

83. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent to which legislation arising from the Bretton Woods Agreement has been amended in recent years; the purpose of such amendments already undertaken or proposed; the extent to which neighbouring EU member states or others have legislated on these or related issues; and if he will make a statement on the matter. [27891/11]

Minister for Finance (Deputy Michael Noonan): The Bretton Woods Agreements (Amendment) Act, 2011 was enacted earlier this year in order to enable Ireland to convey to the International Monetary Fund (IMF) its acceptance of amendments to the Articles of Agreement of the IMF, which were approved by the Board of Governors of the IMF in 2008. The relevant amendments relate mainly to the arrangements for the appointment of Alternate Executive Directors, the investment of profits from gold sales by the Fund and increases in the voting power of low income countries.

In July 2011, the Government approved the drafting of the Bretton Woods Agreements (Amendment) (No.2) Bill, 2011 to provide for acceptance by Ireland of a further amendment to the Articles which was approved by the Board of Governors in 2010. This amendment relates to reform of the IMF's Executive Board. It provides that, in future, all Executive Directors will be elected in contrast to the present position whereby, in the case of the five largest member countries, Executive Directors are nominated. The Bill is currently being drafted and is included in the Government's legislative programme for the current Dáil session.

Relevant legislation was enacted by the required number of IMF members including EU member States to enable implementation of the 2008 Reforms by March 2011. As regards the 2010 Reform, the related resolution of the Board of Governors calls on IMF member States to take the necessary steps by Autumn 2012.

The amendments to the Articles of Agreement are required to be implemented before the changes to members' quotas which were concluded in 2008 and 2010, as part of IMF governance reform, become effective. (A country's IMF quota is broadly based on its relative position in the world economy and determines its maximum financial commitment to the IMF, its voting power and has a bearing on its access to IMF finance.) As the Deputy may be aware, Ireland was allocated increases in its quota as part of both reviews. These increases in quota have the effect of reducing the cost of Fund borrowings by Ireland under the EU/IMF Programme of Financial Support. While the 2008 quota increase became effective in March 2011, the 2010 increase will not come into effect until the 2010 reforms are accepted by the required number of IMF member States.

Apart from the aforementioned legislation, an amending provision to the Bretton Woods legislation was included in the Finance Act, 2010. The purpose of this provision was to enable Ireland to participate in a mobilization of resources for the IMF following the global financial

crisis. However, as Ireland is now in receipt of assistance from the IMF, this does not arise at the current time.

Question No. 84 answered with Question No. 78.

European Fiscal Policy

85. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent to which he and his EU colleagues have identified the full extent of the requirement to stabilise the eurozone countries, with particular reference to the need for restoration of confidence; and if he will make a statement on the matter. [27893/11]

87. **Deputy Bernard J. Durkan** asked the Minister for Finance when it is expected that a unified approach to the debt crisis throughout the eurozone can be achieved; and if he will make a statement on the matter. [27896/11]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 85 and 87 together.

A unified approach to the crisis was evident in July of this year, when euro area Heads of State or Government reaffirmed their commitment to do whatever is needed to ensure the financial stability of the euro area as a whole and its Member States.

The measures announced are indeed significant, and include a new programme for Greece, improved terms and conditions for financial assistance to Member States experiencing difficulties, increased flexibility of the EFSF, and a commitment to further enhancing economic governance in the euro area.

Of course, implementation of the agreed outcome takes time, and since then the situation continues to be one of nervousness and uncertainty. But the reforms in train are significant and I believe that once the situation normalises, a stronger, more integrated euro area will emerge.

EU-IMF Programme

86. **Deputy Bernard J. Durkan** asked the Minister for Finance the degree, if any, to which it might be possible in future years to modify or moderate some of the most negative aspects of the financial bailout entered into with the EU and the IMF by his predecessors, with particular emphasis on areas that are likely to cause long-term damage to the country's economic prospects; and if he will make a statement on the matter. [27894/11]

Minister for Finance (Deputy Michael Noonan): As the Deputy will be aware, under the EU/IMF Programme of Financial Support for Ireland, the external partners will provide up to €67.5 billion subject to compliance with the conditionality set out in the Programme. In addition to the external funding of €67.5 billion, Ireland is using €17.5 billion of its own resources and this brings the overall EU/IMF Programme up to a total value of €85 billion. The key objective is to restore confidence and return the economy to a path of sustained growth and to support job creation. This will result in Ireland regaining access to market funding at reasonable rates. The fourth quarterly review of the EU / IMF Programme of Financial Support for Ireland takes place from the 11th to the 21st October 2011. The review will comprise of a series of meetings to evaluate all the elements of the programme covering fiscal developments including the Comprehensive Spending Review and potential asset disposal, the macroeconomic outlook, progress on commitments in restructuring the financial sector and structural reform.

From my dealings to date, I have found the Programme partners are open to changes in the actions and conditions set out in the EU/IMF Programme provided any such changes are

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accompanied by compensatory measures of equal value or effect. The primary forum for such consultation is the quarterly review missions with the Programme partners.

As the Deputy will be aware, the Government has already successfully renegotiated elements of the Programme — for example the Jobs initiative, the ending of further asset transfers to NAMA, and reversal of the Minimum Wage cut. More recently, we have successfully renegotiated the interest rate charged for the loans along with important changes and improvements to the EU's EFSF funding facility. For the forthcoming review, the Government focus will be on issues such the composition of fiscal policy both for Budget 2012 and for the medium term along with issues such as asset disposals.

Question No. 87 answered with Question No. 85.

Mortgage Arrears

88. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent the lending sector has accommodated or is willing to accommodate those with mortgage arrears; if the total number of households now in such arrears can be identified accurately; if the financial institutions are prepared to accept any culpability for the current levels of arrears in view of the abandonment of good lending practices in the preceding years; if it is recognised that a major implosion in terms of mortgage lending could occur if these issues are not addressed, with particular reference to the issue of the application of compound interest, which makes it impossible for those with mortgage debt to recover; if new guidelines can be set out or arrangements entered into to address such issues; and if he will make a statement on the matter.

[27897/11]

Minister for Finance (Deputy Michael Noonan): I wish to advise the Deputy that lenders representing the majority of the market have already implemented or indicated their willingness to implement a Deferred Interest Scheme (DIS) or a variation of it, as recommended by the Expert Group on Mortgage Arrears and Personal Debt. A DIS is intended to allow borrowers, subject to certain criteria being satisfied, to pay at least 66% of their mortgage interest but less than 100%. Payment of the balance may be deferred for up to 5 years. In addition to the DIS, all mortgage lenders are obliged to adhere to the requirements of the Central Bank's Code of Conduct on Mortgage Arrears (CCMA). The Code sets out specific requirements that mortgage lenders must adhere to when dealing with borrowers in arrears and those at risk of falling into arrears. The CCMA requires that each lending branch must have at least one person with specific responsibility for dealing with arrears and pre-arrears cases. It also requires front-line staff to be made aware of the lender's policy for dealing with arrears and pre-arrears cases and the relevant contact person and process involved. The revised CCMA also introduced the Mortgage Arrears Resolution Process framework for the handling of arrears and pre-arrears cases. Provision 9 of the CCMA states that:

Lenders are restricted from imposing charges and or surcharge interest on arrears arising on a mortgage account in arrears to which this Code applies and in respect of which a borrower is co-operating reasonably and honestly with the lender in the Mortgage Arrears Resolution Process. (Lenders will have been notified individually of the charges to which this applies)".

Full details of the Code of Conduct on Mortgage Arrears and on the Mortgage Arrears Resolution Process may be found on the Central Bank's website: www.centralbank.ie.

I would like to inform the Deputy that figures published by the Central Bank on 29 August 2011, show that, at the end of June 2011, there were 777,321 private residential mortgage accounts held in Ireland, to a value of 115 billion euros. Of these, 55,763 accounts, or 7.2%, were in arrears for more than 90 days. Of the 55,763 mortgage accounts in arrears, because of remortgages, top-ups etc., the actual number of households in arrears is somewhat lower with the Central Bank estimating the household number to be of the order of 45,000.

The Central Bank's press release dated 29 August 2011 is available on the Central Bank's website.

The Government is acutely aware of the increasing financial stress that some householders are facing arising from difficulty in meeting their mortgages commitments. Against this background, the Government's Economic Management Council, requested an Inter-Departmental Group to consider further necessary actions to alleviate the increasing problem of mortgage over-indebtedness and to report to it by end of September.

The outcome of the work carried out by the Group, which was chaired by my Department and comprised of representatives from other relevant Departments, the Central Bank and expertise from the banking sector, has been presented to the Economic Management Council. I will bring the Report to Cabinet next week, after which it will be published. My preference is that the Dáil will be given an opportunity to debate fully the contents and findings soon thereafter.

Third Level Charges

89. **Deputy Barry Cowen** asked the Minister for Education and Skills if he will provide information on which universities are accepting stage payments for the student contribution; his plans to extend stage payments to all universities and State-funded third level institutions; and if he will make a statement on the matter. [27721/11]

91. **Deputy Brendan Griffin** asked the Minister for Education and Skills if he will engage with third level education institutes nationwide to ensure that student contributions can be paid in two instalments rather than one at the start of the academic year to ease financial pressure on students; and if he will make a statement on the matter. [27725/11]

110. **Deputy Michael Healy-Rae** asked the Minister for Education and Skills if, in view of the financial pressure that students and their families are under at present, he will make a direction to all colleges, universities and so on that fees will in all cases be allowed to be paid in instalments; and if he will make a statement on the matter. [27864/11]

Minister for Education and Skills (Deputy Ruairí Quinn): I propose to take Questions Nos. 89, 91 and 110 together.

A new student contribution of €2,000 was introduced in higher education institutions with effect from the 2011/12 academic year. The student contribution replaces the Student Services Charge and applies to all students who benefit under the free fees scheme. In recognition of the financial pressures that the student contribution may place on families, my Department requested higher education institutions to consider putting in place arrangements under which a student may opt to pay the student contribution charge in two instalments in a given academic year. I have again asked the Higher Education Authority to request institutions to allow the payment of the charge in two moieties.

I understand that a few institutions do not have this facility at present due to technical/systems limitations and administrative issues that make it impractical to allow for

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payment by instalments. However, all institutions have been requested to accommodate students who present with financial difficulties on a case by case basis and, from the academic year 2012/13 onwards, to have systems in place that allow for the payment of the student contribution in two instalments.

The position with regard to each University is set out in the table below.

| University | Position |
|------------|--|
| UCD | Accepts payment in two instalments |
| UCC | Accepts payment in two instalments |
| NUIG | Accepts payment in two instalments |
| NUIM | Accepts payment in two instalments by arrangement |
| TCD | Students in financial difficulties will be accommodated through existing financial assistance programmes |
| DCU | Assistance will be provided to students in financial difficulties |
| UL | Accepts payment in two instalments by arrangement |

Student Assistance Fund

90. **Deputy Barry Cowen** asked the Minister for Education and Skills if, in view of the increased need for the student assistance fund, he will increase the budget for SAF. [27722/11]

103. **Deputy Michael Healy-Rae** asked the Minister for Education and Skills if he will ensure that there are agreed national procedures and criteria for the administration and distribution of the student assistance fund; and if he will make a statement on the matter. [27834/11]

105. **Deputy Michael Healy-Rae** asked the Minister for Education and Skills if further funding will be made available for the student assistance fund (details supplied); and if he will make a statement on the matter. [27859/11]

114. **Deputy Michael Healy-Rae** asked the Minister for Education and Skills, with regard to the student assistance fund, if an increase will be provided in the current funding levels to cater for the increased number of students in severe financial difficulty and for continuing students affected by changes in non-adjacent grant eligibility criteria; and if he will make a statement on the matter. [27868/11]

115. **Deputy Michael Healy-Rae** asked the Minister for Education and Skills his plans to introduce a fund for students pursuing further education; and if he will make a statement on the matter. [27869/11]

Minister for Education and Skills (Deputy Ruairí Quinn): I propose to take Questions Nos. 90, 103, 105, 114 and 115 together.

The management of the Third Level Access Measures Fund rests with the Higher Education Authority and the allocation of funding for the various access measures, one of which is the Student Assistance Fund, is a matter for that authority. Some €15.3m is available in the Fund overall to support individual students under these initiatives.

Agreed national guidelines for the operation of the Fund are in place. However, to take account of the individual needs of students in different institutions, the institutions have discretion to target the resources at those deemed most in need of support. This approach supports

the dual function of the fund, which is to provide ‘once-off’ emergency financial need and also provide assistance to students in need of ongoing financial support.

Each institution has an SAF Committee which adjudicates on decisions for support to students. The Committee can include (but is not limited to) the following personnel; access officer, student welfare officer, financial officer, mature student officer and chaplain.

The Deputies will be aware that the Student Assistance Fund is complementary to the student grant scheme and, in this regard, students on particularly low incomes continue to receive a top-up in the special rate of student grant and have their fees or student contribution paid on their behalf.

Question No. 91 answered with Question No. 89.

Third Level Charges

92. **Deputy Brendan Griffin** asked the Minister for Education and Skills if a further increase in student contribution fees and post-leaving certificate fees can be avoided; and if he will make a statement on the matter. [27728/11]

111. **Deputy Michael Healy-Rae** asked the Minister for Education and Skills if he will place an immediate freeze on third level student contribution fees; and if he will make a statement on the matter. [27865/11]

Minister for Education and Skills (Deputy Ruairí Quinn): I propose to take Questions Nos. 92 and 111 together.

The reality of the economic situation and the public expenditure corrections which must be made present challenges to the Higher Education sector. Future demand for participation growth needs to be reconciled with limitations on public resources and a need to protect and enhance core quality. Although the nature of these difficult trade-offs are described in the National Strategy for Higher Education to 2030, the strategy also identifies the need for more detailed analysis.

I have asked the Higher Education Authority to undertake further work on the sustainability of the existing funding framework, the intention of which is to assess the inter-relationship and tensions between three parameters of: growth in student numbers, funding constraints and quality. This work will inform consideration by Government of policy options in relation to future funding of the higher education sector. I am anxious to ensure that any new funding framework will not impact on access for students.

In relation to Post Leaving Certificate (PLC) courses, Budget 2011 provided for the introduction of a €200 annual PLC programme participant contribution, with effect from this September (the 2011/2012 academic year). Decisions in relation to such funding matters are generally made as part of the annual Estimates process. Full medical card holders (in their own right and their dependant children), those eligible under the student grant scheme and those in receipt of the Back to Education Allowance (BTEA) or Vocational Training Opportunities Scheme (VTOS) allowances are exempt from paying the contribution, which should ensure that those who are less well off will continue to access PLC courses.

Third Level Remuneration

93. **Deputy Brendan Griffin** asked the Minister for Education and Skills his views on salary costs as a percentage of overall higher education sector spend; if he is satisfied with the current

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percentage cost; his plans to address this matter; and if he will make a statement on the matter. [27729/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The 2011 current funding provision for the higher education sector, which is in the region of €1.2 billion, is down 7% on the allocation for 2010. This reduction is a net 3% when additional income from the new Student Contribution charge of €2,000 is taken into account. Pay expenditure represents approximately 70% of total current expenditure in the sector. This represents a significant proportion of total expenditure and given that these, for the most part, are fixed costs it impacts on the flexibility institutions have in managing their budgets.

The economic circumstances of the country are such that a staffing moratorium was introduced across the public sector by the previous Government in 2009. A 6% reduction in numbers was required over the 2009-2010 period and this has been achieved. Earlier this year I agreed a renewed framework covering the 2011 to 2014 period which requires a further reduction in posts over this period.

Higher Education Grants

94. **Deputy Billy Timmins** asked the Minister for Education and Skills the position regarding the third level grant, the non-adjacent grant, which has been changed to 45 km from 25 km for persons who live in rural areas in which there is no public transport and who have to travel to the nearest town to pick up public transport, which adds up to more than 45 km; if the rules can be altered to facilitate this, particularly when students are renewal students who received the higher amount last year; and if he will make a statement on the matter. [27733/11]

97. **Deputy Willie O’Dea** asked the Minister for Education and Skills his plans to change the distance limit for the adjacent and non-adjacent higher education grant; and if he will allow discretion to the local authorities in certain circumstances. [27755/11]

106. **Deputy Michael Healy-Rae** asked the Minister for Education and Skills his plans to reverse the changes in criteria to qualify for the non-adjacent rate; and if he will make a statement on the matter. [27860/11]

Minister for Education and Skills (Deputy Ruairí Quinn): I propose to take Questions Nos. 94, 97 and 106 together.

I regret that the economic circumstances of the country are such that I am not in a position to reverse or vary any of the changes to the student grant schemes announced in Budget 2011 by the previous Government because that Government had factored the savings from these measures into the public expenditure programme for 2011. The measurement of the distances for student grant purposes is a matter for grant awarding bodies. There has been no change as to how these distances are measured. As in the past for all cases, the shortest most direct route to the institution attended is measured.

In the interest of fairness to all students, it is not possible to make exceptions to the terms and conditions of the grant schemes.

95. **Deputy Pearse Doherty** asked the Minister for Education and Skills the acceptable documents that are required by vocational education committees to satisfy the proof of residency condition for a student applying for a maintenance grant; and if he will make a statement on the matter. [27734/11]

Minister for Education and Skills (Deputy Ruairí Quinn): From the details supplied, it appears that the Deputy is referring to proof of independent residency to allow a student to be assessed as an independent mature student. Firstly, to enable such an assessment, a student must be at least twenty three years of age on the first of January of the year of entry or re-entry to an approved course. Assuming that is the case, the documentary evidence normally required to support independent residency includes utility bills, such as telephone, gas or electricity bill, evidence of registration with the Private Residential Tenancies Board or official documentation received at the address, from, for example, a Government Department.

In exceptional circumstances, where it is not possible to produce such proofs, the awarding authority may, at its discretion, agree to accept other documentary evidence that provides an acceptable degree of proof of independent living.

School Staffing

96. **Deputy Pádraig Mac Lochlainn** asked the Minister for Education and Skills if his attention has been drawn to the fact that a school (details supplied) in County Donegal is in danger of losing a teacher; and if he will clarify this matter. [27747/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The criteria used for the allocation of teachers to schools is published annually on my Department's website. The key factor for determining the level of staffing resources provided at individual school level is the staffing schedule for the relevant school year and pupil enrolments on the previous 30 September. The staffing schedule for the 2011-2012 school year was published on my Department's website in March 2011.

The staffing schedule also includes an appeals mechanism for schools to submit an appeal under certain criteria to an independent Appeal Board. It is open to any Board of Management to submit an appeal under certain criteria to an independent Appeal Board. Details of the criteria for appeal are contained in the staffing schedule, Circular 0019/2011. The final staffing position for all schools will ultimately not be known until the Autumn. At that stage the allocation process will be fully completed for mainstream classroom teachers and any appeals to the Staffing Appeals Boards will have been considered.

The school referred to by the Deputy has been sanctioned a developing post on a provisional basis for the current school year which is dependent on confirmation of actual enrolment on 30th September 2011.

Question No. 97 answered with Question No. 94.

Higher Education Grants

98. **Deputy Aengus Ó Snodaigh** asked the Minister for Education and Skills if he will consider making an exception to the changes which were brought about last year to the qualifying distance for the non-adjacent grant, which has resulted in difficulty for some students (details supplied); and if he will make a statement on the matter. [27757/11]

Minister for Education and Skills (Deputy Ruairí Quinn): I regret that the economic circumstances of the country are such that I am not in a position to reverse or vary any of the changes to the student grant scheme announced in Budget 2011 by the previous Fianna Fáil-Green Party Government. These changes include the removal of the automatic entitlement of mature students to the non-adjacent rate of grant and an increase in the qualifying distance criterion for the non-adjacent rate of grant.

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However, it might be helpful for the student in question to know that she can apply for assistance under the Student Assistance Fund. This Fund at some €5m continues to be made available through the access offices of third-level institutions to assist students in exceptional financial need. The access offices themselves will also provide support and advice to students to help them to continue with their studies.

99. **Deputy Finian McGrath** asked the Minister for Education and Skills if he will review a matter regarding mature students (details supplied). [27767/11]

Minister for Education and Skills (Deputy Ruairí Quinn): Under the Student Grant Scheme, an approved course is defined as a full-time undergraduate course of at least two years duration or a full-time postgraduate course of not less than one year duration pursued in an approved institution. I regret that given the level of demand on the funding available to me for student grants I have no plans at present to extend the scope of the student grant schemes to part-time courses. However, it may be useful to the student to know that tax relief is available for fees for part-time courses. Full details of this relief are available from the Revenue Commissioners.

100. **Deputy Jim Daly** asked the Minister for Education and Skills the grants and assistance available to a person attending a new college course which is the same level as a course they commenced the previous year but are now attending a different college; and if he will make a statement on the matter. [27775/11]

Minister for Education and Skills (Deputy Ruairí Quinn): In general, students who previously pursued a course of study are not eligible for grant assistance for a second period of study at the same level, which appears to be the case here, irrespective of whether or not a grant was paid previously. Subject to the conditions of the student grant scheme, grants are available where students are progressing to a course at a higher level. The objective of this policy is to assist as many students as possible in obtaining one qualification at each level of study. However, Section 473A, Taxes Consolidation Act, 1997, as amended by Section 11 of the Finance Act 2011, provides for tax relief, at the standard rate of tax, for tuition fees paid in respect of approved courses at approved colleges of higher education including certain approved undergraduate and postgraduate courses in E.U. Member States and in non EU countries. This information may be of assistance to the student concerned.

Special Educational Needs

101. **Deputy Tom Fleming** asked the Minister for Education and Skills if he will assign a special needs assistant to a person (details supplied) in County Kerry. [27803/11]

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.

The NCSE has now advised all mainstream schools, including the school referred to by the Deputy, of their SNA allocation for the current school year, taking into account the care needs of qualifying pupils attending the school. The NCSE has recently published statistical information in relation to the allocation of Special Needs Assistant posts and resource teaching

hours to Primary Special and Post Primary Schools. The information is provided on a county by county and school by school basis on its website at www.ncse.ie.

The school referred to by the Deputy has an allocation of 1 SNA post and 5.9 Resource Teaching Hours. It is considered that, with equitable and careful management and distribution of these resources, 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.

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 a 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.

Vocational Education Committees

102. **Deputy Pat Deering** asked the Minister for Education and Skills if a decision has been made, and when will he announce the location of the headquarters of the newly restructured Carlow-Kilkenny Vocational Education Committee. [27806/11]

Minister for Education and Skills (Deputy Ruairí Quinn): Yesterday I decided and announced the headquarter locations where VECs are being merged as a result of the Government decision to reduce the number of VECs from 33 to 16. The headquarters for the newly merged Carlow/Kilkenny VEC will be located in Carlow Town.

Question No. 103 answered with Question No. 90.

Departmental Funding

104. **Deputy Thomas P. Broughan** asked the Minister for Education and Skills the reason funding to an early education centre (details supplied) was cut by a further 5% recently in view of the achievements of the centre since its foundation in 1994 in providing quality education through a pre-school service in a district which has battled problems associated with unemployment and low income over recent decades. [27849/11]

Minister for Education and Skills (Deputy Ruairí Quinn): My Department's main intervention in pre-school services is the Early Start Programme which is a targeted programme for children aged 3-4 who are at risk of educational disadvantage. My Department doesn't fund the Early Education Centre referred to by the Deputy. I understand that this Early Education Centre is funded by the HSE and as this is a direct service provision, the matter has been referred to the HSE for a response to the Deputy

Question No. 105 answered with Question No. 90.

Question No. 106 answered with Question No. 94.

Higher Education Grants

107. **Deputy Michael Healy-Rae** asked the Minister for Education and Skills his plans to remove the three year rule to qualify as an independent student for learners entering postgraduate education; and if he will make a statement on the matter. [27861/11]

Minister for Education and Skills (Deputy Ruairí Quinn): My Department increased the duration of the studies break requirement in the 2010 student grant schemes and onwards from one year to three years. This was done because, in some cases, students who would not otherwise have qualified for a grant on the basis of parental income were availing of a ‘gap year’ which had the effect of creating a break in studies. The break in studies clause as it stood allowed these students to be re-classified as independent mature students and to qualify for grants and fees based on their own, rather than their parents’ income. This was not the intention of the provision. The intention of the clause was to focus resources on genuine second chance and mature students. The increase to three years will ensure that the emphasis is, as intended, on facilitating these students to return to education and I have no plans to change this.

108. **Deputy Michael Healy-Rae** asked the Minister for Education and Skills his plans for independent learners under 23 years to qualify for the maintenance grant; and if he will make a statement on the matter. [27862/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The Student Support Act provides the Minister with the power to regulate for different classes of applicants. This power would enable me, if there are compelling reasons and adequate resources to do so, to consider extending the circumstances where a student could be assessed without reference to parental income.

My Department will review the circumstances where a means assessment independent of parental income would be appropriate in the context of the continuing programme of legislative and administrative reform of student grants which will include the on-going development of the new single unified scheme of student grants, introduced for the 2011/12 academic year. However, any extension of the provision of assessment as an independent student will have to be carefully considered to ensure it is highly targeted at very specific circumstances where students can demonstrate that they have been genuinely self-supporting and living independently for a period of time before commencing their studies. The potential costs of any such policy change will be a decisive factor in the current fiscal climate and the consent of the Minister for Public Expenditure and Reform will be required for any proposed change.

109. **Deputy Michael Healy-Rae** asked the Minister for Education and Skills his plans for a continuation of the existing income criteria and payment rates in budget 2011 with regard to the maintenance grant for students; and if he will make a statement on the matter. [27863/11]

Minister for Education and Skills (Deputy Ruairí Quinn): I assume that the Deputy is referring to potential changes to the student grant scheme under the Budget for 2012. The Deputy will appreciate that the preparation of the Estimates for any Budget is carried out on a strictly confidential basis and it would not be appropriate for me to comment on specific issues or proposals, including those relating to student grants, in advance of the Budget announcement.

Question No. 110 answered with Question No. 89.

Question No. 111 answered with Question No. 92.

Post-Leaving Certificate Courses

112. **Deputy Michael Healy-Rae** asked the Minister for Education and Skills if the post-leaving certificate registration fee will be fixed at its current level; and if he will make a statement on the matter. [27866/11]

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon): Budget 2011 provided for the introduction of a €200 annual Post Leaving Certificate (PLC) programme participant contribution, with effect from this September (the 2011/2012 academic year). Decisions in relation to funding matters such as these are generally made as part of the annual Estimates process.

Full medical card holders (in their own right and their dependent children), those eligible under the student grant scheme and those in receipt of the Back to Education Allowance (BTEA) or Vocational Training Opportunities Scheme (VTOS) allowances are exempt from paying the contribution, which should ensure that those who are less well off will continue to access PLC courses.

Higher Education Funding

113. **Deputy Michael Healy-Rae** asked the Minister for Education and Skills if he will maintain the current funding levels in the higher education sector; and if he will make a statement on the matter. [27867/11]

Minister for Education and Skills (Deputy Ruairí Quinn): This year my Department is providing some €1.2 billion in current funding to the higher education sector.

The reality of the economic situation presents challenges for the higher education sector. Future demand for participation growth needs to be reconciled with limitations on public resources and a need to protect and enhance core quality.

While the nature of these difficult trade-offs are described in the National Strategy for Higher Education to 2030, it also identifies the need for more detailed analysis. I have asked the Higher Education Authority to undertake further work on the sustainability of the existing funding framework. This work will inform consideration by Government of policy options in relation to future funding of the sector.

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.

Questions No. 114 and 115 answered with Question No. 90.

Departmental Reports

116. **Deputy Paudie Coffey** asked the Minister for Education and Skills when the report into smaller schools is to be published; and if he will make a statement on the matter. [27882/11]

Minister for Education and Skills (Deputy Ruairí Quinn): A value for money review on small primary schools is currently underway in my Department. This review is part of the normal review processes undertaken by all Departments on an annual basis on selected areas of expenditure and is being conducted in line with the standard procedure for value for money reviews. The review is expected to be completed by the end of the year and a report should be available

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to me then. I will then have to consider its outcomes and proposals. When this process is complete, publication will be arranged.

Pension Provisions

117. **Deputy Clare Daly** asked the Minister for Public Expenditure and Reform the annual cost of the pension and all other entitlements available to each retired President still living in this country. [27819/11]

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): Under the Presidential Establishment (Amendment) Act, 1973, the personal salary of the President is set at the rate paid to the Chief Justice plus ten per cent. In accordance with the Act, the salary of the current President is €325,507 p.a. I acknowledge that notwithstanding the Constitutional protection afforded to the emoluments and allowances of the President while in Office, the current President has voluntarily waived sums due in respect of her entitlements under the legislation. Under the current legislative arrangements, the President of Ireland is entitled to a full pension of half pay on leaving office.

The Public Service Pensions (Single Scheme) and Remuneration Bill 2011 has been published. It proposes a career-averaged rather than final salary pension for a President who is a member of the new Single Scheme. The pension that such a President may accrue will also be subject to a cap of 50% of the pay of the Office, to cater for a two-term President. In addition, the Bill provides that abatement will apply for a public service pensioner who takes up a public service position, including the Presidency. Finally, it provides for a reduction in the pay of the new President to €249,014, which will reduce future pension entitlements.

A retired President would be provided with transport on State occasions.

There is only one living retired President. The residency of a retired President is not taken into account by the Paymaster General when issuing payments.

118. **Deputy Billy Timmins** asked the Minister for Public Expenditure and Reform the changes that are due to be implemented for public sector pensions; the implications if a person retires before end February 2012; and if he will make a statement on the matter. [27830/11]

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): The Financial Emergency Measures in the Public Interest (No. 2) Act 2009 provided for a period within which pensions are unaffected by the pay cuts introduced in that Act. This 'grace period' was due to expire by the end of 2010 however it was extended to 29 February 2012 to avoid too large a number of public service retirements in 2011 and to spread the extra pension lump sum costs over a more manageable period in both 2011 and 2012. It should be noted that pensions in payment or which come into payment before the end of the 'grace period' are subject to the Public Service Pension Reduction (PSPR) introduced in the Financial Emergency Measures in the Public Interest Act 2010. Pensions coming into payment after that date, which will be affected by the pay cuts, will not be subject to the PSPR.

Also, in July this year a 3 month minimum notice period for retirement was introduced for the public service. The purpose of this minimum notice period is to protect services by giving management information about the number of staff retiring in a particular area and to assist in planning how best to maintain services.

Garda Stations

119. **Deputy Denis Naughten** asked the Minister for Public Expenditure and Reform when

Clonark Garda station, County Roscommon will be formally handed over to the Garda for occupation by the Office of Public Works; and if he will make a statement on the matter. [27851/11]

Minister of State at the Department of Public Expenditure and Reform (Deputy Brian Hayes): I had recently indicated to the Deputy (Question 192 of 20th September 2011) that the renovated Clonark Garda Station, Co. Roscommon, would be available to An Garda Síochána by mid-October 2011. However, due to a delay with the ESB connection, it is now expected that the building will be available for Garda use at the end of October 2011.

Sale of Tobacco Products

120. **Deputy Catherine Murphy** asked the Minister for Jobs, Enterprise and Innovation if he is considering amending the Casual Trading Act specifically in regard to amending the fines for selling tobacco products for which duty has not been paid; and if he will make a statement on the matter. [27805/11]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): The Casual Trading Act, 1995 is the legislation which establishes the regime for the regulation of selling goods in public places. Section 2(1) of the Act defines casual trading as “selling goods at a place (including a public road) to which the public have access as of right or any other place that is a casual trading area”. Casual trading is regulated by the 88 local authorities who have the legal capacity to make bye laws under the Act. I, as Minister, have no role in the day to day regulation of casual trading by local authorities.

The enforcement of casual trading bye laws is a function of the local authority in the place where the selling of goods is taking place through their authorised officers for the purposes of the Act and through An Garda Síochána. The authorised officers of the local authorities have the usual powers to enter, inspect and examine any place where they have reasonable cause to believe that casual trading is taking place and to require information from traders etc. Also, An Garda Síochána have additional powers. An Garda Síochána can arrest without warrant a person they believe to be contravening the provisions of the Act and can seize and remove any goods which that person is selling or has possession for sale.

As I have stated I have no direct operational function in regards to casual trading regulation by local authorities. However, I would be surprised if any local authority has licensed a trader to sell tobacco products. Therefore the powers of An Garda Síochána to seize products apply here as selling goods without a licence is an offence under the Act of 1995.

The sale of tobacco products has its own regulatory regime established under the Public Health (Tobacco) Acts, 2002 and 2004. Under this legislation it is an offence to sell tobacco products without being registered with the National Tobacco Control Office which is part of the Health Service Executive (HSE). Therefore anyone selling tobacco products without being registered is committing an offence. The penalties for not being registered to sell tobacco are on summary conviction a fine not exceeding €1,900 or imprisonment for a term not exceeding 3 months or to both or on conviction on indictment to a fine not exceeding €125,000 or to imprisonment for a term of not exceeding 2 years or to both. Another aspect of the sale of tobacco products to which the Deputy refers is the payment of excise duty. The non-payment of excise duty is, I believe, an offence and subject to prosecution by Customs and Excise.

While I agree that there is a need to review the penalties under the Casual Trading Act, 1995 I would not propose to introduce a new offence for the sale of tobacco products for which excise duty had not been paid. I do, however, recognise the harm caused to the economy both in terms of lost revenue for the State and the adverse consequences for legitimate traders from

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the sale of tobacco on which duty has not been paid. Much of this activity is connected to criminal conduct and as such the competent authorities best suited to cope with this are An Garda Síochána and Customs and Excise. This would be in addition to the enforcement activities of the National Tobacco Control Office of the HSE. I do not feel that casual trading regulation is suited to cope with what is essentially a criminal enterprise.

Credit Availability

121. **Deputy Billy Timmins** asked the Minister for Jobs, Enterprise and Innovation the position regarding financial assistance (details supplied). [27818/11]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): The initiatives taken by the Minister for Finance to restructure and re-capitalise the banking system is the principal response to making credit available. These initiatives are designed to secure an adequate flow of credit into the economy to support economic recovery, even as the banking system is down-sized.

At the end of March 2011, a range of measures was announced to reorganise, recapitalise and deleverage the domestic financial system in order to restore the banks to health and continue to provide a secure banking system for deposits. The three main elements to this strategy — recapitalisation, strong liquidity standards and a radical reorganisation and downsizing of the banking sector with the establishment of two pillar full-service banks — are fundamental to economic recovery and job creation.

This latest restructuring of the domestic banking sector creates capacity for the pillar banks to lend in excess of €30 billion over the next three years in SME and other important sectors. This is in excess of Central Bank 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. Government has imposed lending targets on the two domestic pillar banks for the three calendar years, 2011 to 2013. 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. The two banks are also obliged to submit revised lending plans to the Department of Finance to demonstrate how these annual targets will be met.

It is vital that the banks continue to make credit available to support economic recovery. However, it is not in the interest of the banks, businesses or the economy for finance to be provided unless the business is viable and has the capacity to meet the interest payments and repay the sum borrowed.

Businesses having difficulty with credit refusals can use the services of the Credit Review Office which will carry out an independent and impartial review of a bank's decision to refuse or reduce credit. In the context of the CRO's work, there is scope for cases to be considered where the bank's actions are tantamount to a refusal of credit even where a formal refusal has not issued. This is another means of ensuring that the money is lent to the productive sector. With effect from 9 July, the limit for loan applications that can be reviewed by the Credit Review Office has been increased from €250,000 to €500,000. This is a positive development and should encourage more businesses to use the Credit Review Office. In addition to the initiatives of the Minister for Finance and as part of the Jobs Initiative and the commitment given in the Programme for Government, work is underway within the Department of Jobs, Enterprise and Innovation on the design of a Temporary Partial Credit Guarantee Scheme. The Scheme will provide a level of guarantee to banks against losses on qualifying loans to job-creating firms to get banks lending again to industry and entrepreneurs.

Furthermore, in line with the commitment in the Programme for Government, a Microfinance Start-Up Fund to provide loans to small businesses is being developed. Micro-finance is defined as loans of up to €25k, typically over a term of three years, repayable monthly, aimed at start-up early development micro businesses (businesses employing not more than 10 people). The Microfinance fund is not intended to replace any current bank lending nor is it intended to address any broader deficiencies in the banks' provision of lending to the SMEs sector. The Fund, including scheme design and appropriate delivery mechanisms, will be developed with a view to formalising proposals in the context of Budget 2012.

These initiatives are not to replace lending through the normal banking system but to provide additional lending where specific measures are warranted.

Economic Competitiveness

122. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the extent to which the relevant section of his Department has carried out a close examination of cost factors affecting industry and business in this country with particular reference to identifying the reasons for relocation to other jurisdictions; the best way that these issues can be addressed; and if he will make a statement on the matter. [27895/11]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): The National Competitiveness Council (NCC), which is independent of my Department, reports to me on costs and other competitiveness issues in the Irish economy through its suite of reports, including the annual benchmarking report "Ireland's Competitiveness Scorecard" and the "Costs of Doing Business in Ireland" report.

The latest report on Costs of Doing Business in Ireland, published in June 2011, analyses Ireland's cost competitiveness across five key business inputs: Labour costs, Property costs, Utility costs, Business and Professional Services costs and Indirect business costs such as consumer prices. The main findings of the report are that the Irish economy continued to show an improvement in its competitiveness in 2010, building on a gradual restoration of performance since 2008.

Costs of doing business in Ireland have reduced in relation to labour, property, utilities and business services. However, in order to improve our relative competitiveness position, the pace of cost reduction must outstrip that of our trading partners. The NCC points out that some of the cost reductions achieved to date are cyclical in nature rather than structural, and more needs to be done to ensure that costs do not rise again as the economy recovers.

The Costs of Doing Business report made a number of recommendations to embed competitiveness in the economy in a structural way. I have brought these recommendations to the attention of my Ministerial colleagues in Government and I will continue to work with them to identify further actions that can be taken to improve our competitiveness, reduce costs to business and remove obstacles to employment creation.

There are many differing and complex factors that can influence a firm's decision to relocate in today's modern globalised economic environment. Companies adjust their plant location and utilisation strategies to address matters such as accessing new markets, moving production nearer to customers, meeting firm or market specific customer relationship issues and accessing technology, in addition to business takeovers and consolidations.

For much of the last decade, company location has been positive overall for Ireland. IDA Ireland has continued to attract and retain high value investments from leading global corporations. The combined influence of Ireland's improving competitiveness, our commitment to maintaining our 12.5% corporate tax rate, the development of our national infrastructure, the

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Government's investment in science, technology and innovation, and our strong skills base has been instrumental in this regard, and will continue to attract and increase the level of inward investment in Ireland. To date in 2011, the IDA has announced investment decisions which will create over 4,500 jobs in the Irish economy as the investments come on stream.

County Enterprise Boards

123. **Deputy John McGuinness** asked the Minister for Jobs, Enterprise and Innovation the purpose of city and county enterprise boards as specified by the relevant legislative provisions; when this specification was last reviewed or changed; if he has any intention of reviewing the specification; and if he will make a statement on the matter. [27835/11]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): The purpose of the County and City Enterprise Boards is set out in Section 10(1) of the Industrial Development Act 1995. Section 10(1) specifies the following “ this section applies to any body, referred to in the Schedule to this Act as a County Enterprise Board (“a Board”), established for the purpose of promoting and assisting economic development within its area of operations and incorporated with the approval of the Minister as a company limited by guarantee under the Companies Act, 1963.”

While the issue of restructuring the Boards has been in the Public domain for some time the fundamental purpose of the Boards is not, and has not been, under review. The promotion of local economic development remains a key element of this Department's industrial policy.

Banking Sector Regulation

124. **Deputy Michael Healy-Rae** asked the Minister for Jobs, Enterprise and Innovation if he will review a matter (details supplied) regarding small businesses; and if he will make a statement on the matter. [27854/11]

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry): Legislative arrangements in respect of the banking sector and the supervision of charges and fees are matters of responsibility of the Minister for Finance and the Financial Regulator. Particular banking arrangements apply to cheque payments in respect of exports. As there is no centrally managed cross-border clearing system in operation for cheques, cheques drawn on banks in foreign countries which are lodged in a bank in Ireland must be cleared individually and may take a considerable time to clear or may be returned unpaid in accordance with the legislation and/or clearing rules in place in the country in which the cheque is drawn. If the cheque is denominated in another currency, the beneficiary will be exposed to exchange rate fluctuations until the value for the cheque is received. Charges applied to such transactions reflect the additional processing costs involved. The paper based nature of cheque payments leads to lengthy and more costly transaction procedures. These procedures can be reduced by using electronic payments for accepting or making cross-border payments.

Employment Support Services

125. **Deputy Michael Healy-Rae** asked the Minister for Social Protection her views on the vetting of internships on JobBridge sites; and if she will make a statement on the matter. [27832/11]

Minister for Social Protection (Deputy Joan Burton): A variety of measures have been introduced to protect the intern and to ensure the integrity of the JobBridge scheme. In order for

all applications from host organisations to be approved they must meet a number of criteria so as to ensure that the potential internships are of sufficient quality. These include the following:

- that the internship does not allow the intern to work unsupervised;
- that the internship is not displacing an employee; and
- that the intern accrues significant experience throughout the entire internship.

In order for an internship to commence a Standard Internship Agreement must be signed by both the intern and the host organisation. This Agreement clearly stipulates the terms of the internship and states the specific learning outcomes the intern will receive over the course of their internship.

To ensure compliance with the scheme, the Department of Social Protection and the Employment Services Division of FÁS are monitoring internships to ensure that they are of sufficient quality and that both host organisations and interns are abiding by the spirit and the rules of the scheme. This involves the monitoring of monthly compliance reports that are required to be submitted by the host organisation verifying that the internship is proceeding as set out in the Standard Internship Agreement. In addition, contact with the host organisations and interns including random site visits will begin shortly as part of this process. A ‘whistle blowing’ feature has been introduced, where any individual who suspects that an internship may be in breach of the scheme’s criteria, including in cases of suspected displacement or poor quality, may contact the National Call Centre. All such claims will be investigated.

Social Welfare Benefits

126. **Deputy Paudie Coffey** asked the Minister for Social Protection the reasons the heating supplement was discontinued in respect of a person (details supplied) in County Waterford; and if she will make a statement on the matter. [27881/11]

Minister for Social Protection (Deputy Joan Burton): Under the supplementary welfare allowance (SWA) scheme, a special heating supplement may be paid to assist people in certain circumstances that have special heating needs (e.g. in the case of ill health, infirmity or a medical condition). In order to qualify for a heating supplement, the claimant must live alone or only with a qualified adult or child and satisfy the standard means test for receipt of SWA. The person concerned has been refused a heating supplement as the household income is in excess of the limit allowable. The person concerned has been advised of his right to appeal the decision, however to date no appeal has been made.

Social Welfare Appeals

127. **Deputy Bernard J. Durkan** asked the Minister for Social Protection if and when an appeal will be decided regarding an application for carer’s allowance in respect of a person (details supplied) in County Kildare; and if she will make a statement on the matter. [27739/11]

Minister for Social Protection (Deputy Joan Burton): The Social Welfare Appeals Office has advised me that an appeal by the person concerned was registered in that office on 20 August 2011. It is a statutory requirement of the appeals process that the relevant Departmental papers and comments by the Social Welfare Services on the grounds of appeal be sought. When received, the appeal in question will be referred to an Appeals Officer for consideration. The Social Welfare Appeals Office functions independently of the Minister for Social Protection and of the Department and is responsible for determining appeals against decisions on social welfare entitlements.

Social Welfare Benefits

128. **Deputy Jack Wall** asked the Minister for Social Protection the reason a person (details supplied) in County Kildare has had their payment dates changed; and if she will make a statement on the matter. [27743/11]

Minister for Social Protection (Deputy Joan Burton): The person concerned was in receipt of a payment of Illness Benefit from the Department until June 2011. The payment was issued weekly every Monday in line with the date of receipt of medical certification from the person concerned. The person concerned is currently in receipt of a weekly Supplementary Welfare Allowance payment since July 2011 pending a decision in relation to her application for a Disability Allowance. The payment day for SWA is normally on a Thursday.

Employment Support Services

129. **Deputy Olivia Mitchell** asked the Minister for Social Protection if a recent graduate who starts and continues to sign on to the live register for three months but does not receive any social welfare payment during that time will be eligible for JobBridge at the end of those three months; and if she will make a statement on the matter. [27744/11]

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.

A recent graduate who signs for credits onto the Live Register and does not receive any payment will be eligible to participate in JobBridge 78 days from the day they first signed on.

Social Welfare Benefits

130. **Deputy Bernard J. Durkan** asked the Minister for Social Protection the reason payment of basic supplementary welfare allowance was stopped in the case of a person (details supplied) in County Cork; if this case will be reviewed; and if she will make a statement on the matter. [27754/11]

Minister for Social Protection (Deputy Joan Burton): Since April 2000 the needs of asylum seekers are catered for under the direct provision system operated by the Reception and Integration Agency of the Department of Justice, Equality and Law Reform. Under the system asylum seekers are provided with full board accommodation and other facilities such as laundry services and access to leisure areas. To take account of the services provided, a direct provision allowance of €19.10 per adult per week and €9.60 per child per week is payable in respect of any personal requisites required.

Following the introduction of the statutory habitual residency condition in May 2004, asylum seekers are generally not entitled to receive social welfare support. Since then, the payment of this weekly direct provision allowance is being made on an administrative basis by the Community Welfare Service of the Health Service Executive on behalf on the Department of Justice, Equality and Law Reform. This is an interim measure pending finalisation of arrangements by the Department of Justice, Equality and Law Reform to integrate payment of an allowance with its management of accommodation and related services for asylum seekers.

The person concerned failed to present himself to the Garda National Immigration Bureau (GNIB) at the end of August as he was required to do under the terms of the direct provision system and on this basis the weekly direct provision payment was stopped. If the person concerned complies with the terms of the direct provision system a review of his entitlements can be undertaken.

131. **Deputy Liam Twomey** asked the Minister for Social Protection if her attention has been drawn to the fact that the six-month delay in processing family income supplement applications is preventing those on social welfare from taking up low-paid or part-time employment, where they would also be entitled to FIS; and if she will make a statement on the matter. [27788/11]

Minister for Social Protection (Deputy Joan Burton): The Department is committed to providing a quality service to all its customers. This includes ensuring that applications are processed and that decisions on entitlement are made as quickly as possible. The average waiting time for new family income supplement (FIS) claims at the end of August is 18 weeks. The waiting time for renewal FIS claims is currently between 4-5 weeks. At the end of August, there were approximately 9,595 new FIS applications and approximately 2,737 renewal applications awaiting approval. The volume of FIS claims on hands and the delays in processing are a consequence of continued strong claim intake.

The Department has introduced a number of measures to address the efficiency of claim processing for FIS in light of the current waiting times:

- Existing processes and procedures are reviewed on an ongoing basis with the explicit objective of reducing delays in claim processing;
- Priority is being given to renewal claims to preserve continuity of payment;
- The ongoing staffing requirement is being kept under review in light of the continued strong claim intake;
- Additional temporary staff have been recruited to help reduce the backlog over the next three months;
- Overtime working is being applied where feasible;

These measures are aimed at reducing the number of claims on hand and the average waiting time for a decision. In addition to these measures cases of urgent need are prioritised and customers who qualify for FIS are promptly paid any arrears due, back to the date of their original application, when their claim is awarded. The position is being closely monitored and kept under review by the Department.

Departmental Programmes

132. **Deputy John McGuinness** asked the Minister for Social Protection the information or research if any that is available or is being conducted into the level of citizens awareness to their entitlements if unemployed; the findings or information available; if there is any intention to conduct any further research; and if she will make a statement on the matter. [27837/11]

Minister for Social Protection (Deputy Joan Burton): The primary objective of the information policy of the Department is to ensure that all customers are made aware of the wide range of schemes and services available and that they are kept informed of changes and improvements as they occur.

The Department operates a network of some 125 local and branch offices throughout the country. Each local office has officers who are dedicated to providing information and are available to explain supports and services to people. Information officers provide a range of

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information to customers on their entitlements including, in broad terms, the effect that taking up work may have on their social welfare payments.

These locally-based services are supported by a central Information Unit which operates a LoCall information line (1890 66 22 44) which customers may call for information and guidance on their entitlements. The www.welfare.ie website contains full information on the range of schemes and services, including supports that may be available to jobseekers on return to the workforce such as Family Income Supplement, Money Advice and Budgeting Service, etc. There is a 'Frequently Asked Questions' section dedicated to jobseekers which is available in English, Irish and Polish and provides answers to some of the most common queries the Department receives on topics such as taxation of benefits and on options available regarding training, employment, self-employment and voluntary work.

The Employer Job (PRSI) Incentive Scheme, which was launched last year, is advertised in a number of relevant sections on our website. The Department also operates a PRSI mailing list via the website that has almost four thousand subscribers, primarily employers and tax practitioners, who receive updates on PRSI changes each year. The Citizens Information Board, which comes under the aegis of the Department, is the national information agency with responsibility for supporting the provision of independent information and advice on the broad range of social services including social welfare services. Information is provided through Citizen Information Centres and other offices throughout the country, through the Citizens Information Phone Service (1890 777 121) which operates from 9am to 9pm Monday to Friday and on their website at www.citizensinformation.ie.

The Citizens Information Board launched a website dedicated to people recently made unemployed, called www.losingyourjob.ie. This site provides a single point of information for anyone looking for assistance with unemployment or reduced hours. Funding is provided annually to the Irish National Organisation for the Unemployed (INOUE) to produce their booklet "Working for Work", which contains full information on jobseekers payments, the training and development options available to jobseekers as well as advice on job searching, tax and other social services provided by other Departments and agencies. The INOUE provides free copies of the "Working for Work" booklet to people in receipt of social welfare payments.

In addition, the Department's network of facilitators work closely with FÁS and other agencies at a local level to identify and target appropriate education, training and development opportunities for people. Work is continuing on the transfer of the employment and community services programmes of FÁS to the Department to give effect to the Government's plan for the integration of income support and activation measures and the delivery of more streamlined and effective supports for the unemployed.

The Department has not carried out targeted research on the level of awareness of unemployed citizens to their entitlements however the Department holds a number of customer panel focus group meetings annually to gain feedback on the Department's schemes and services in order that it can best meet the needs of customers. In addition, customer representative group meetings are held regularly and provide a forum for engagement with stakeholders of the Department who represent a broad range of customers such as the unemployed, older people, carers and disability groups etc.

Future research will be conducted, and feedback sought from customers and customer representatives, in the context of developing and implementing the new National Employment and Entitlements Service (NEES) and in developing the Department's new Customer Action Plan 2012-2014. I am satisfied that the Department will continue to increase and improve the channels through which it delivers information services to all its customers

Social Welfare Code

133. **Deputy John McGuinness** asked the Minister for Social Protection the reasoning behind the stepped rates of payment of jobseeker's allowance for those between the ages of 18 and 24 years; the way the age brackets were decided upon; her views whether the system is just in the current economic circumstances; and if she will make a statement on the matter. [27839/11]

Minister for Social Protection (Deputy Joan Burton): Receiving the full adult rate of a jobseekers payment without a strong financial incentive to engage in education or training can lead to welfare dependency. While many young people with low levels of education and training were able to get work in construction and other areas when the economy was doing well, they are likely to find it much harder to get work over the course of the next few years. The measures referred to encourage young jobseekers to improve their skills and remain active in the labour market in order to avoid the risk of becoming long-term unemployed and will help them to progress into sustainable employment on a long-term basis.

The €100 rate of jobseeker's allowance was introduced for claimants aged under 20 in April 2009 and this rate was applied to claimants aged up to 21, with a €150 rate applying to claimants aged 22-24, from 31 December, 2009. The extension of the measures reflected the need to encourage more young jobseekers to improve their skills by either pursuing further study or accessing a labour market programme.

There are a wide range of education and training opportunities available to jobseekers through my Department and the Department of Education and Skills to support them in strengthening their qualifications and skills base and thereby maximising their chances of meeting the requirements of the modern labour market and gaining employment.

Social Welfare Benefits

134. **Deputy Jack Wall** asked the Minister for Social Protection the reason a person (details supplied) in County Kildare has had a back to school clothing and footwear allowance refused; and if she will make a statement on the matter. [27845/11]

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. A person may qualify for payment of a back to school clothing and footwear allowance if they are in receipt of a social welfare or Health Service Executive (HSE) payment and getting an increase for a qualified child, or are participating in an approved employment scheme or attending a recognised education and training course and have household income below certain levels.

Those customers who did not receive an automated payment were required to complete and return an application form to the Department. In all cases a letter issued to applicants informing them of the decision and, where payment has been awarded, when and where they can collect the payment. In the case of refusal of the allowance the procedures for review of the decision was outlined to customers.

The person concerned was refused BSCFA as she is not a child dependant on a qualifying payment. The person concerned can request a review by contacting the BSCFA review section in Letterkenny. Details on how to request a review are available on the Department's website at www.welfare.ie or on the refusal letter that has been provided to the applicant.

Ministerial Travel

135. **Deputy Joe Carey** asked the Minister for Social Protection further to correspondence

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in relation to a visit (details supplied) if a specific date will be given for such a visit; and if she will make a statement on the matter. [27850/11]

Minister for Social Protection (Deputy Joan Burton): I look forward to visiting Obair in Newmarket on Fergus, County Clare. As the Deputy appreciates, coming up to the Budget I have a lot of commitments in my diary.

Social Welfare Benefits

136. **Deputy Michael Healy-Rae** asked the Minister for Social Protection if she will review a matter (details supplied) regarding jobseeker's allowance; and if she will make a statement on the matter. [27853/11]

Minister for Social Protection (Deputy Joan Burton): Where a person states that they have found work, it is normal practice for a jobseeker claim to be closed. However, in cases where the customer is taking up a short period of temporary work (up to 4 weeks) or training (up to 8 weeks), arrangements are now in place to simplify the process of signing off and back on at the end of this period. In these cases, instead of closing the claim, the local office temporarily suspends payment for the duration of the work or training. When the person signs on again after the period of work or training, the claim can be reactivated very quickly and payment restored within a few days. It is important for the customer to make clear to the local office in advance that the work is expected to last for up to 4 weeks only or 8 weeks in the case of training.

Employment Support Services

137. **Deputy Michael Healy-Rae** asked the Minister for Social Protection if she will reduce the JobBridge criteria from 12 weeks to four weeks; and if she will make a statement on the matter. [27870/11]

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.

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 now count towards the 78 day qualifying period.

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. The policy objective of the Scheme is to prioritise scarce resources on those on the Live Register so as to increase their chances of leaving it thereby ensuring a reduction in Exchequer costs over time. The optimum time for interventions of this nature is at three months and, therefore, the 3 month eligibility criteria for the scheme will remain in place.

Social Welfare Code

138. **Deputy Michael Healy-Rae** asked the Minister for Social Protection her plans to modify

the social welfare code to enable employers to give a modest stipend to interns; and if she will make a statement on the matter. [27871/11]

Minister for Social Protection (Deputy Joan Burton): Individuals participating in the national internship scheme receive an allowance equivalent to their current Social Welfare allowance plus an additional €50 per week for the duration of the internship (internship allowance). Host organisations must not pay top up contributions. Should an intern be in receipt of a stipend from their host organisation it may affect their underlying entitlements. There is nothing to prevent a host organisation reimbursing an intern for expenses incurred as part of the internship. However, expenses should not be provided for normal activities such as travel to and from the intern's base and normal expenditure incurred on a day to day basis.

Social Welfare Benefits

139. **Deputy Michael Healy-Rae** asked the Minister for Social Protection her views that JobBridge interns under the age of 25 years should qualify for the maximum rate of job seekers benefit; and if she will make a statement on the matter. [27872/11]

Minister for Social Protection (Deputy Joan Burton): All interns on the national internship scheme receive an internship allowance equivalent to their current jobseeker entitlements plus an additional €50 per week for the duration of the internship.

Individuals under 25 years of age are entitled to their current rate of jobseeker entitlement plus the weekly top-up of €50. When they participate in JobBridge these individuals are not entitled to the maximum rate of jobseekers allowance unless they had already been in receipt of it prior to commencing their internship.

140. **Deputy John O'Mahony** asked the Minister for Social Protection when a person (details supplied) in County Mayo will receive a decision on an application for back to school allowance; and if she will make a statement on the matter. [27898/11]

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. Those customers who did not receive an automated payment are required to complete and return an application form to the Department. In all cases a letter will issue to applicants informing them of the decision and, where payment has been awarded, when and where they can collect the payment. In the case of refusal of the allowance the procedure for review of the decision is outlined to customers.

The person concerned was refused BSCFA as she does not have a qualifying payment. The person concerned can request a review by contacting the BSCFA review section in Letterkenny. Details on how to request a review are available on the Department's website at www.welfare.ie or on the refusal letter that has been provided to the applicant.

Illness Benefit Scheme

141. **Deputy Gerald Nash** asked the Minister for Social Protection if she will provide details on the number of sick days taken by public sector employees across the civil and public service in 2009 and 2010 respectively; the total cost to her in the provision of illness benefit payments and other associated costs to the Exchequer in respect of these workers for the respective years; and if she will make a statement on the matter. [27899/11]

142. **Deputy Gerald Nash** asked the Minister for Social Protection if she will provide details on the number of sick days taken by private sector employees in 2009 and 2010 respectively;

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the total cost to her in the provision of illness benefit payments in respect of these workers in the respective years; and if she will make a statement on the matter. [27900/11]

Minister for Social Protection (Deputy Joan Burton): I propose to take Questions Nos. 141 and 142 together.

The Department does not separately record the number of sick days taken by public sector or private sector employees. It operates the illness benefit scheme which is a payment for insured people who cannot work due to illness. A person, whether employed in the public or private sector, may qualify for illness benefit if s/he is unable to work due to illness, satisfies the Pay Related Social Insurance (PRSI) conditions, and is under age 66.

It is not possible to determine the number of illness benefit claim paid days in respect of public sector employees as opposed to private sector employees. An analysis carried out by the Department as a once-off exercise indicated that, in 2010, illness benefit was paid in respect of 25.9 million claim days arising from claims from across the public and private sectors. The average duration of illness benefit claims closed in the years 2009 and 2010 was 10 weeks. In 2009 total expenditure on illness benefit was €919.7m and in 2010 it was €942.8m.

Social Welfare Fraud

143. **Deputy Michael McCarthy** asked the Minister for Social Protection the total number of family units here who are currently under investigation by her for being suspected of claiming benefits in excess of what they are entitled to; the location of each family, the number of persons in each, the benefits being administered in respect of each person within the family unit, and the total amount paid to the family in 2010 in tabular form; and if she will make a statement on the matter. [27902/11]

Minister for Social Protection (Deputy Joan Burton): The prevention of fraud and abuse of the social welfare system is an integral part of the day-to-day work of the Department. The Department processes in excess of 2 million claims each year and it makes payments to over one million people every week. The vast majority of people are receiving the entitlement due to them. My Department does not record the total number of family units who are under investigation for suspected fraud. It records its data per social welfare scheme and on an individual basis. In 2010, my Department reviewed over 929,000 cases which resulted in control savings of €483 million.

144. **Deputy Michael McCarthy** asked the Minister for Social Protection if there are plans to introduce monitoring of bank accounts in respect of suspected welfare frauds; if this is the case, the way she purports to introduce such a measure; if she will provide a provisional timeline of when it will take effect; and if she will make a statement on the matter. [27907/11]

Minister for Social Protection (Deputy Joan Burton): Section 17 of the Social Welfare and Pensions (No.2) Act, 2009, amended the Social Welfare (Consolidation) Act, 2005, to include provision for the appointment of authorised officers who, in certain circumstances, will have the power to obtain information from financial institutions without the consent of the customer. It is intended that these powers will be confined to a limited number of officers and will be used only in exceptional circumstances. The authorised officer must have reasonable grounds to believe that there has been a contravention of the Act by a claimant or beneficiary. The Department has reached agreement with the Irish Banking Federation in relation to the procedures for implementation of this legislation. The new provisions will be operational within a matter of weeks.

Social Welfare Benefits

145. **Deputy Michael McCarthy** asked the Minister for Social Protection if she will confirm the highest amount of social welfare paid out to a person here; the number and name of the various schemes under which they are entitled to payments; and if she will make a statement on the matter. [27909/11]

Minister for Social Protection (Deputy Joan Burton): My Department operates a wide range of schemes under which a person may be entitled to receive a payment if they satisfy all of the various conditions for receipt of that payment. The conditions for receipt of a primary weekly payment, such as Disability Allowance or State Pension, typically include experiencing a prescribed contingency, such as unemployment, disability or old age, and satisfying either a means test or social insurance contribution test.

In cases where a person satisfies the general conditions for more than one type of primary weekly payment in general they will be entitled to receive only one primary weekly payment. For example if a person has a disability and is aged 66 years or more, they will not receive both a disability and an old-age payment. Increases in primary weekly payments may be paid in respect of a qualified adult dependant and any qualified child dependants.

However, there are some exceptions to this, including the following examples: · A person who has a Widow's Pension or One-Parent Family Payment and who becomes ill may be entitled to receive a reduced rate of Illness Benefit in addition to her Widow's Pension, if she or he also satisfies the conditions for receipt of Illness Benefit. · A person who is entitled to a State Pension Contributory may also be entitled to receive a half-rate payment of Carer's Allowance if they are caring for another person on a full time basis.

In addition to primary weekly payments, a person may be entitled to a monthly child benefit payment, monthly domiciliary care allowance, an annual respite care grant and/or a weekly guardian's payment. It should be noted that entitlement to these payments is not dependent on being in receipt of a primary weekly rate of payment and that these payments are also equally available to persons who are not dependent on welfare, provided the relevant conditions for receipt of these schemes is satisfied. In the case of some couples, all payments may be made to one member of the couple while, in the case of others, each member may be personally in receipt some payments but not all. Child benefit is normally paid to a mother.

The average payment varies across the various schemes operated by the Department. Details are set out in the tabular statement. The most typical rate paid to people of working age is €188 per week, while the most typical rate paid to people aged 66 years or more is €230.30 per week. In addition to their primary weekly payment, people may also receive secondary benefits, such as Rent Supplement or Fuel Allowance if they also satisfy the conditions for receipt of those payments. For example, 12% of people on the Live Register also receive Rent Supplement and 16% receive Fuel Allowance. The most typical rate of Rent Supplement is €100 per week, while Fuel Allowance is €20 per week from October to April.

The majority of people receive a payment for themselves alone. For example, 70% of people who receive Jobseeker's Allowance or Jobseeker's Benefit receive a personal rate only, the maximum rate of which is €188 per week, and 54% of these receive less than €188 per week. In general, the highest aggregate payments arise in cases where there is a large number of children and rent or mortgage interest supplement is in payment or where multiple disability and care payments are made. These are relatively few in number. For example, there are currently 853 people in receipt of increases in their Jobseeker's Allowance or Jobseeker's Benefit in respect of 6 or more children. These represent less than one fifth of 1% of the Live Register. The maximum amount of Jobseeker's Allowance or Jobseeker's Benefit payable to

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a person with six children is less than €512 per week, while the maximum amount of Rent Supplement that could be in payment is an additional €230 per week.

In the light of the facts set out above and the fact that individual payments are delivered across a range of computer systems, it is not possible to extract the specific data requested in respect of total social welfare payments issued to individuals in the State.

Table: Average values for weekly social welfare payments, September 2011

| Scheme | Average value (€ weekly) |
|----------------------------------|--------------------------|
| State Pension (Contributory) | 245.05 |
| State Pension (Transition) | 243.59 |
| Widow(er)s Contributory Pension | 240.22 |
| Invalidity Pension | 227.84 |
| One Parent Family Payment | 224.43 |
| State Pension (Non-Contributory) | 213.31 |
| Illness Benefit | 208.29 |
| Jobseeker's Allowance | 202.96 |
| Disability Allowance | 201.81 |
| Carer's Allowance | 183.73 |
| Jobseeker's Benefit | 176.75 |

Note: The data presented above is scheme specific and does not take into account the fact that some individual recipients may be in receipt of more than one personal rate of a primary payment e.g. State Pension Contributory and a Half-Rate Carer's Allowance (over 40% of all Carer's Allowance recipients receive more than one primary personal payment per week). The weekly averages include arrears and increases/allowances (except fuel).

Wildlife Conservation

146. **Deputy Brendan Griffin** asked the Minister for Arts, Heritage and the Gaeltacht the action he will take on the mink problem in view of the potential damage that a further growth in population could cause; if he will consider introducing a bounty for mink; and if he will make a statement on the matter. [27723/11]

Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan): Wild mink are not protected species under the Wildlife Acts 1976 to 2010 and thus they can be controlled by landowners and their agents. Mink found in the wild in Ireland are descended from animals that escaped from fur farms. They have been breeding in the countryside since the 1950s and are now found throughout much of the country.

A report published by my Department in 2009 estimated the population of wild mink in the State could reach a total of between 20,500 and 33,500 individuals. The report identified ground nesting birds as the species most vulnerable to mink predation. Accordingly, my Department is concentrating its resources on protecting the nesting sites of rare and threatened bird species, including red-throated diver, corncrake, grey partridge, waders and terns, from a range of predators including mink. Experience has shown that targeted control of predators at specific times can have a significant benefit to the breeding success of these species. Last year, some €73,000 was spent on this work. At this time my Department is considering options for effective augmentation of the current levels of mink control.

Arts Funding

147. **Deputy Gerald Nash** asked the Minister for Arts, Heritage and the Gaeltacht if he will

provide details of the extent of State liability and investment in Dublin Contemporary 2011; and if he will make a statement on the matter. [27815/11]

Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan): Dublin Contemporary 2011 (DC2011) is the largest contemporary visual art event of its kind and scale ever held in Ireland. Its mission is to create a dynamic experience of contemporary visual art within the specific cultural context of Dublin, that resonates both locally and globally. Ireland has a unique cultural brand that is globally recognised and Dublin needs to be reinforced as an open, vibrant city that attracts and retains talented people, where creativity and innovation are encouraged and where leading companies want to invest.

DC2011 previewed on 5th September and is due to run until the 31st October. In its first month, it has already attracted much favourable media coverage — both at home and abroad — and it has also been critically well received. Visitor numbers are also understood to be on target. The programme budget for DC2011 is of the order of €4m. This budget is to be met through a mix of revenues from ticket sales and merchandising, sponsorship, philanthropy and Exchequer support. To date in 2011, €1.16m has been paid by my Department in respect of the DC2011 programming budget. Once final costs, revenues and incomes are determined and audited, the full Exchequer contribution to the programming costs will be finalised.

Grant Payments

148. **Deputy Brendan Griffin** asked the Minister for Arts, Heritage and the Gaeltacht if the corncrake grant scheme is available nationwide; if so, the rates of finance involved; and if he will make a statement on the matter. [27826/11]

Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan): The Corncrake Grant Scheme is available in any part of the country, once the presence of a corncrake on the land has been confirmed.

Landowners receive a grant/payment if they agree to delay mowing of meadows, carry out corncrake-friendly mowing (i.e. cutting starts in the centre of the field and proceeds outwards, to maximise the chances of young corncrakes moving out of danger to the margin of the field) and leave an uncut strip of meadow for cover, along the side of the plot, if required. To enter the scheme, an application must be completed by 1 July and mowing or grazing must be delayed until at least 1 August.

The payment rates are outlined in the following table:

| Option | Payment €/ha |
|--------------------------------|--------------|
| Delay mowing until 1 August | €250 |
| Delay mowing until 20 August | €325 |
| Delay mowing until 1 September | €375 |
| Corncrake-friendly mowing | €45 |

National Gallery

149. **Deputy Kevin Humphreys** asked the Minister for Arts, Heritage and the Gaeltacht the amount that was spent in 2010 by the National Gallery leasing property or buildings; if he will provide a breakdown of the amount spent on each individual lease; the location of each building or property; the purpose for which each building is leased; if he will specify if any of these leases are on property which is in the control of the National Asset Management Agency; and if he will make a statement on the matter. [27844/11]

Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan): I am advised that the National Gallery of Ireland does not hold any property on lease.

Animal Welfare

150. **Deputy Michael Healy-Rae** asked the Minister for Arts, Heritage and the Gaeltacht if he will introduce new rules and regulations with regard to Larsen cages; and if he will make a statement on the matter. [27879/11]

Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan): My Department has responsibility for regulating the use of traps, snares and nets for catching wildlife. This is done in accordance with the provisions of the Wildlife Acts 1976 to 2010 and the Wildlife Act 1976 (Approved Traps, Snares and Nets) Regulations 2003. The use of Larsen Traps complies with the provisions of these regulations and is acceptable when carried out with due care.

Telecommunications Services

151. **Deputy Brendan Griffin** asked the Minister for Communications, Energy and Natural Resources if he will consider a matter (details supplied); and if he will make a statement on the matter. [27790/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Currently, there is no EU-wide universal service obligation for broadband, apart from a guarantee of “functional broadband connectivity”, which equates to a dial-up service. The EU Commission has recently embarked on a process aimed at looking at whether this should be extended to include universal access to broadband and Ireland will be participating fully in any discussions on such proposals.

In Ireland we are achieving full access to broadband through a combination of market forces and targeted Government intervention.

The provision of broadband services here is, in the first instance, a matter for private sector service providers operating in Ireland’s fully liberalised telecommunications market. Broadband services are provided by private service providers over various platforms including DSL (i.e. over telephone lines), fixed wireless, mobile, cable, fibre and satellite. In cases of market failure the Government will intervene, where it is appropriate and possible to do so. The Group Broadband Scheme, National Broadband Scheme (NBS) and Rural Broadband Scheme are all examples of where Government has intervened to ensure broadband availability in areas, particularly rural ones, where commercial investors have failed to provide services.

The delivery of these schemes, along with private sector investment has resulted in all parts of Ireland now having broadband available, some three years ahead of the target date of 2013 set by the EU Commission in its “Digital Agenda”.

Accordingly, between the significant private and public sector investments over recent years all areas of the country now have access to at least a basic broadband service. In addition to the NBS, the Rural Broadband Scheme, which recently closed for applications, aims to identify the remaining individual premises in rural Ireland, outside the NBS areas that are unable to obtain a broadband service and to provide a basic broadband to those premises, where requested.

The challenge now is to accelerate the delivery of next generation broadband. The Next Generation Broadband Taskforce (NGBT), which I chair, aims to assist in developing a road-map for the delivery of such services across Ireland. The Taskforce, and four Working Groups reporting to it, are considering issues such as appropriate targets, private sector investment

plans, and the role of Government in driving and facilitating investment. The Taskforce met recently and will meet again in December. In the interim, the four working groups will continue their work. I expect that the Taskforce will help to identify the optimal policy to deliver wider customer access to high-speed broadband generally and thereby assist in delivering on the commitment in the Programme for Government.

152. **Deputy Paudie Coffey** asked the Minister for Communications, Energy and Natural Resources the level of uptake in the rural broadband scheme in County Waterford; if he will supply a breakdown of broadband households in County Waterford, in numbers, in tabular form that have fibre optic, wireless, dongles, dial up and so on; and if he will make a statement on the matter. [27880/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Almost 5,000 applications have been received under the Rural Broadband Scheme and work is continuing on the processing of approximately 1,200 of these applications where address details need to be clarified. A total of 95 applications has been received from County Waterford — this number is provisional and may change once all addresses have been clarified.

My Department does not collect or possess the type of statistical data referred to in the Deputy's Question. However, ComReg, in its role as regulator and the promoter of competition in the Irish market, does publish quarterly data on a national level, which provides a wide range of information in relation to broadband penetration by technology platform. This statistical information on the Irish electronic communications market and benchmark data from other countries is collected and analysed by ComReg's Trend Unit and is available on its website www.comstat.ie.

Local Government Reform

153. **Deputy Brendan Griffin** asked the Minister for the Environment, Community and Local Government if he will establish a centralised debt management service for local authorities; and if he will make a statement on the matter. [27727/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): Earlier this year, I established the independent Local Government Efficiency Implementation Group to drive forward relevant recommendations of the Local Government Efficiency Review Report (July 2010) in areas including shared services, procurement, value for money and audit. The Group has been asked to focus on key recommendations that will remove costs and yield earliest financial gains for the benefit of the sector. The Group has been considering the recommendations contained in the Report on treasury management and has met with the County and City Managers' Association in this regard. It has also met with the Housing Finance Agency on financial pooling arrangements for the local government sector and will be further considering its recommendations on the issues surrounding such arrangements shortly. The Group will report to me at regular intervals on progress being made in implementing relevant recommendations and its first report is due shortly.

In addition, my Department has been working with local authorities to advance the efficiency agenda. The first progress report on the Local Government Sectoral Action Plan to the Implementation Body on the Public Services Agreement identified savings of €223 million for the reporting period to the end of March 2011. Actions have been taken to develop corporate websites which provide full ranges of E-payment options and in providing multi services through telephone and in-house queries allowing for easier access to services by members of the public.

Planning Issues

154. **Deputy Michael Healy-Rae** asked the Minister for the Environment, Community and Local Government the status of sections of the Planning and Development Act 2010 relating to substitute consent for quarries; when these sections, sections 74 and 75 of the Planning and Development Act 2010, will be brought into effect; and if he will make a statement on the matter. [27741/11]

Minister of State at the Department of the Environment, Community and Local Government (Deputy Willie Penrose): I intent to commence sections 74 and 75 of the Planning and Development Act 2010 by the end of October 2011.

Financial Governance

155. **Deputy Joan Collins** asked the Minister for the Environment, Community and Local Government if his attention has been drawn to the fact that the Local Government Audit Service report on Financial Management Reporting in Local Authorities (Report No. 24) published in 2007, recommended that financial management reports should be provided to the elected council on a regular basis, at least quarterly, to support councillors in their financial governance role in local authorities; if his further attention has been drawn to the fact that the management of Sligo County Council has consistently failed to comply with these recommendations and that the management of Sligo County Council, has despite requests from the elected council, failed to provide reports on the council's finances; if he will consider introducing regulations to compel the council management to provide the elected council with quarterly financial reports; and if he will make a statement on the matter. [27758/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): I am aware of the Local Government Audit Service recommendation in this regard. Section 105 of the Local Government Act 2001 provides that a local authority may, by resolution, require the preparation and submission to its members of statements of the financial position of the local authority. In the case of City and County Councils, where such a resolution has not been passed, the Council's Corporate Policy Group may require the preparation and submission to its members of statements of the financial position of the Council. I understand that the Corporate Policy Group in Sligo County Council receives such statements on a quarterly basis.

It is a matter for each local authority, including Sligo County Council, to manage its own day-to-day finances in a prudent and sustainable manner. I have no plans to make any legislative changes in relation to this matter at this time.

EU Directives

156. **Deputy Gerry Adams** asked the Minister for the Environment, Community and Local Government if his attention has been drawn to reports from EU bodies that consideration is being given to the reclassification of all incinerator ash as hazardous waste; and if any discussions have taken place within his Department or with the Environmental Protection Agency or other bodies on this issue. [27760/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): The properties which render waste hazardous are laid down in Annex III of the Waste Framework Directive and are further specified by a European Commission Decision which established a List of Wastes. The List of Wastes is currently under review; however, no decisions concerning the reclassification of incineration byproducts or any other wastes have been made to date.

The determination of waste as hazardous, or otherwise, is a matter for the Environmental Protection Agency, and my Department maintains regular contact with the Agency in relation to relevant developments at EU level.

Local Authority Charges

157. **Deputy Dominic Hannigan** asked the Minister for the Environment, Community and Local Government the requirement for local authorities to notify owners of second properties that the non-principal private residence charge is due; if there is none, his plans to introduce same; and if he will make a statement on the matter. [27772/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): The Local Government (Charges) Act 2009 broadened the revenue base of local authorities through the introduction of the charge on non-principal private residences. The charge is set at €200 and is being levied and collected by local authorities. The Act places the onus on the owner of a residential property to assess his or her liability to the charge in the first instance. As the charge is set at an essentially modest rate of €200 per annum, it is necessary that administrative costs be kept to a minimum. In order to keep costs to the minimum and ensure that the maximum level of revenue raised is available for the provision of local services, there is no legal obligation on local authorities to issue notifications, invoices or reminders. Any such obligation would increase the administrative and resource requirements of implementing the charge and would make its collection less cost-effective.

In practice, a number of measures are undertaken to assist collection of the charge. Nation-wide advertising has taken place in each year since the introduction of the charge in 2009 to ensure general awareness of the charge and the liability dates. In addition, local authorities have undertaken their own advertising campaigns locally. As a shared resource, I understand that reminder notifications were issued by the Local Government Management Agency (LGMA) and local authorities to those who paid the charge last year in respect of their possible liability for 2011.

Reasonable efforts are being made to ensure that property owners are aware of the charge and the liability dates. However, the charge is based on self assessment principles and it is a matter for persons with a liability to pay the charge by the due date to avoid late payment fees. I have no plans, at present, to amend the legislation in this regard.

Unfinished Housing Developments

158. **Deputy Brendan Smith** asked the Minister for the Environment, Community and Local Government the funding provided to Monaghan County Council for unfinished housing estates; the amount allocated per housing estate; his plans to allocate additional funding to the council; and if he will make a statement on the matter. [27773/11]

Minister of State at the Department of the Environment, Community and Local Government (Deputy Willie Penrose): The table below sets out details of the funding sought by Monaghan County Council for public safety measures to be undertaken on Category 4 developments and funding which has been approved by my Department.

| Development | Location | Funding Sought | Funding Approved |
|--------------|---------------|----------------|------------------|
| Forest Walk | Monaghan Town | €3,405 | €3,405 |
| Chapel Court | Carrickroe | €5,700 | €5,700 |
| Wylies Hill | Ballybay | €211,715 | €10,567 |

Social and Affordable Housing

159. **Deputy Paschal Donohoe** asked the Minister for the Environment, Community and Local Government if there has been any discussion between him and Dublin City Council in respect of extending the timeframe for funding for the provision of social housing units at a location (details supplied) in Dublin 1; and if he will make a statement on the matter. [27781/11]

Minister of State at the Department of the Environment, Community and Local Government (Deputy Willie Penrose): My Department granted approval of a loan of €4.7 million to Dublin City Council under the Capital Loan and Subsidy Scheme (CLSS) for the provision of 21 units of accommodation at the location in question. I understand that the developer is in receivership and that it is not possible to say when the issues surrounding this may be resolved. CLSS is currently being wound down and any claims for such schemes must be submitted and drawn down before the end of 2011. There are no plans to extend CLSS beyond this timeframe.

160. **Deputy Paschal Donohoe** asked the Minister for the Environment, Community and Local Government if the funding that he has allocated for the construction of social housing units at a location (details supplied) will be used in an alternative way to acquire lands in that vicinity for the future provision of social housing there; and if he will make a statement on the matter. [27782/11]

Minister of State at the Department of the Environment, Community and Local Government (Deputy Willie Penrose): My Department issued approval to Dublin City Council in September 2009 for the acquisition of 112 social units and associated ancillary facilities, including community and day care facilities at the location in question, in the sum of €34.5 million. It is understood that a number of legal issues have arisen in connection with the planning of the development and construction has yet to begin. Until these are resolved it is not possible to comment on how the project will be advanced.

Should Dublin City Council wish to make alternative proposals these will be subject to assessment in the usual way with regard to need and the current financial constraints. The straitened resource environment has accelerated the shift away from a reliance purely on programmes of construction and acquisition, towards the Capital Assistance Scheme, Rental Accommodation Scheme and adaptation and improvement works, primarily focused on meeting the most acute needs.

Waste Management

161. **Deputy John Browne** asked the Minister for the Environment, Community and Local Government when an approval for a recycling centre (details supplied) will be approved by him. [27797/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): A letter issued from my Department on 30 September 2011 offering grant assistance of €1,026,196 under the terms of the Waste Recycling Capital Grants Scheme towards the recycling centre in question. A response from the local authority is awaited.

Strategy on Homelessness

162. **Deputy Michael P. Kitt** asked the Minister for the Environment, Community and Local Government if he has received a copy of the Dublin Simon Community report on the 26% increase rise in rough sleepers; his plans to increase housing units for long-term homeless and

young homeless persons; if his attention has been drawn to an estimated 23,000 vacant properties in the Dublin area; the estimated numbers of homeless in the gateway cities and towns; and if he will make a statement on the matter. [27809/11]

Minister of State at the Department of the Environment, Community and Local Government (Deputy Willie Penrose): My Department has not received a copy of the Dublin Simon Community report but is aware that Dublin Simon has publicly stated that on average 40 people are sleeping rough in Dublin city each night, representing a 26% increase. This figure would not in fact represent an increase on the last rough sleeper count which took place on Census night in April 2011 and which found that 60 people were sleeping rough on the night in question.

By its nature homelessness remains difficult to quantify and the next rough sleeper count due to take place next month in Dublin will give the most robust indication of prevalence of rough sleeping in the region.

My Department will continue to work closely with voluntary service providers in the delivery of supports for homeless people including those who sleep rough. In 2011 total statutory funding of just over €1 million has been allocated to enhanced outreach services for the Dublin region, jointly provided by Dublin Simon and Focus Ireland, and targeted at rough sleepers

The table below details the progress that has been made over a number of years in addressing this particular cohort of homeless persons in the Dublin region.

Rough Sleeper Count in the Dublin Region November 2005 — April 2011

| Nov-05 | Nov-07 | Apr-08 | Nov-08 | Apr-09 | Nov-09 | Nov-10 | Apr-11 |
|--------|--------|--------|--------|--------|--------|--------|--------|
| 185 | 104 | 111 | 101 | 98 | 60 | 70 | 60 |

In respect of counting numbers of homeless people more generally, the Pathway Accommodation & Support System (PASS) is an accommodation management and inter-agency service user support system which is being developed in accordance with priority actions of the implementation plan set out under the national homeless strategy 2008-2013 *The Way Home*. The system commenced in January 2011 and is currently in use by almost all service providers of homeless accommodation and outreach supports in the Dublin region. A staged roll out to the rest of the country will begin shortly once ongoing work to ensure consistency of use and accurate information recording by the service providers, as well as the elimination of duplicate records, validation of data etc., has been completed. The PASS system will in future provide good quality, timely, data on homelessness nationally as an evidence base for all homeless services.

The Programme for Government commits to reviewing and updating the current homeless strategy and to adopting a ‘housing led’ approach to homelessness. Following consultation within the sector, it is expected that an updated strategy will be introduced later this year, including clear performance targets and associated timelines. A particular emphasis will be on the delivery of accommodation units for homeless persons through the policy approach outlined in the Housing Policy Statement of June 2011. The key elements of the Department’s and local authorities’ housing programmes, including the future enhanced role of the private rental sector, the voluntary and cooperative housing sector, the leasing programme, RAS, local authority social housing acquisitions and remedial works/upgrading for vacant local authority housing stock, including re-lettings, will contribute to the ongoing supply of units to meet the needs of those moving from long term homeless accommodation to mainstream housing. Maximising

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delivery from these sources will be essential to prevent homelessness and end long term occupation of emergency facilities.

Local Authority Charges

163. **Deputy John McGuinness** asked the Minister for the Environment, Community and Local Government the value of commercial rates collected by each local authority in the country for each of the past three years; the value of rates written off by each local authority for each of the past three years; and if he will make a statement on the matter. [27836/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): Detailed information in relation to the value of commercial rates collected and the value of rates written off by each local authority for 2007, 2008 and 2009, sourced from audited Annual Financial Statements (AFS), is set out in the attached table. Audited information is not yet available for 2010 or 2011. The audit of the 2010 Annual Financial Statements (AFS) is scheduled for completion in March 2012.

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. As with all local charges, the invoicing and collection of due amounts is a matter for the local authority concerned to manage in the light of prevailing local circumstances and in accordance with normal accountancy procedures.

I recognise that these are difficult economic times and I am keeping all matters relating to rates under regular consideration in my Department.

| Authority Name | 2007 | | 2008 | | 2009 | |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Written Off | Collected | Written Off | Collected | Written Off | Collected |
| County Councils | | | | | | |
| Carlow | 48,659 | 4,269,341 | 63,701 | 4,936,111 | 84,558 | 4,615,309 |
| Cavan | 106,716 | 8,218,084 | 78,828 | 9,077,253 | 150,332 | 8,603,408 |
| Clare | 301,577 | 31,413,554 | 419,856 | 32,811,509 | 396,538 | 32,996,202 |
| Cork | 3,279,302 | 86,011,248 | 3,868,254 | 90,999,463 | 5,041,167 | 90,972,573 |
| Donegal | 2,137,878 | 17,209,010 | 2,302,580 | 17,633,477 | 1,363,280 | 15,658,398 |
| Fingal | 886,521 | 103,739,335 | 1,364,689 | 120,712,655 | 2,141,388 | 117,805,390 |
| Dun Laoghaire Rathdown | 1,464,053 | 84,068,451 | 1,161,247 | 79,314,344 | 1,712,032 | 80,006,996 |
| Galway | 1,951,482 | 17,439,371 | 2,636,068 | 18,820,596 | 2,727,353 | 17,502,006 |
| Kerry | 2,050,403 | 16,664,337 | 1,719,763 | 16,804,077 | 2,362,878 | 16,875,495 |
| Kildare | 0 | 37,052,488 | 0 | 36,730,454 | 0 | 37,248,297 |
| Kilkenny | 498,011 | 9,930,637 | 1,013,476 | 10,086,427 | 1,237,416 | 9,704,411 |
| Laois | 119,570 | 8,283,294 | 172,267 | 8,709,980 | 271,481 | 8,105,288 |
| Leitrim | 339,461 | 3,343,814 | 439,741 | 3,844,568 | 545,554 | 3,704,221 |
| Limerick | 1,720,067 | 24,868,249 | 1,948,681 | 24,070,136 | 2,644,874 | 22,942,636 |
| Longford | 272,432 | 3,684,299 | 410,706 | 3,784,351 | 204,541 | 3,589,772 |
| Louth | 617,097 | 6,137,694 | 654,051 | 6,629,710 | 756,462 | 6,313,800 |
| Mayo | 1,438,372 | 11,109,870 | 1,649,093 | 11,648,360 | 2,484,383 | 10,962,439 |
| Meath | 0 | 18,493,501 | 0 | 20,856,003 | 0 | 20,475,209 |

| Authority Name | 2007 | | 2008 | | 2009 | |
|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Written Off | Collected | Written Off | Collected | Written Off | Collected |
| Monaghan | 211,786 | 5,348,952 | 274,444 | 5,337,869 | 602,947 | 4,984,210 |
| North Tipperary | 44,232 | 6,345,252 | 77,122 | 6,475,859 | 188,260 | 6,376,522 |
| Offaly | 395,289 | 6,296,156 | 567,400 | 6,776,627 | 803,689 | 6,459,394 |
| Roscommon | 31,383 | 8,631,548 | 751,669 | 8,264,170 | 1,563,232 | 8,156,169 |
| Sligo | 176,004 | 3,925,892 | 283,838 | 4,109,497 | 579,355 | 3,730,381 |
| South Dublin | 2,192,432 | 112,784,213 | -188,700 | 112,235,925 | 1,687,009 | 110,634,633 |
| South Tipperary | 3,716 | 6,682,219 | 2,380 | 7,131,904 | 1,760 | 7,139,326 |
| Waterford | 509,005 | 5,242,987 | 383,252 | 5,762,747 | 408,964 | 5,932,664 |
| Westmeath | 66,805 | 7,258,287 | 1,480 | 7,261,546 | 236,607 | 6,772,598 |
| Wexford | 606,820 | 15,926,784 | 509,989 | 14,461,292 | 660,644 | 14,398,434 |
| Wicklow | 579,045 | 12,955,728 | 1,260,842 | 13,546,465 | 1,464,190 | 13,701,249 |

City Councils

| | | | | | | |
|-----------|------------|-------------|-----------|-------------|-----------|-------------|
| Cork | 188,362 | 56,380,937 | 313,373 | 58,660,355 | 1,852,616 | 56,121,873 |
| Dublin | 17,718,465 | 286,946,966 | 5,616,183 | 296,591,099 | 6,247,794 | 307,480,452 |
| Galway | 1,500,777 | 26,172,209 | 2,627,132 | 26,405,089 | 2,435,131 | 26,407,815 |
| Limerick | 2,742,128 | 24,250,191 | 2,079,954 | 24,332,057 | 1,823,528 | 24,116,791 |
| Waterford | 89,214 | 18,214,978 | 143,235 | 18,569,138 | 189,950 | 17,810,528 |

Borough Councils

| | | | | | | |
|----------|-----------|-----------|---------|-----------|-----------|-----------|
| Clonmel | 0 | 4,709,800 | 0 | 4,792,980 | 47,189 | 4,071,334 |
| Drogheda | 952,938 | 9,728,585 | 928,391 | 9,741,726 | 2,149,886 | 9,093,766 |
| Kilkenny | 234,328 | 4,564,395 | 457,958 | 4,554,651 | 555,533 | 4,781,442 |
| Sligo | 1,322,193 | 5,680,446 | 661,977 | 5,966,865 | 890,046 | 5,776,438 |
| Wexford | 303,771 | 3,272,234 | 209,381 | 5,358,699 | 467,995 | 5,468,672 |

Town Councils

| | | | | | | |
|-----------------|---------|------------|---------|------------|---------|------------|
| Arklow | 258,683 | 1,710,505 | 413,109 | 1,882,824 | 520,877 | 2,506,775 |
| Athlone | 14,374 | 2,913,332 | 0 | 3,225,775 | 0 | 3,341,585 |
| Athy | 0 | 1,926,897 | 0 | 1,517,334 | 0 | 1,451,230 |
| Ballina | 554,858 | 2,734,734 | 525,779 | 2,695,436 | 729,526 | 2,763,260 |
| Ballinasloe | 272,079 | 1,109,578 | 321,894 | 1,195,213 | 324,172 | 1,169,263 |
| Birr | 205,713 | 873,432 | 270,109 | 1,038,714 | 233,453 | 848,368 |
| Bray | 541,561 | 5,649,310 | 734,883 | 5,958,209 | 704,429 | 5,505,673 |
| Buncrana | 282,927 | 987,087 | 282,303 | 757,821 | 762,828 | 544,465 |
| Bundoran | 36,039 | 827,363 | 54,630 | 978,347 | 87,232 | 844,621 |
| Carlow | 58,618 | 5,269,495 | 161,463 | 5,250,385 | 110,825 | 4,752,063 |
| Carrick on Suir | 14,523 | 696,414 | 3,253 | 693,665 | 4,606 | 609,132 |
| Carrickmacross | 36,121 | 1,227,694 | 51,037 | 1,245,913 | 88,280 | 1,066,463 |
| Cashel | 0 | 560,543 | 0 | 590,581 | 0 | 541,937 |
| Castlebar | 424,300 | 2,795,815 | 537,165 | 2,997,629 | 682,085 | 2,815,840 |
| Castleblayney | 90,093 | 606,359 | 150,298 | 675,872 | 133,134 | 501,613 |
| Cavan | 259,398 | 1,335,812 | 213,192 | 1,410,533 | 300,985 | 1,542,812 |
| Clonakilty | 12,773 | 1,231,554 | 12,343 | 1,181,500 | 52,862 | 1,194,989 |
| Clones | 65,752 | 367,781 | 51,175 | 301,655 | 128,492 | 295,820 |
| Cobh | 64,784 | 733,836 | 125,741 | 714,659 | 146,664 | 643,627 |
| Dundalk | 874,504 | 10,935,440 | 409,189 | 11,628,327 | 966,133 | 10,538,426 |

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| Authority Name | 2007 | | 2008 | | 2009 | |
|----------------|-------------|---------------|-------------|---------------|-------------|---------------|
| | Written Off | Collected | Written Off | Collected | Written Off | Collected |
| Dungarvan | 434,906 | 2,161,173 | 276,356 | 2,292,390 | 311,792 | 2,021,346 |
| Ennis | 339,577 | 4,167,576 | 540,437 | 4,203,131 | 591,822 | 3,998,872 |
| Enniscorthy | 11,661 | 1,255,359 | 51,780 | 1,490,383 | 58,316 | 1,300,902 |
| Fermoy | 102,313 | 900,112 | 138,402 | 969,786 | 204,826 | 843,543 |
| Kells | 0 | 580,352 | 0 | 529,757 | 0 | 596,111 |
| Killarney | 715,466 | 6,472,091 | 654,326 | 6,707,677 | 833,203 | 6,071,252 |
| Kilrush | 4,793 | 576,627 | 1,970 | 592,527 | 7,777 | 663,293 |
| Kinsale | 15,216 | 988,949 | 51,171 | 748,332 | 14,472 | 867,812 |
| Letterkenny | 154,583 | 4,299,781 | 347,679 | 4,565,637 | 388,328 | 4,264,540 |
| Listowel | 103,557 | 1,542,347 | 217,702 | 1,520,017 | 209,707 | 1,515,865 |
| Longford | 339,919 | 2,236,319 | 339,023 | 2,191,549 | 591,740 | 2,339,321 |
| Macroom | 4,899 | 677,731 | 5,855 | 879,969 | 51,661 | 798,493 |
| Mallow | 56,559 | 2,293,738 | 135,168 | 2,179,513 | 171,242 | 2,110,280 |
| Midleton | 94,332 | 1,469,621 | 80,524 | 1,672,923 | 108,601 | 1,652,934 |
| Monaghan | 308,221 | 2,684,961 | 299,864 | 2,899,056 | 538,040 | 2,415,801 |
| Naas | 5,473 | 5,775,886 | 886 | 6,152,362 | 0 | 5,759,815 |
| Navan | 0 | 1,957,275 | 0 | 2,165,920 | 331,598 | 2,083,747 |
| Nenagh | 177,348 | 2,995,099 | 247,242 | 2,812,389 | 377,330 | 2,740,789 |
| New Ross | 24,976 | 1,043,837 | 12,565 | 1,033,210 | 8,065 | 1,050,605 |
| Skibbereen | 118,618 | 906,502 | 133,064 | 891,432 | 161,644 | 832,117 |
| Templemore | 5,925 | 394,787 | 14,354 | 417,524 | 16,509 | 387,715 |
| Thurles | 121,320 | 2,033,096 | 215,490 | 1,893,539 | 344,008 | 1,724,944 |
| Tipperary | 1,278 | 1,185,974 | 0 | 1,209,697 | 0 | 1,204,559 |
| Tralee | 982,956 | 7,687,025 | 1,179,870 | 7,548,159 | 2,912,370 | 6,788,930 |
| Trim | 0 | 632,203 | 0 | 671,235 | 0 | 632,408 |
| Tullamore | 543,070 | 3,351,668 | 855,628 | 3,480,879 | 736,996 | 3,184,720 |
| Westport | 164,327 | 2,538,082 | 121,984 | 2,584,867 | 149,391 | 2,509,853 |
| Wicklow | 191,001 | 1,180,006 | 230,205 | 1,169,120 | 291,953 | 1,029,552 |
| Youghal | 182,887 | 1,048,613 | 440,598 | 1,046,150 | 339,981 | 1,003,821 |
| Totals | 56,372,575 | 1,232,785,108 | 47,774,005 | 1,276,265,552 | 64,708,517 | 1,263,368,440 |

Waiver Scheme

164. **Deputy Joanna Tuffy** asked the Minister for the Environment, Community and Local Government the position regarding proposals to put in place a national household waste collection waiver system; and if he will make a statement on the matter. [27843/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): The Programme for Government includes a commitment to introduce competitive tendering for household waste collection, under which 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 on the issues involved, designed to inform the policy development process, has recently concluded. The responses received are being examined and I intend to bring policy proposals to Government before the end of the year. The issue of waivers for low income households will be among the issues for consideration in this context.

Consultancy Contracts

165. **Deputy Marcella Corcoran Kennedy** asked the Minister for the Environment, Community and Local Government if he will provide a detailed breakdown for each county, of the retired personnel from his Department on full pensions who are now in consultancy contracts with his Department or local government in tabular form; and if he will make a statement on the matter. [27846/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): In 2010, the last year for which figures are available, eleven retired civil servants in receipt of civil service pensions were re-engaged by my Department on a fee basis at a total cost of €55,415. The abatement principle, which ensures that the fee paid plus pension does not exceed the rate of pay the pensioner would receive if he/she had continued service in their former post, applied to all such payments made. The tasks carried out include membership of expert groups, occasional service on interview boards, value for money reviews and process audits. The information sought in respect of local authorities is not available in my Department.

Departmental Records

166. **Deputy Finian McGrath** asked the Minister for the Environment, Community and Local Government if the submission made to the stakeholder consultations undertaken by him last year as a result of the European Court of Justice ruling on septic tanks and other on-site wastewater treatment systems are available as public record. [27905/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): In October 2010, over 190 stakeholders with a potential interest in the proposed legislation regarding septic tanks and other on-site wastewater treatment systems (including public bodies and representative organisations from the agricultural, environmental, industrial and rural sectors) were invited by my Department to make submissions regarding the implementation of a new inspection and monitoring system for on-site wastewater treatment systems. In total 52 submissions were received.

My Department is making arrangements to contact those stakeholders who made submissions with a view to publication of the submissions on the Department's website as soon as possible.

Housing Management Companies

167. **Deputy Olivia Mitchell** asked the Minister for Justice and Equality if he intends to make regulations under section 19, sinking funds, of the Multi-Unit Developments Act; if that section has actually been commenced; and if he will make a statement on the matter. [27828/11]

Minister for Justice and Equality (Deputy Alan Shatter): The position is that section 19 of the Multi-Unit Developments Act 2011 entered into operation on 1 April 2011. It requires an owners' management company to establish a sinking fund for the purpose of discharging expenditure incurred in respect of the refurbishment and improvement of the multi-unit development, as well as maintenance of a non-recurring nature.

While section 19 contains general provisions in relation to the establishment of a sinking fund and the obligations on unit owners to make contributions to it, subsection (9) makes provision for possible regulations setting out more detailed rules in relation to procedural and operational matters. To date, my Department has not received any requests from relevant stakeholders to make such detailed rules. However, if experience gained from the operation of

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section 19 indicates that more detailed rules would be helpful to owners' management companies, I would have no hesitation in making such regulations.

Voluntary Sector Funding

168. **Deputy Michael Healy-Rae** asked the Minister for Justice and Equality his views on the statement of guiding principles for fund-raising which sets out good practice standards for the sector; if an independent monitoring process is being developed and is expected to commence in January 2012; his views on this matter; the progress that is being made; and if he will make a statement on the matter. [27875/11]

Minister for Justice and Equality (Deputy Alan Shatter): The Irish charities sector, with the support of the Government, has been involved in the development of non-statutory codes of practice to regulate charitable fundraising over a number of years. This project was previously the responsibility of the former Department of Community, Equality, and Gaeltacht Affairs, and responsibility for this function transferred to my Department in May 2011.

Whilst, as I am sure the Deputy is aware, all elements of my Department's discretionary expenditure are currently under review given the pressures on the public finances, I am therefore not in a position to give absolute assurances in relation to *any* possible future commitments at this stage. However, I believe that the interface between charities and the general public in the context of fundraising is key to maintaining and developing public confidence in the Irish charities sector. Officials of my Department have recently met with the sectoral representatives with responsibility for developing these codes, and I am hopeful that my Department will be in a position to continue to provide support for this venture within the limited discretionary resources available.

Residency Permits

169. **Deputy Bernard J. Durkan** asked the Minister for Justice and Equality the current or expected position in respect of residency in the case of a person (details supplied) in Dublin 15; and if he will make a statement on the matter. [27752/11]

Minister for Justice and Equality (Deputy Alan Shatter): I am informed by the Irish Naturalisation and Immigration Service (INIS) that the person concerned was given permission to study in Secondary School which was valid to 30 September 2011. If he wishes to study at third level he should contact his local Immigration Office for further permission to remain. If he is not continuing with his studies he should write to the General Immigration Division in INIS to have his case examined and they will advise this person accordingly.

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.

170. **Deputy Bernard J. Durkan** asked the Minister for Justice and Equality the extent to which the factor of violence in their homeland which presents a threat to life was taken into consideration in respect of an application for residency in the case of a person (details supplied) in County Cork; and if he will make a statement on the matter. [27753/11]

Minister for Justice and Equality (Deputy Alan Shatter): The person concerned applied for asylum on 12th October, 2006. His application was refused following a full consideration of his

case by the Office of the Refugee Applications Commissioner and, on appeal, the Refugee Appeals Tribunal.

Subsequently, in accordance with Section 3 of the Immigration Act 1999 (as amended), the person concerned was notified, by letter dated 30th October, 2007, that the Minister proposed to make a Deportation Order in respect of him. He was given the options, to be exercised within 15 working days, of leaving the State voluntarily, of consenting to the making of a Deportation Order or of making representations to the Minister setting out the reasons why he should not have a Deportation Order made against him. In addition, he was notified of his entitlement to apply for Subsidiary Protection in accordance with the provisions of the European Communities (Eligibility for Protection) Regulations 2006.

The person concerned submitted an application for Subsidiary Protection. This application was fully considered under all of the relevant headings before a decision was taken to refuse that application. The person concerned was advised of the refusal of his Subsidiary Protection application by letter dated 8th March, 2011.

The case file of the person concerned, including all representations submitted, was then considered under Section 3(6) of the Immigration Act 1999 (as amended) and Section 5 of the Refugee Act 1996 (as amended) on the prohibition of refoulement before a Deportation Order was made in respect of him on 15th July, 2011. This Order was served by registered post dated 26th July, 2011. Once this Order was served on the person concerned, he was legally obliged to comply with any reporting requirements placed on him by the Garda National Immigration Bureau.

I am satisfied that the case of the person concerned has been given the fullest consideration at all stages of the asylum and immigration processes. As a result, I am satisfied that the decision taken to make a Deportation Order in his case was justified. I should remind the Deputy that queries in relation to the status of individual immigration cases may be made directly to INIS by Email using the Oireachtas Mail facility which has been specifically established for this purpose. The service enables up-to-date information on such cases to be obtained without the need to seek this information through the more administratively expensive Parliamentary Questions process.

Visa Applications

171. **Deputy Finian McGrath** asked the Minister for Justice and Equality the position regarding a visa in respect of a person (details supplied). [27761/11]

Minister for Justice and Equality (Deputy Alan Shatter): It would appear based on the details provided by the Deputy that the issue at hand relates to a visa application for Australia. Immigration matters relating to Australia are entirely a matter for the Immigration authorities of that country and Ireland has no role or involvement in such matters.

Legislative Programme

172. **Deputy Finian McGrath** asked the Minister for Justice and Equality the position regarding the Property Services (Regulation) Bill 2009 [*Seanad*]. [27762/11]

Minister for Justice and Equality (Deputy Alan Shatter): The position is that the Dáil Committee Stage is scheduled for 19 October. The Bill has already completed all stages in the Seanad.

Crime Levels

173. **Deputy Seán Ó Fearghail** asked the Minister for Justice and Equality the number of tiger kidnappings that occurred per annum from 2005 to 2010; and the number of tiger kidnappings to date in 2011. [27770/11]

Minister for Justice and Equality (Deputy Alan Shatter): I am informed by the Garda Authorities that the number of so-called “tiger” kidnappings that occurred in the period 2005- 2010 is set out in the following table.

| Year | No. of incidents recorded |
|------|---------------------------|
| 2010 | 8 |
| 2009 | 6 |
| 2008 | 2 |
| 2007 | 5 |
| 2006 | 4 |
| 2005 | 1 |

To date in 2011 (to 4 October 2011) 6 so-called ‘tiger’ kidnappings have taken place.

Garda Recruitment

174. **Deputy Thomas P. Broughan** asked the Minister for Justice and Equality the number of Garda promotions at the ranks of sergeant, inspector, superintendent, chief superintendent and assistant commissioner that have been approved; if additional posts at these ranks are likely before the end of 2011; and if he will make a statement on the matter. [27821/11]

Minister for Justice and Equality (Deputy Alan Shatter): Shortly after taking office, I received sanction from the Minister for Public Expenditure and Reform for the filling of six senior Garda posts and on 22 March 2011 the Government appointed one Deputy Commissioner, one Assistant Commissioner, one Chief Superintendent and three Superintendents in An Garda Síochána. Further derogations were also received in August for the promotion of four Gardaí to Sergeant and four Sergeants to Inspector.

The Deputy will be aware that the moratorium on recruitment and promotions in the Public Service continues to apply to the Garda Síochána for both sworn members and civilian support staff. The situation is continually kept under review by the Garda Commissioner and further derogations can be sought, in exceptional circumstances, from the Minister for Public Expenditure and Reform. In this regard, I have received sanction for the Commissioner to establish promotional panels from which future appointments may be made.

Citizenship Applications

175. **Deputy Ciara Conway** asked the Minister for Justice and Equality if he will grant a person (details supplied) in County Waterford temporary Garda National Immigration Bureau registration while the person’s naturalisation application is being processed; and if he will make a statement on the matter. [27825/11]

Minister for Justice and Equality (Deputy Alan Shatter): I wish to advise the Deputy that the person in question was granted permission to remain under the provisions of the European Communities (Free Movement of Persons) Regulations 2006 and 2008 for a period of 5 years on 9 May 2006. This permission expired on 25 September 2011. It is now open to the person in question to submit an application for a permanent residence card under the provisions of

the aforementioned Regulations to the EU Treaty Rights Section of the Irish Naturalisation & Immigration Service (INIS) of my Department. Details on how to do so can be found on the INIS Website, www.inis.gov.ie.

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.

Pension Provisions

176. **Deputy Billy Timmins** asked the Minister for Justice and Equality the charges due to be implemented for prison officers who retire after February 2012; and if he will make a statement on the matter. [27831/11]

Minister for Justice and Equality (Deputy Alan Shatter): The administration of public service pensions and the arrangements to apply are a matter for my colleague, the Minister for Public Expenditure and Reform.

Garda Stations

177. **Deputy Denis Naughten** asked the Minister for Justice and Equality when Clonark Garda station, County Roscommon, will be occupied by the gardaí; and if he will make a statement on the matter. [27852/11]

Minister for Justice and Equality (Deputy Alan Shatter): The programme of replacement and refurbishment of Garda accommodation around the country is progressed by the Garda authorities working in close co-operation with the Office of Public Works, who have responsibility for the provision and maintenance of Garda accommodation.

I am informed by the Garda authorities that, following completion of its renovation, the station referred to by the Deputy is expected to be available for Garda use shortly.

Visa Applications

178. **Deputy Finian McGrath** asked the Minister for Justice and Equality if he will review a matter (details supplied) regarding a visa extension. [27908/11]

Minister for Justice and Equality (Deputy Alan Shatter): As the Deputy will be aware the *'New Immigration Regime for Full Time Non-EEA Students'* was published in September 2010 and has been in operation since 1 January 2011. A number of the recommendations contained in the Report came into effect from 1 January 2011 including the introduction of maximum periods of residence in the State on foot of a student permission and the introduction of a differentiated approach between “Degree Programme” courses and those at the “Language or Non-Degree Programme” level. In addition, *“Guidelines for non-EEA national students registered in Ireland before 1 January, 2011”*, which clarify the position in relation to a non-EEA student registered in Ireland prior to that date, have been available on the INIS website at www.inis.gov.ie since January 2011. The Deputy may also wish to note that an e-mail facility — studentreviewgroup@justice.ie — has been in operation to address queries raised by non-EEA students with regard to the operation of the new regime.

I am advised by the Immigration and Naturalisation Service (INIS) of my Department that the persons referred to by the Deputy have been dealt with in accordance with the new rules

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outlined in the New Immigration Regime for Full Time Non-EEA Students and as clearly set out in the guideline notes available on the INIS website.

However it is open to the persons referred to by the Deputy to write directly to studentreviewgroup@justice.ie clearly setting out full details of their case. In any such correspondence the persons referenced should outline in detail the efforts made to secure an employment permit as part of the special “Timed Out” student permission which allows — as a special concession — “Timed Out” Students to apply for an employment permit/green card from within the State. Upon receipt of this information this case will be considered further.

Grant Payments

179. **Deputy Pat Breen** asked the Minister for Agriculture, Fisheries and Food, further to Parliamentary Question No. 785 of 14 September 2011, when payment will issue to a person (details supplied); and if he will make a statement on the matter. [27764/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): The person named was approved for participation in the Agri-Environment Options Scheme with effect from 1 November 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. A query arose in relation to the application from the person named in relation to the area cross-check with the Single Payment Scheme application. This particular problem is now being addressed with a view to issuing payment as quickly as possible. In the event of any further queries arising, my Department will be in direct contact with the person named.

180. **Deputy Mattie McGrath** asked the Minister for Agriculture, Fisheries and Food when a disadvantaged area payment will be made to a person (details supplied) in County Tipperary; the reason for the delay; the reason this delay has been caused again this year when the person in question was informed last year that mapping would not cause a delay in the future; when it is expected that this payment will issue; his views whether this delay is acceptable; and if he will make a statement on the matter. [27785/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): An application under the Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 29 April 2011. This application was selected for and was the subject of a Ground Eligibility and Full Cross Compliance Inspection. The inspection process is now complete and payment under the Disadvantaged Area Scheme will issue shortly. Under EU regulations governing the Disadvantaged Areas Scheme and the Single Payment Scheme, all Ground Eligibility Inspections must be completed before any payment can issue to any applicant under either scheme. In the majority of inspected cases, amendments have had to be made to the maps in order that the Land Parcel Identification System that is used for making payments to farmers is updated. When processing these amendments priority is given to applications that were the subject of a Ground Eligibility Inspection.

181. **Deputy Michelle Mulherin** asked the Minister for Agriculture, Fisheries and Food the position regarding the area aid application in respect of a person (details supplied) in County Mayo; if there are any outstanding matters pertaining to this application; if he will set out same; and if he will make a statement on the matter. [27816/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): An application under the 2011 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 20 April 2011. The processing of the application has recently been completed, thereby allowing payment to issue under the 2011 Disadvantaged Area Scheme on 4 October 2011. The 50% advance payments under the Single Payment Scheme are scheduled to commence issuing as and from 17 October 2011.

Animal Diseases

182. **Deputy Patrick O'Donovan** asked the Minister for Agriculture, Fisheries and Food the reason a farmer gets listed for contiguous testing; the justifications there are for this; if this testing is compulsory; the restrictions that are imposed on such farmers; and if he will make a statement on the matter. [27829/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): A farmer may be listed for a contiguous test if his or her herd is identified as being contiguous to infective fragments of a high-risk TB breakdown. The purpose of the contiguous herd test is to prevent and control the spread of TB from herds contiguous to a TB breakdown to herds that are otherwise clear. This test is compulsory. Under existing arrangements, following the disclosure of reactors in a herd and the subsequent categorisation of the herd as high-risk, notices are issued to those herds contiguous to the infected fragment and a contiguous testing programme is undertaken in those herds, provided that the herd has not been tested in the previous four months. Currently, such herds are free to trade until the test commences. However, experience has shown that a significant number of animals from such herds move to other clear herds before the test is conducted and introduce TB into those herds. In view of this and in line with my Department's policy of confining the disease to the herds where it is detected, my Department intends to impose a temporary trade restriction on holdings contiguous to a herd in which TB has been disclosed in the case of high risk breakdowns. In such cases, trading status would be immediately restored once the herd passes the contiguous test.

Grant Payments

183. **Deputy Paul J. Connaughton** asked the Minister for Agriculture, Fisheries and Food the reason an area based payment has not been made to a person (details supplied) in County Galway; and if he will make a statement on the matter. [27883/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): An application under the 2011 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 12 May 2011. The processing of the application has recently been completed and payment under the 2011 Disadvantaged Area Scheme issued to the applicant on 4 October 2011. The 50% advance payments under the Single Payment Scheme are scheduled to commence issuing as and from 17 October 2011.

Common Agricultural Policy

184. **Deputy Micheál Martin** asked the Minister for Agriculture, Fisheries and Food the contacts he has initiated with other EU leaders concerning proposed changes to the Common Agricultural Policy. [24704/11]

Minister for Agriculture, Fisheries and Food (Deputy Simon Coveney): Since I was appointed Minister on 9 March last, I have had formal bilateral meetings with my French, UK, Spanish and Danish Ministerial colleagues. I have taken the opportunity to meet formally with my Ministerial colleagues from the other Member States and the EU Commission at the EU

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Council of Agriculture Ministers meetings held in Brussels and Luxemburg and also at the Informal Ministerial Councils held in Hungary and Poland. The main purpose of these contacts was to build alliances with like-minded Member States regarding the upcoming reform of the CAP. Most recently, I met my French counterpart, Bruno Le Maire, in Paris last week and we agreed a common set of priorities for the forthcoming negotiations, namely to ensure the negotiations for the next EU budget framework deliver at least a stable budget for the CAP to support sustainable food production in the EU; to obtain the necessary flexibility for Member States in relation to payment models and transition arrangements for distribution of single payment funds to farmers; to ensure that future greening of the direct income support schemes should be simple to apply both for farmers and Member State administrations and should not entail additional costs for either, with the scope of the greening being pegged to the budgetary resources allocated to the CAP; to ensure an appropriate market support framework for agricultural markets, including economic and sanitary measures, that is capable of responding flexibly as the need arises; and to keep CAP processes as simple and as effective as possible and to minimise unnecessary bureaucracy for the farmer and costs for the Member State. As negotiations intensify over the coming period, I will continue to interact with my Ministerial colleagues and with the Commission and European Parliament.

National Lottery Funding

185. **Deputy Robert Troy** asked the Minister for Children and Youth Affairs if she will expedite an application for national lottery funding in respect of a project (details supplied) in County Westmeath. [27763/11]

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): My Department has received an application for funding from the 2011 National Lottery allocation from the organisation in question. The Deputy might note that this is one of a large number currently being assessed by my Department and I will keep him informed of the outcome of the application as soon as a decision has been made.

Child Abuse

186. **Deputy Denis Naughten** asked the Minister for Children and Youth Affairs further to Parliamentary Question No. 242 of 9 November 2010, when the review will be published; the reason for the delay in publishing this report; and if she will make a statement on the matter. [27804/11]

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): As this is a service matter it has been referred to the HSE for direct reply.

Youth Services

187. **Deputy Olivia Mitchell** asked the Minister for Children and Youth Affairs if she will give consideration to the request for funding from a programme (details supplied) in view of its potential to leverage a large and very valuable voluntary input from the community; and if she will make a statement on the matter. [27827/11]

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): The 2011 budget allocation for the Youth Affairs Unit of my Department is €60.154m on current expenditure and €800,000 on capital expenditure. This funding supports the delivery of a range of youth work programmes and services for all young people, including those from disadvantaged communities through grants in aid.

Foróige is currently in receipt of €6.037m from Youth Affairs Unit for projects run under a number of schemes including the Youth Service Grant Scheme, Special Projects for Youth Scheme, four (4) Youth Information Centres and for a number of projects under the Young People's Facilities and Services Fund (Rounds 1 and 2).

The Youth Affairs Unit of my Department is aware of the Big Brother Big Sister Programme which is run by Foróige. However, having regard to the reductions in public expenditure that must be achieved by Government Departments and State Agencies and the limited funding available, it was not possible to consider funding for the programme in 2011. In light of expected budgetary constraints in 2012, it is unlikely that any new applications for funding will be considered next year.

Mental Health Services

188. **Deputy Ciara Conway** asked the Minister for Children and Youth Affairs the progress being made on waiting lists for psychological services at the community child care centre at Waterford Regional Hospital in view of the fact that Waterford families are being faced with a wait of at least one year for such services; if resources will be prioritised to tackle this backlog; and if she will make a statement on the matter. [27958/11]

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): As this is a service matter it has been referred to the HSE for direct reply.

Tobacco Control Measures

189. **Deputy Brendan Griffin** asked the Minister for Health if he will consider initiating a public awareness campaign on the dangers of consuming counterfeit tobacco products; and if he will make a statement on the matter. [27732/11]

Minister for Health (Deputy James Reilly): The Office of the Revenue Commissioners has responsibilities in the area of detection of counterfeit and contraband tobacco products. Smuggling cigarettes into Ireland is illegal and penalties prescribed in this regard reflect the gravity of such acts; however, policy with respect to the consumption of cigarettes is largely oriented towards reducing smoking — and it does not discriminate between the consumption of legal or illegal cigarettes. This is predicated on the fact that one in every two smokers will die from a tobacco-related disease — a stark fact that is central to the HSE's health education QUIT campaign aimed at encouraging smokers to quit.

With regard to the measures being taken to reduce smoking, it seems appropriate to firstly reflect on the comprehensive range of tobacco control legislation that has been introduced in Ireland since 2002, particularly the successful implementation of the smoke-free initiative in 2004; the ban on the sale of packs of cigarettes of less than 20 in 2007; and the ban on in-store display and advertising and the introduction of the retail register in 2009. This comprehensive nature of our tobacco control legislation places Ireland in the top rank of countries internationally in this regard. Ultimately, the legislation further de-normalises smoking among children and will, I believe, reduce childhood initiation in the long term.

In addition to the HSE's QUIT campaign, other measures to encourage people to quite smoking include Nicotine Replacement Therapies (NRT) — which are available to medical card holders — and Smoking Cessation Services within the Health Service Executive that offer services in different areas -where available. Specialist Smoking Cessation Counsellors are trained to deliver these services on full time, part time and sessional basis nationally. Health Promotion Departments within the HSE also offer an extensive programme of training that includes developing skills for health care practitioners to support people wishing to stop smok-

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ing; they also provide support to schools around the issue of smoking and substance misuse, and support to workplaces on developing smoking policies.

The HSE funds the National Smokers Quitline which, in conjunction with the Irish Cancer Society, provides a smoking cessation advice and support service. This provides the public with access to a telephone support service from a trained smoking cessation counsellor. Referral to local smoking cessation services can also be arranged and a quitting booklet is offered and sent out to all callers who request it.

Finally, there is a range of measures under consideration by the Tobacco Policy Review Group (TPRG) including price, enforcement of existing legislation and cessation services. I anticipate that the report of the TPRG will be completed in the coming months and that this will be brought to Government for decision.

Health Services

190. **Deputy Billy Kelleher** asked the Minister for Health the position regarding the report on the admissions policy for a home (details supplied) in County Cork; if he will ensure the retention of this service; and if he will make a statement on the matter. [27737/11]

191. **Deputy Billy Kelleher** asked the Minister for Health if he intends to honour the commitment he gave last July to meet a committee (details supplied) in County Cork; if so, when the meeting will take place; and if he will make a statement on the matter. [27738/11]

Minister of State at the Department of Health (Deputy Kathleen Lynch): I propose to take Questions Nos. 190 and 191 together.

The Deputy's questions regarding future services at a home in County Cork and its admission policy are service matters for the Health Service Executive. Accordingly they have been referred to the HSE for direct reply. Requests to meet my colleague Minister Reilly are normally arranged through his Office. Such requests can be made electronically to ministersoffice@health.gov.ie. I suggest that a representative from the Group to which the Deputy refers, contact the Minister's Office and officials will be able to assist with the request accordingly.

Medical Cards

192. **Deputy Bernard J. Durkan** asked the Minister for Health if and when a medical card will issue in respect of a person (details supplied) in County Kildare; and if he will make a statement on the matter. [27740/11]

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.

193. **Deputy John McGuinness** asked the Minister for Health if he will expedite an application for a full medical card in respect of a person (details supplied) in County Kilkenny; and if he will indicate a timeframe for dealing with the matter. [27749/11]

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.

194. **Deputy John McGuinness** asked the Minister for Health if he will expedite the approval of a medical card in respect of a person (details supplied) in County Kilkenny. [27750/11]

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.

Hospital Staff

195. **Deputy Seán Crowe** asked the Minister for Health the reason fourth year student nurses who are entering their fourth year internship within the hospital system, and who will work a 37 hour week as full members of staff under supervision, now face a further reduction in their wages; and the progress made in reviewing the situation facing staff nurses. [27759/11]

Minister for Health (Deputy James Reilly): Last Autumn the previous Government decided to implement a range of budgetary measures including the phased abolition of pay to student nurses when undertaking the rostered placement, with progressive reductions from 2011 to 2014 and abolition from 2015. This decision was also made in the context of the favourable manner, compared with other countries, in which Ireland has treated student nurses as paid employees for part of their education programme while giving them the same status as other university students.

Following my appointment, I requested a review of this decision and invited the nursing unions to become involved in the process. I also advised that a more general review of the degree programme for nurses would follow. The promised review of the pay issue is under way at present.

Water Services

196. **Deputy Finian McGrath** asked the Minister for Health if he will review a matter regarding health and safety at a location (details supplied) in Dublin 9. [27765/11]

Minister for Health (Deputy James Reilly): The matter referred to does not fall within the remit of my Department.

I am advised by the Department of Environment, Community and Local Government that under the Water Services Act, 2007, the owner/occupier of a premises has a responsibility to ensure that their drains do not cause a nuisance while the local authorities are responsible for the operation and maintenance of wastewater collection and treatment systems. I will arrange that the matter be referred to my colleague, Mr. Phil Hogan, T.D., Minister for the Environment, Community and Local Government for his consideration and direct reply to you.

Home Help Service

197. **Deputy Finian McGrath** asked the Minister for Health if he will review a matter regarding home help in respect of a person (details supplied) in Dublin 3. [27766/11]

Minister of State at the Department of Health (Deputy Kathleen Lynch): As this is a service matter it has been referred to the Health Service Executive for direct reply.

Medical Cards

198. **Deputy Brendan Griffin** asked the Minister for Health the reason a person (details supplied) in County Kerry will not be granted a medical card; and if he will make a statement on the matter. [27768/11]

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.

Hospital Staff

199. **Deputy Billy Kelleher** asked the Minister for Health if his attention has been drawn to the fact that the only paediatric rheumatologist in the country is due to go on maternity leave in November; the plan of action that has been put in place to provide clinic and emergency services to the 1,000 or so juveniles suffering from arthritis in the country; and if he will make a statement on the matter. [27783/11]

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 Waiting Lists

200. **Deputy Seán Conlan** asked the Minister for Health if an appointment will be arranged with a neurologist in Beaumont Hospital, Dublin, as a matter of urgency in respect of a person (details supplied) in County Monaghan; and if he will make a statement on the matter. [27787/11]

Minister for Health (Deputy James Reilly): As this is a service matter, it has been referred to the Health Service Executive for direct reply.

Mental Health Services

201. **Deputy Dominic Hannigan** asked the Minister for Health his plans for mental health service staffing level in 2012; if these plans will be consistent with the commitments made in the vision for change policy document; and if he will make a statement on the matter. [27791/11]

202. **Deputy Dominic Hannigan** asked the Minister for Health his plans for the continued roll out of community mental health teams in 2012; the financial commitment this will take from the 2012 health budget; and if he will make a statement on the matter. [27792/11]

203. **Deputy Dominic Hannigan** asked the Minister for Health the current progress of the introduction of the Directorate for Mental Health Services; and if he will make a statement on the matter. [27793/11]

205. **Deputy Dominic Hannigan** asked the Minister for Health the Departments he is working with to create employment opportunities for persons with mental health difficulties; and if he will make a statement on the matter. [27795/11]

Minister of State at the Department of Health (Deputy Kathleen Lynch): I propose to take Questions Nos. 201 to 203, inclusive, and 205 together.

This Government is committed to implementing *A Vision for Change* and reforming our model of healthcare delivery so that more and better quality care is delivered in the community. In this regard I have asked the HSE to prepare an implementation plan, which will identify specific recommendations of *A Vision for Change* that can be progressed over the next three years, with timelines, detailed costs, structures and identifiable person(s) responsible for driving the change including delivery on the commitments in our Programme for Government. The question of a Directorate for mental health and issues related to staffing levels particularly in community mental health teams will be examined in this context.

It is the Government's intention that over time access to modern mental health services in the community will be significantly improved. The Programme for Government includes a commitment to ring-fence €35 million annually from within the health budget to develop com-

munity mental health teams and services. This is currently being considered as part of the Estimates process for 2012 and future years.

A Vision for Change also recognised that all citizens should be treated equally and that access to employment for people with mental health difficulties should be on the same basis as any other citizen. We are endeavouring, through housing, education and community based health care, to provide the environment in which employment opportunities can be availed of by all on an equal basis.

204. **Deputy Dominic Hannigan** asked the Minister for Health the point at which the plans to close inadequate psychiatric hospitals and provide community based accommodation in its place; if there is a departmental timeline that is being followed to implement the transfer of service users to the new accommodation; and if he will make a statement on the matter. [27794/11]

Minister of State at the Department of Health (Deputy Kathleen Lynch): *A Vision for Change* provides a framework for action to develop a modern, high quality mental health service over a 7 to 10 year period. It recommends that steps be taken to bring about the closure of all psychiatric hospitals and that the resources released by these closures should be reinvested in the mental health service. It emphasises that this process should take place on a phased basis with wards closing sequentially as the clinical needs of the remaining patients are addressed in more appropriate settings, such as additional community residences, day hospitals and day centres. *A Vision for Change* describes a wholly new service model which is designed around the service user, is recovery oriented and community based.

Significant progress has been made in closing the old traditional psychiatric hospitals and providing modern acute in-patient facilities. Progress has also been made in providing appropriate alternative continuing care accommodation for those service users who require such accommodation.

Following are details of the psychiatric hospitals which have now closed or have closed to acute admissions;

| Traditional Psychiatric Hospital Closed / Closed to new admissions | |
|--|---|
| HSE West: | St. Conal's Letterkenny St. Columba's Sligo St. Mary's, Mayo St. Patrick's, Roscommon Our Lady's, Clare |
| HSE South | Our Lady's, Cork St. Canice's, Kilkenny St. Senan's, Wexford St. Otteran's, Waterford St. Dymphna's, Carlow |
| HSE Dublin Mid Leinster | St. Brendan's, Grangegorman |
| HSE DNE | St. Ita's, Portrane |

Closure plans are in place for the remaining old hospitals; however hospitals will only close when the clinical needs of the remaining patients have been addressed in more appropriate community based settings.

Question No. 205 answered with Question No. 201.

206. **Deputy Dominic Hannigan** asked the Minister for Health the number of rehabilitation and recovery teams currently in place here to support persons with a mental health problem to enable them to live independently in the community; the plans there are to increase this number as older psychiatric wards close; and if he will make a statement on the matter. [27796/11]

Minister of State at the Department of Health (Deputy Kathleen Lynch): *A Vision for Change* sets out a comprehensive framework for the development of all mental health services over a 7 to 10 year time frame and contains some 200 recommendations. The Report proposes a holistic view of mental illness and recommends an integrated multidisciplinary approach to addressing the biological, psychological and social factors that contribute to mental health problems. It recommends a person centred treatment approach which addresses each of these elements through an integrated care plan, reflecting best practice, and evolved and agreed with both service users and their carers. The aim is to move from the traditional institutional based model of care to a patient-centred, flexible and community based mental health service, where need for hospital admission is greatly reduced, while still providing in-patient care when appropriate.

The core unit of mental health service delivery for adults is the General Adult Community Mental Health Team of which there are 124 in place nationally. The Community Mental Health Team provides secondary care to individuals living in their own home or in supported accommodation within their own community. Rehabilitation and Recovery Teams are specialised mental health teams who provide services to those with severe and enduring mental illness to move towards recovery. There are currently 16 Rehabilitation and Recovery Community Mental Health Teams nationally.

The Programme for Government includes a commitment to ring-fence €35 million annually from within the health budget to further develop community mental health teams and services. This is currently being considered as part of the Estimates process for 2012 and future years.

Hospital Staff

207. **Deputy Tom Fleming** asked the Minister for Health if he will appoint an ophthalmology surgeon to Tralee General Hospital, County Kerry. [27802/11]

Minister for Health (Deputy James Reilly): As this is a service matter, it has been referred to the HSE for direct reply.

Official Engagements

208. **Deputy Thomas P. Broughan** asked the Minister for Health the number of times he has visited Beaumont Hospital, the Mater Hospital and St. Joseph's Hospital, Raheny, Dublin since he became Minister; and if he will make a statement on the matter. [27822/11]

Minister for Health (Deputy James Reilly): I have visited the Mater hospital twice since my appointment as Minister to attend two conferences which were hosted there. These were:

- a conference on Joint Cardiology and & Cardiothoracic Nursing on May 20th;
- a conference on Colorectal Cancer on September 16th.

I have not, to date, visited either Beaumont Hospital or St. Joseph's Hospital. However I have received invitations to visit a number of Dublin hospitals and these invitations are being considered and will be responded to in due course.

Departmental Properties

209. **Deputy John McGuinness** asked the Minister for Health the use that was made by him or the Health Service Executive of a property at Myshall, County Carlow, obtained by him or the HSE through the Office of Public Works from the Department of Justice and Equality; the original cost of the property; the value of the property now; the cost of security for the property since its original purchase; the plans if any for the property; if submissions have been made at any time by organisations in the health area for use of this property; and if he will make a statement on the matter. [27840/11]

Minister for Health (Deputy James Reilly): Your question has been referred to the Health Service Executive for direct reply as estate management is a service issue.

Medical Cards

210. **Deputy Michael Healy-Rae** asked the Minister for Health the position regarding a medical card application in respect of a person (details supplied) in County Kerry; and if he will make a statement on the matter. [27873/11]

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.

211. **Deputy Michael Healy-Rae** asked the Minister for Health the position regarding a medical card in respect of a person (details supplied) in County Cork; and if he will make a statement on the matter. [27874/11]

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

212. **Deputy Finian McGrath** asked the Minister for Health the position regarding a case in respect of a person (details supplied) [27903/11]

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.

213. **Deputy Jerry Buttimer** asked the Minister for Health if the diabetic retinopathy screening programme will not commence in the first quarter of 2012; when it is anticipated that the screening programme will commence; and if he will make a statement on the matter. [27906/11]

Minister for Health (Deputy James Reilly): Retinopathy screening is ongoing in the Northwest region and in addition, the National Diabetes Working Group is developing — among other things — a national diabetic retinopathy screening programme through the National Screening Programme (NCSS) — which was formally requested earlier this year by the HSE National Directorate of Clinical Strategy and Programmes to start the development of the retinopathy screening programme. This work has started; however, the development of the programme will inevitably prove protracted given the scale of the work involved in establishing such a new programme — especially given the fundamental principle that quality assured outcomes for diabetic patients is not compromised; and on this basis, it is not anticipated that it will be ready to start in the first quarter of 2012. The NCSS will be in a position to provide an update on a start-date for the programme in January.

General Medical Services Scheme

214. **Deputy Ciara Conway** asked the Minister for Health the measures available to a person (details supplied) in County Waterford to recoup the expenses incurred; the measures that can be put in place to avoid similar situations like this in the future; and if he will make a statement on the matter. [27959/11]

Minister of State at the Department of Health (Deputy Róisín Shortall): As this is a service matter it has been referred to the HSE for direct reply.

Public Transport

215. **Deputy Thomas P. Broughan** asked the Minister for Transport, Tourism and Sport the number of buses in the Bus Éireann fleet for the years 2007, 2008, 2009, 2010 and to date in 2011; and if he will make a statement on the matter. [27823/11]

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): The issue raised is an operational matter for Bus Éireann. I have referred the Deputy's question to the company for direct reply. Please advise my private office if you do not receive a reply within ten working days.

Road Network

216. **Deputy Thomas P. Broughan** asked the Minister for Transport, Tourism and Sport the number of cars, motorbikes, light vans, buses and HGVs that have used the Dublin Port Tunnel for the years 2007, 2008, 2009, 2010 and to date in 2011; and if he will make a statement on the matter. [27824/11]

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): As Minister for Transport, Tourism and Sport, I have responsibility for overall policy and funding in relation to the national roads programme. The implementation and management of individual national road projects, including the Dublin Port Tunnel, is a matter for the National Roads Authority (NRA) under the Roads Acts 1993-2007, in conjunction with the relevant local authorities concerned. Noting the above position, I have referred the Deputy's question to the NRA for direct response. Please advise my private office if you do not receive a response within ten working days.