

DÁIL ÉIREANN

*Dé Céadaoin, 19 Deireadh Fómhair 2011.
Wednesday, 19 October 2011.*

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

Paidir.

Prayer.

Leaders' Questions

Deputy Micheál Martin: I am sure the Taoiseach will agree this is a very difficult and shattering morning for employees in Aviva, given that the company has confirmed that there will be up to 950 job losses. This is a devastating blow to workers, their families, the surrounding communities and the economy in general. It will be felt particularly by those working in Dublin, Cork and Galway.

Last September Aviva confirmed a company review in which job losses of this magnitude were flagged. At the time the Taoiseach stated he was “concerned” about the uncertainty caused by the announcements made at that stage and the comments in the media, which caused great anxiety for those who worked in Aviva. He added that the Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton, and representatives of the IDA would be in direct contact with the company. Yesterday, the Minister stated he had been briefed by the company last week on some of the issues involved. He also indicated that they had discussed opportunities which the IDA had identified in respect of the company’s long-term plans and that the final details would be discussed with the company’s workforce. I understand that is happening.

There is a big difference, however, between being briefed and engaging with a company. What issues were discussed between the Minister and personnel from Aviva? Were measures taken to address areas of concern in Aviva to prevent the extensive job losses which have now been confirmed? Since the flagging of job losses in September, has the Taoiseach met or been in direct contact with Aviva headquarters to try to avert these extensive job losses or deal with these issues with the company? Specifically, has he met the chief executive officer of Aviva Europe, Mr. Igal Mayer, who I understand is in Dublin this morning?

The Taoiseach: This is an awful day for employees at Aviva. Those of us who have served in this House during the years will have experienced the shock, anxiety and consequences of job losses of any scale. Jobs give people dignity and the opportunity to contribute to the local economy, as well as to maintain their own lifestyle and family life. In that respect, I share the empathy of everybody in the House at the announcement made by Aviva management to workers in the Irish centres. It was in 2009 when Aviva announced its intention to restructure its 12 separate businesses across Europe, excluding the United Kingdom and the Benelux countries. This process has been ongoing since and there has been a series of leaks, rumours and speculation, which has added to the concern and anxiety of the workforce.

[The Taoiseach.]

I do not have a copy of Aviva's formal statement. I did not meet the European chief executive, but, as far as I know, the Minister for Jobs, Enterprise and Innovation met local, regional and European managers. When this first became known some time ago, there was an offer to have IDA Ireland stand ready to assist the company with the new outsourced jobs referred to to be based in Ireland but which would deal with issues arising abroad. IDA Ireland can only deal with that element of the company. I understand from reports that the jobs referred to will be based in Ireland. I also understand the details of the announcement made will take effect from March next year for two years. Deputy Martin is aware that Aviva acquired Hibernian, a company of long-standing in Ireland, and many of the workforce were employed by Hibernian in the first instance.

This is a stark reminder of what the Government must do in facing the competitiveness challenge for a range of companies and employment creation in general. The Deputy is also aware that the Clearing House Group of the Irish Financial Services Centre, IFSC, which is chaired by the Secretary General of the Department of the Taoiseach, is constantly considering the question of the further attraction of insurance jobs to Ireland. There has been much success in this regard in the IFSC. What is happening is a major shock for those directly involved and a stark reminder to everybody of the long road we must travel to have our competitiveness at a level at which we can protect jobs across the spectrum and grow the economy to a point where we will enjoy prosperity and create opportunities for all the people.

Like the Deputy, I feel for the employees of Aviva and, in so far as the Government can assist, it will. IDA Ireland has already been instructed by the Minister for Jobs, Enterprise and Innovation to work with the company where it can do so, but it remains to be seen what details are being given to the workers about the redundancy packages on offer, etc. I understand the decision will take effect from March next year for two years. We must focus continuously on what we must do as a country to have our competitiveness level right in order that we will be able to withstand such shocks. I empathise with the Deputy on his point about the distress caused for some workers this morning.

Deputy Micheál Martin: I am disappointed the Taoiseach did not engage with the company, given the concerns he articulated in the Dáil last September. Given the scale of the job losses announced, close to 1,000, I do not get a sense from the Taoiseach's comments that there has been real engagement by the Government with the company either to restructure or otherwise avert some of the job losses announced. What we are hearing from the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, is about making contact and briefings. That is a far cry from actively and proactively engaging to try to change the situation, difficult and all as it may be. The Taoiseach knows the details announced this morning, as does the Minister. This is the national Parliament. The full details should be confirmed in the House because the Taoiseach knows every detail of what is being announced——

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

Deputy Micheál Martin: ——as the Minister has confirmed. In addition, in that context, will the European Stabilisation Fund be applied and activated? Has the Taoiseach received any indication from other companies in the insurance sector about job losses? Has he had direct contact with the leaders of the industry? He mentioned the Clearing House Group. The announcement could signal a serious issue within the insurance sector generally. I hope it does not, but, nonetheless, it flags an issue. In that context, has the Government dealt with the sector generally to avert future job losses and provide alternatives for the jobs lost?

An Ceann Comhairle: Before the Taoiseach replies, I have already selected this matter as the subject of a Topical Issues debate later in the day.

The Taoiseach: The answer to Deputy Martin's question is that I do not have all the details of the announcement. I understand management is speaking to the workforce. The Minister for Jobs, Enterprise and Innovation has been speaking to the company directly, which is his responsibility.

Deputy Micheál Martin: He knows.

The Taoiseach: He has instructed IDA Ireland to work with the company to see what it can do. When I was in the IFSC recently, I talked to a range of facility providers. The Deputy is aware of the extent of employment provided in the IFSC. I have had no other contact with any insurance company about employment.

Deputy Micheál Martin: The Taoiseach should have, given what has happened. That is the point.

The Taoiseach: The Deputy should allow me to finish my sentence. He asked me a loaded question as to whether I had been contacted by another insurance company about any other announcement to be made.

Deputy Micheál Martin: No, I did not ask that question.

An Ceann Comhairle: Deputy, please.

The Taoiseach: If Deputy Martin will allow me to finish, I will inform him that I took the opportunity to visit the IFSC——

Deputy Timmy Dooley: The Taoiseach is spending too much time walking around to talk to people.

The Taoiseach: ——to speak to promoters about their views on how we could enhance our position to continue to attract quality jobs to the country and the IFSC, in particular. That is why I say the situation, unfortunately, is a very stark reminder of the scale of the challenge the country faces in becoming competitive, to protect employment and to be able to create new jobs. If we do not deal with that issue as a country, we will continue to make ourselves uncompetitive.

Deputy Micheál Martin: That is why the Taoiseach should meet the industry. That is the point.

The Taoiseach: The Deputy seemed to imply in his question that the Taoiseach of the day had control over Aviva.

Deputy Micheál Martin: I did not say that.

The Taoiseach: The decision has been made by the company. The intention to restructure Aviva's 12 businesses across Europe was notified to the Government in 2009. The process has been ongoing since.

In so far as the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, is concerned, he has been in touch about the issue with the managers both in this country and internationally.

Deputy Barry Cowen: The branch office in Rathmines.

The Taoiseach: The Minister for Education and Skills, Deputy Quinn, will establish quickly whether EGF support can be accessed by Aviva workers. However, we cannot make such an assessment until we see the details of the redundancies involved. Deputy Martin is aware of this arrangement under European regulations. The Minister for Education and Skills will follow this through. The matter is up for further discussion in the Topical Issues debate as approved by the Ceann Comhairle. We are all concerned about the issue, but in dealing with this problem we want to get it right for the future of the country. That means we must make changes to legal services, the way the health system is structured and the cost base for every industry to ensure the competitiveness of the country as a whole.

Deputy Gerry Adams: Mar a dúirt an Taoiseach, tá a fhios aige go bhfuil oibrithé ag dul ag obair ar maidin chuig Aviva agus fios acu go mbeidh leath dóibh gan post. Is dona an scéal é go bhfuil siad agus a gceardchumann fágtha sa dorchadas faoin bplean atá ag Aviva dóibh ar maidin. Freisin, tá an Taoiseach ag rá go bhfuil seisean gan eolas faoin bplean atá ag Aviva.

Aviva is a profitable company and a big player in the Irish market, with a 20% market share. Its chief executive, Mr. Andrew Moss, claims there is a culture of entitlement in this country and that it must change. He is on a salary of £1.8 million, with the award of at least £1 million in shares and other perks last year. Does the Taoiseach agree that the entitlements of Aviva workers are being set aside to sustain the excesses of elites such as the one to which Mr. Moss belongs? The Taoiseach should have met Aviva representatives. IDA Ireland and other State agencies should have gone through the business plan of the company, particularly given that it gave notice of its review, downsizing and restructuring of the company. Did Department of Finance officials meet representatives of the company and unions to see what could be done to reduce costs and protect as many jobs as possible and, if not, why not?

The Taoiseach: Ní raibh an Teachta anseo inné nuair a bhí a chomhleacaí do mo cheistiú faoi postanna agus faoin cruth atá ar daoine a bhfuil brú orthu imeacht óna dtithe de bharr droch thógáil. Dúirt mé léi gur botún mór é nach raibh tú anseo.

Deputy Gerry Adams: Chuir mé ceist díreach ar an Taoiseach, ceist shoiléir.

The Taoiseach: Níl mise ag seasamh anseo ag déanamh ráitis ar son Aviva. Tá siad ag caint leis na hoibrithé agus muid anseo. Níl na mion ráitis agamsa agus mé ag seasamh anseo. I do not determine the salary scales for the employees of Aviva, but I am concerned about the general situation in terms of our competitiveness as a country. This is the difficult road the Government must travel with the people to ensure the country remains competitive and that we can protect jobs, create new ones and achieve my ambition by 2016 of proving that this is the best small country in the world in which to do business. That is why, despite the opposition of the Deputy, we must change the structure of many things in this country such as legal services, the cost of medical services and so many other areas that require to be changed for the betterment of all the people and the economic competitiveness of the country.

The Deputy is aware that industry statistics show that the figures in respect of general motor and home insurance have dropped by 20% in the past two years. That is due to the fact that there are fewer houses, cars and businesses. The figures in respect of life assurance and pensions have dropped by more than 30%. Since 2009 Aviva has been indicating it intends to restructure its 12 businesses across Europe, excluding the United Kingdom and the Benelux countries. That means there is serious concern in this country about the workforce. In so far as the Government is concerned, the facilities and assistance of IDA Ireland will be available. The checking as to whether the European assistance fund can be made available will be carried out rapidly by the Department of Education and Skills. We want to move to a point where we can

continue to focus on reducing our cost base, increasing our competitiveness and proving our attractiveness for continued locational investment in this country.

In response to Deputy Martin I said I had met IFSC representatives. The Clearing House Group which works under the auspices of the Department of the Taoiseach will continue to emphasise the essential items we must provide and the actions we must take to ensure the country will continue to be seen as competitive. I do not speak for the Aviva board, but I am concerned about the announcement which will affect so many workers. I understand that from next March for the following two years the outsourced jobs will be based in this country and that IDA Ireland stands ready on the Minister's instructions to assist the company in so far as it can.

Deputy Gerry Adams: Expressions of serious concern are not good enough. Caithfidh an Taoiseach na poist seo a chosaint. Eisean an Taoiseach agus sin an jab atá aige. He noticed — he said it himself — this was coming since 2009. As he did not answer my question I have to presume the Minister for Finance did not get officials to meet with the company and the unions to see what costs could be brought about.

The Taoiseach lectures me about my opposition. We are for investment in jobs. This Government is not investing any money in jobs. We will not cut our way out of this recession. We will not cut our way out of the difficulties we are in by bringing in the type of budget which he is heralding. We need to invest in job creation and defend citizens. The main focus and responsibility of a Government is to defend the citizens. The workers in Aviva have been treated disgracefully and it is a mark of extreme arrogance that a man who earns £1.8 million plus—

An Ceann Comhairle: Has the Deputy a question?

Deputy Gerry Adams: —can say there is a culture of entitlement here. When the Taoiseach speaks about making the country more competitive he is saying in a different way what Mr. Moss has said. It is not good enough.

The Taoiseach: It is not good enough for the Deputy to equate Mr. Moss's words with my views on this. He represents the Aviva company. I lead the Government and we have a job to do to make our country competitive.

Deputy Gerry Adams: Represent the workers.

The Taoiseach: The Deputy stands for jobs, or so he says.

Deputy Ciarán Cannon: He stands for communism.

The Taoiseach: There are 300 people from the Priory Hall apartments, built by an acquaintance of the Deputy, who are staying in a hotel at present.

Deputy Caoimhghín Ó Caoláin: No way.

The Taoiseach: Yes.

Deputy Gerry Adams: On a point of order—

(Interruptions).

The Taoiseach: He blatantly flouted—

Deputy Gerry Adams: That is a defamation.

The Taoiseach: —the planning regulations—

Deputy Gerry Adams: That is a defamation and should be withdrawn.

An Ceann Comhairle: Please resume your seat.

The Taoiseach: —to build a firetrap.

Deputy Dinny McGinley: Do a Pontius Pilate on it.

Deputy Gerry Adams: The Taoiseach needs to withdraw that remark.

Deputy Micheál Martin: We are speaking about 1,000 job losses.

Deputy Gerry Adams: Ceann Comhairle—

An Ceann Comhairle: Please resume your seat.

The Taoiseach: Where were the job losses then?

Deputy Gerry Adams: Níl an Taoiseach ag tabhairt freagraí do na ceisteanna, tá sé ag tabhairt bolscaireachta.

The Taoiseach: I might finish my point.

Deputy Gerry Adams: No.

An Ceann Comhairle: Can we stick to the subject, please?

Deputy Shane McEntee: The truth hurts.

The Taoiseach: Three hundred people are staying in a hotel because they were moved out of a firetrap by court order.

Deputy Caoimhghín Ó Caoláin: We want that matter to be addressed.

(Interruptions).

The Taoiseach: I thank Deputy Ó Caoláin.

Deputy Gerry Adams: Can I have the opportunity to refute what the Taoiseach has said? I am sure the workers of Aviva are delighted with his response.

An Ceann Comhairle: Please resume your seat.

The Taoiseach: I advise the leader of the Sinn Féin Party that Deputy Ó Caoláin was always accurate in his views about what should be done. I thank him for that comment. He will not stand by people living in a firetrap with that anxiety and concern.

Deputy Gerry Adams: Nor do we.

Deputy Micheál Martin: We are supposed to be speaking about Aviva.

Deputy Caoimhghín Ó Caoláin: That man should face the full rigours of the law.

The Taoiseach: I remind the leader of Deputy Caoimhghín Ó Caoláin's party that the Minister for Jobs, Enterprise and Innovation has responsibility for jobs. He has been speaking with Aviva management.

Deputy Gerry Adams: You are the Taoiseach and you are a disgrace.

(Interruptions).

The Taoiseach: Thank you.

Deputy Gerry Adams: You were asked serious questions and you came out with this nonsense.

An Ceann Comhairle: We are over time.

The Taoiseach: I will say to the Deputy——

Deputy Gerry Adams: Tell the workers of Aviva what you have just told this Dáil.

The Taoiseach: Deputy Adams said we are not interested in jobs. That is why the Government renegotiated the minimum wage with the troika.

Deputy Paul Kehoe: He does not want to hear that.

Deputy Gerry Adams: That is why the Government is putting €3 billion in a bad bank.

The Taoiseach: It is why the Government introduced its jobs initiative. It is why the Government reduced the VAT rate across the hospitality sector, with implications for Louth and every other constituency. It is why the Government reduced the rate of PRSI for employers to make it easier to hold on to employees and take on new ones. For the first time ever, we are faced——

Deputy Gerry Adams: This is a Government that is prepared to give €700 million to unsecured bondholders.

The Taoiseach: ——as a Government, even within those constraints——

Deputy Dara Calleary: Where is the levy on the insurance industry?

An Ceann Comhairle: Could we have order please?

The Taoiseach: We are focusing on jobs, job creation and competitiveness.

Deputy Caoimhghín Ó Caoláin: Nonsense.

The Taoiseach: It is the Deputy who continuously refuses to recognise reality by coming here with his fantasy economic programmes which would wave a wand and sort these things out.

Deputies: Hear, hear.

An Ceann Comhairle: I call Deputy Higgins.

Deputy Gerry Adams: Point of order.

An Ceann Comhairle: What is the Deputy's point of order?

Deputy Gerry Adams: The Taoiseach made an entirely untruthful remark to the Dáil and he should be asked to withdraw it.

Deputy Paul Kehoe: Deputy Adams is new to the Republic and he has a lot of catching up to do.

An Ceann Comhairle: What entirely untruthful remark did he make?

Deputy Gerry Adams: The untruthful remark that associates of ours — I am not going to repeat the calumny.

Deputy James Reilly: He cannot take it.

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

Deputy Brian Stanley: It was an untrue allegation.

An Ceann Comhairle: In respect of comments in this House, political charges can be made across the floor.

Deputy Pádraig Mac Lochlainn: It was not a political charge.

An Ceann Comhairle: I cannot stop political charges from being made.

Deputy Dessie Ellis: It was a scurrilous remark.

Deputy Pádraig Mac Lochlainn: The Taoiseach made a personal accusation against Deputy Adams.

An Ceann Comhairle: I ask the Deputies to allow me to speak. Deputies are bringing outsiders' business into this House. These people cannot defend themselves.

Deputy Brian Stanley: The Taoiseach——

An Ceann Comhairle: Sorry Deputy, would you stay quiet for a moment? I ask people to remember that when we speak in this Chamber, we are speaking about people who are not here to defend themselves. All sorts of charges are being made. Political charge within this Chamber is permissible.

Deputy Gerry Adams: That was not a political charge.

An Ceann Comhairle: The Deputy will be given an opportunity at some stage, when he is in order, to answer that charge. That is political debate. I call Deputy Higgins.

Deputy Gerry Adams: I need to be advised on what I can do about this.

An Ceann Comhairle: Sorry Deputy, please resume your seat.

Deputy Gerry Adams: The Ceann Comhairle told me he did not hear what the Taoiseach said.

An Ceann Comhairle: At the next available opportunity I will allow the Deputy to respond, once he is within order.

Deputy Gerry Adams: I want the Ceann Comhairle to make a ruling.

An Ceann Comhairle: He cannot do it on Leaders' Question.

Deputy Gerry Adams: I am asking him to make a ruling.

An Ceann Comhairle: I made a ruling that a political charge was made and that is the end of it.

Deputy Gerry Adams: He told me he did not hear what was said.

An Ceann Comhairle: That is the end of it.

A Deputy: Absolutely disgraceful.

Deputy Joe Higgins: I blush to think Aviva workers might be looking to us with hope that we might rescue their jobs. On a different issue, is the Taoiseach ashamed to stand in the Dáil the morning after his Minister for Finance crushed the hopes of 300,000 mortgage holders? These mortgage holders, the majority of whom are ordinary people with partners and families, are swamped by negative equity and monthly mortgage payments that devour the bulk of their incomes. The Minister merely regurgitated the Keane report, a banker's charter written by bankers.

The Government's attitude to the victims of ruthless blackmail by property speculators and bankers has been insulting and begrudging. It constantly implies that an army of borrowers are waiting to cheat on their mortgages in order to excuse its inaction. Simply by an accident of birth dates, an entire generation is in mortgage bondage to the banks but the Government does not want to know. The Taoiseach knows about the man who fell among thieves while travelling from Jerusalem to Jericho and was left dazed and badly beaten by the side of the road. The first passersby to come along were a priest and a Levite, who diverted their gaze and no doubt murmured to themselves that he must have done something to deserve it. That is the Government's response to the victims of the bankers and the developers.

11 o'clock

Deputy James Reilly: The sermon on the mount.

Deputy Emmet Stagg: The training has not gone astray.

An Ceann Comhairle: Allow the Deputy to make his point. He is entitled to make his statement.

Deputy Emmet Stagg: I thought he was asking a question rather than giving a sermon.

An Ceann Comhairle: I ask Deputy Higgins to proceed with his question.

Deputy Joe Higgins: The Keane report wants us to be scandalised that writing down rip-off mortgages would amount to €14 billion but the Taoiseach does not even blush when he proposes to gouge the Irish people for at least €47 billion in interest and principal between now and 2031 to compensate the private gamblers in Anglo Irish Bank alone. Negative equity and extortionate monthly payments are a millstone around the necks of not only these 300,000 mortgage holders and their families but also the entire Irish economy, by diverting billions of euro from services and shops that could sustain and create jobs.

Will the Taoiseach take a leap of imagination and policy, for a change, by marking down the rip-off speculative mortgages that people were blackmailed into taking? If the mortgages were marked down to their real value, and the monthly payments were marked down *pro rata*, a generation would be freed from this nightmare and the burden that is on them. The immense

[Deputy Joe Higgins.]

resources that would be freed in such circumstances would regenerate the real economy and sustain and create jobs and services.

The Taoiseach: I note from the Deputy's biblical remarks that he has not entirely forgotten about the seminary. I think it was Saul who was on the road to Damascus when he saw the light.

Deputy Richard Boyd Barrett: The Taoiseach has not seen it.

Deputy Barry Cowen: He is looking for Damascus.

The Taoiseach: Deputy Higgins has asked me to take a leap of imagination. I have no difficulty in taking the odd leap of imagination, but I have no intention of taking a leap of madness as he suggests. This is not a matter to be treated lightly. The Keane report identifies 50,000 people who are in serious difficulties with their mortgages. I understand that 70,000 people have made arrangements with their banks for a structure and a framework to deal with their problems. The Deputy is aware that 45,000 householders are now in arrears of more than 90 days. The Keane report proposed ten measures to set out how some people in mortgage difficulties could be dealt with. Some of the proposals included trade-down mortgages, split mortgages and mortgages-to-rent. That is why we are having a two-day debate in the House this week. In fairness, that is why the Government did not object to the Bill proposed by Deputy Michael McGrath in respect of this matter. If it is necessary to talk about it next week, we will do so. The point is that the Minister for Finance wishes to draw down the thread of every constructive proposition that is coming from any Deputy in this House, with a view to arriving at a conclusion that can help people who are in difficulties with their mortgages. I see reports in today's newspapers about discussions between the troika and the banks.

Deputy Richard Boyd Barrett: Surely the Taoiseach means "our banks".

The Taoiseach: I am not aware of the outcome or the detail of those discussions.

Deputy Timmy Dooley: The flow of information to the Taoiseach is not very good if he has to read about such discussions in the newspapers.

The Taoiseach: Every Deputy has met people who are stressed and have mortgage concerns. Some of the people in question have been left bereft as a result of a death or an accident that took place without arrangements being made for such an eventuality. Other people are in difficulty with their businesses and are really strapped because of the conditions they entered into. We want to try to help people who are having serious problems with their mortgages. I do not have €14 billion to write off all the mortgages that are in difficulty. We are trying to consider the best of all the propositions and produce a set of decisions that will help the maximum number of people. I hope Deputy Higgins will make a good contribution to that process.

I will respond to the Deputy's comments about the European situation. Obviously, the negotiations that were conducted by Ireland and its European colleagues have resulted in serious savings for the Irish taxpayer arising from the interest rate reductions. The Deputy is aware that we are pursuing the possibility, as outlined by the Minister for Finance, of being able to do something about the promissory note that was signed off on. The Deputy will appreciate that the €3 billion which has been committed every year for ten years would help the Government to focus on job initiatives, enterprise and employment. Clearly, there is scope for serious savings to be made by the Irish taxpayer in that area. We will pursue it at every possibility.

Deputy Joe Higgins: According to the Taoiseach, it is a leap of madness to say that hundreds of thousands of our people should be bailed out from blackmail mortgages that were gouged from them by speculators and developers with the consent of the regulator and the Government.

Deputy Shane McEntee: With their own consent.

Deputy Joe Higgins: When I was in here for ten years, the current Taoiseach was silent on the madness that was going on in the property market.

Deputy Bernard J. Durkan: That is not true.

Deputy Joe Higgins: He never opposed the blackmail our people were being forced into, as it was happening before his eyes.

Deputy Paul Kehoe: The Deputy should check the record.

Deputy Joe Higgins: Apparently, it is a leap of madness that these people should be free from their debt and the economy should be freed up. Rather than paying the bulk of their incomes to the banks, these people should be free to spend their money on services in a way that would create tens of thousands of desperately needed new jobs. The Taoiseach thinks that is a leap of madness, but he does not think it is a leap of madness to give €80 billion or €90 billion to bankers and bond holders whose private debts for private profit we have no responsibility for. The Taoiseach needs to get real. He said he is intent on listening to different ideas. Why did the mortgage arrears working group not bring in home owners and mortgage holders who are in distress?

Deputy Shane Ross: Hear, hear.

Deputy Joe Higgins: Why were they not included on the committee?

Deputy John Halligan: Yes.

Deputy Joe Higgins: Why did it not hear from New Beginning, which has a radical approach to this issue?

Deputy John Halligan: Why did it not speak to MABS?

Deputy Joe Higgins: Why did it not bring in representatives of the Money Advice and Budgeting Service so that when the report came out, it was informed by the real world rather than by the agenda of bankers?

Deputy John Halligan: Exactly.

Deputy Joe Higgins: The Taoiseach spoke about Saul on the road to Damascus.

An Ceann Comhairle: Can we have a question, please?

Deputy Joe Higgins: I wish someone would knock this Government off its horse so it could get an insight into what would really free our people from the horrible purgatory of debt.

An Ceann Comhairle: We should not have speeches at this point. A question, please.

Deputy Joe Higgins: In the process, it would help to regenerate and remake our economy.

Deputy Simon Harris: That is neither a question nor a solution.

Deputy Joe Higgins: It is time to change course.

An Ceann Comhairle: What is the Deputy's question?

Deputy Joe Higgins: Austerity is a disaster.

An Ceann Comhairle: We should not have speeches.

The Taoiseach: I am not sure if Deputy Higgins understands the reality of this country's loss of economic sovereignty. Does he understand who pays gardaí, nurses, teachers and public servants?

Deputy Colm Keaveney: And the ULA.

The Taoiseach: Does he know who fills the ATM machines? If he does not want to recognise what that actually means, he has really taken a leap beyond madness into complete unreality.

Deputy Joe Higgins: The taxes that pay for those things will be down as long as we have a depressed economy.

The Taoiseach: For the first time in the history of this State, our economic sovereignty is not under our direct control. If we want to make major or minor changes, in most cases we have to renegotiate a memorandum of understanding that was signed off some time ago.

Deputy Micheál Martin: The Government signed two memorandums in April and July of this year.

The Taoiseach: Deputy Higgins has completely misinterpreted the attitude of the Government.

Deputy Pat Rabbitte: We are talking about the November memorandum.

Deputy Micheál Martin: I remind the Minister, Deputy Rabbitte, that his colleague, the Minister for Finance, has confirmed that privatisation will take place.

The Taoiseach: When we commissioned the Keane report, we always said it would not be a repository of all wisdom. It is a reflection on the issues by good people and has produced ten serious proposals. We could have formed all kinds of committees that would have run for months. That would not have helped the people who are under pressure.

Deputy Bernard J. Durkan: We are taking action.

The Taoiseach: We need a swift response to a situation that is a crisis, every minute of every day, for those who are locked into it. Every Deputy, including Deputy Higgins and I, has met such people. Their concerns are palpable.

Deputy Joe Higgins: They are not heard in the report.

The Taoiseach: We know about all the things they have had to cut out, take away and reduce. The strain is evident on their faces. The Minister, Deputy Burton, has met many of these people. The Minister of State, Deputy Penrose, will meet representatives of New Beginning. They were in these premises yesterday to express their views and outline their propositions.

Deputy John Halligan: The Government should have met them before it issued this report.

The Taoiseach: I am genuine when I say that if anyone here has an initiative or a proposition that is not currently on offer, is not in the Keane report or does not relate to New Beginning, we would like to hear it in the next two days. The Minister for Finance and the Government will respond, within whatever capability we have, by helping as many people as we can. As I said at the outset, it is important to distinguish one fundamental principle. I do not want the roof to be taken from over anybody's head. I do not want to see that happen. It is also important to distinguish between those who can pay and those who will not pay.

Deputy Joe Higgins: For heaven's sake, that is outrageous.

The Taoiseach: We also have to deal with the introduction of legislation dealing with personal insolvency.

Deputy Joe Higgins: Where is the army of those who are choosing not to pay?

Deputy James Reilly: Stop flapping around.

The Taoiseach: We also have to introduce complex legislation here dealing with the question of personal insolvency.

Deputy Joe Higgins: It is the undeserving poor all over again.

Deputy Ray Butler: The Deputy is putting on a show for the media.

The Taoiseach: The Minister for Justice and Equality hopes to bring that through the House as quickly as possible.

Deputy Joe Higgins: It is like the Tories.

An Ceann Comhairle: I want to make one thing quite clear. Each question dealt with under Leaders' Questions should last seven minutes — two minutes for the person asking the question, three minutes for a reply from the Taoiseach, one minute for a supplementary question and one minute for a reply to that. I will stick rigidly to it. Members are beginning to abuse this by shouting and roaring. I am going to put a stop to it.

Deputies: Hear, hear.

An Ceann Comhairle: I ask those who are in a position to do so to ask their questions and to reply while being conscious of the time. We are now nearly 40 minutes at this, and the situation cannot continue. I put Members on notice that, as and from tomorrow, that is the way it is going to be. Is that understood?

Deputy Micheál Martin: The Taoiseach keeps going on and on.

Deputy Barry Cowen: He should stop waffling.

Deputy Timmy Dooley: And shorten his replies.

An Ceann Comhairle: I ask the leaders of groups to tell the people behind them to stay quiet while questions are being asked, and I ask the Taoiseach to ask his people to stay quiet so he can answer the questions. Is that understood?

The Taoiseach: I thank the Ceann Comhairle for his ruling and instruction. I will be happy to abide by his recommendations.

Order of Business

The Taoiseach: It is proposed to take No. 16, Road Traffic (No. 2) Bill 2011 [*Seanad*] — Order for Report, Report and Final Stages; No. 3, Public Service Pensions (Single Scheme) and Remuneration Bill 2011 — Order for Second Stage and Second Stage; and No. 4, Energy (Miscellaneous Provisions) Bill 2011 — Order for Second Stage and Second Stage. Private Members' business shall be No. 21, Debt Settlement and Mortgage Resolution Office Bill 2011 — Second Stage (resumed), to conclude at 9 p.m. today if not previously concluded.

An Ceann Comhairle: There are no matters to be put to the Dáil. Has Deputy Martin a matter which is in order on the Order of Business?

Deputy Micheál Martin: I do. With regard to the announcement the Taoiseach made yesterday on the Order of Business, as with most things announced by the Government, his claim of radically opening up the budget process falls apart under even the most basic examination. The Taoiseach said the budget and the White Paper will be published exactly as before, and the departmental spending Estimates will be published almost exactly as they were last year, including the provision of four-year plans.

One major question arises from the business of the Dáil, namely, how the overall taxation and spending limits will be set. The Taoiseach said yesterday these will be agreed on Tuesday but withheld until after the Dublin West and presidential votes. The Taoiseach spent last month denying that anything would be withheld. Will he explain why this is happening? Can he also explain the absurdity of the fact——

An Ceann Comhairle: We do not explain on the Order of Business; we ask questions.

Deputy Micheál Martin: I am asking why we are expected to debate and vote on exact spending limits in a few weeks time but we will not be allowed to see the result of the spending review until 1 December.

An Ceann Comhairle: The Deputy did not hear me.

Deputy Micheál Martin: It is plainly ridiculous. If the comprehensive spending review has any substance——

An Ceann Comhairle: Sorry, Deputy. Did you hear me?

Deputy Micheál Martin: ——we are entitled to see it before we vote on how much spending there should be.

An Ceann Comhairle: I ask the Deputy to respect the Chair. He knows the Order of Business. It is not a matter for speech making.

Deputy Micheál Martin: The Taoiseach spoke at great length on this yesterday on the Order of Business.

An Ceann Comhairle: He was replying to a question. I cannot control the length of his replies.

Deputy Timmy Dooley: You can. You are in the Chair.

The Taoiseach: I thought Deputy Martin would welcome this series of opportunities for everyone here, including the Opposition Members, to have their say. I cannot recall saying we were going to publish this on Tuesday. The original intention was that the first announcement would be published at the end of October. As the Deputy is aware, we have to wait for the figures to come in.

Deputy Micheál Martin: It was to be Tuesday.

Deputy Barry Cowen: We have to wait for the votes to be counted.

Deputy Dara Calleary: We have to wait for Dublin West.

The Taoiseach: I did say it could overrun into the first few days of November for that reason. The Estimates will be published on 1 November and they will go straight to committee before the budget so people can have their chance to debate this.

Deputy Micheál Martin: What about a copy of the spending review?

The Taoiseach: It never happened in the Deputy's 14 years in government — not beforehand. He will have more information than he will be able to deal with.

Deputy Micheál Martin: We will not.

The Taoiseach: We had this for years — big budget day and no information. It is all about availability now.

Deputy Gerry Adams: Ba mhaith liom ceist a chur faoi reachtaíocht atá geallta ag an Rialtas. I want to raise a question on promised legislation. Ar dtús, caithfidh mé a rá go bhfuil mé an-sásta chloisint, a Cheann Comhairle, go mbeidh tú ag cur béasaí ar Theachtaí. The Government has committed to introduce legislation to address all aspects of domestic violence and threatened violence to provide protection for the victims, yet this has now been replaced with a review. When will this legislation be introduced? Does one imply from the fact it has now been reduced to a review that the 38% increase in the number of women and children unable to access refuges last year is not an urgent matter?

The Taoiseach: I appreciate the importance of the issue Deputy Adams raises. The Minister for Justice and Equality wrote to Deputy McDonald of Deputy Adams' party on 4 October. She had raised on 28 September on the Order of Business a question concerning the Government's intentions on domestic violence legislation. The Minister pointed out in the letter that the commitment in the programme for Government is to introduce consolidated and reformed domestic violence legislation to address all aspects of that, including domestic violence, threatened violence and intimidation, in a way that provides protection to victims.

The Minister made the point that in the meantime the Civil Law (Miscellaneous Provisions) Act 2011 has widened the protections that are provided for in the Domestic Violence Act 1996 as follows. First, there is no longer a minimum required period of cohabitation before one of a cohabiting couple may apply for a safety order, whereas previously the applicant was required to have resided with the respondent for at least six of the previous 12 months. Second, same-sex couples now have the same access to the protections of the Domestic Violence Act as opposite-sex couples. The relevant provision previously referred only to couples living together as husband and wife. Third, the scope of section 2, which specifies who may apply for a safety order, has been broadened to enable a person to obtain a safety order against a person with whom they have a child in common. These are the three issues referred to by the Minister for

[The Taoiseach.]

Justice and Equality in the letter to Deputy McDonald on 4 October in respect of the legislation on domestic violence.

Deputy Gerry Adams: My question was when the promised legislation will be brought forward. The Minister, Deputy Shatter, also said he had to re-examine the legislation because of the EU-IMF priority. Is the Government giving greater priority to the EU-IMF diktat than to the plight of, in the main, women and children?

The Taoiseach: We answered questions yesterday in the House about the pressure on the Parliamentary Counsel and the drafting situation. Some 30 Bills are listed for production in this session, some very complex and lengthy, including the legal services Bill of more than 300 pages. That legislation will not be produced in this session but that does not mean the Minister for Justice and Equality and the Government are not focusing on the importance of the issue the Deputy raises.

Deputy Joe Higgins: I welcome any informed debate on the budgetary process but not the manipulation of that to hide from the people before the Dublin West by-election and the presidential election the real truth of the savage cuts the Taoiseach is promising. He promised, and the Minister for Finance promised earlier, that this would be published in October. I ask the Taoiseach to publish now and to bring forward the date from that which he indicated yesterday.

By the way, it would perhaps do us all a favour in getting the media to pass on the real concerns and issues facing our people and away from this tiresome parade of personalities and vision makers that passes for a presidential campaign, which fills newspapers endlessly.

An Ceann Comhairle: We will if the Deputy will shorten his speech.

Deputy Joe Higgins: In regard to specific promised legislation, what is the publication date of the local government (charges) Bill to impose an annual household charge?

The Taoiseach: On the latter question, that will be in this session. On the first point, there is no manipulation of the budget going on here. The condition signed on for with the memorandum of understanding is for a debt reduction to 8.6%. The details of how this will actually be achieved have not been worked out yet and cannot be worked out until the figures in respect of the self-employed, corporates and growth projections are clear.

Deputy Timmy Dooley: Yesterday, the Minister for Health confirmed to a number of us that he is to privatise the management of a number of hospitals in the west and mid-west. Obviously, this raises some very serious issues. Is it the beginning of a path towards the privatisation of the health services generally? When will the appropriate legislation be brought before the House to confirm the process which is under way to privatise the management of these hospitals?

An Ceann Comhairle: Is there promised legislation?

The Taoiseach: No legislation is promised.

An Ceann Comhairle: Thank you.

Deputy Caoimhghín Ó Caoláin: On the same issue, I must have missed the passage of the privatisation of public hospitals—

An Ceann Comhairle: No, you did not miss anything that relates to the Order of Business.

Deputy Caoimhghín Ó Caoláin: —because I have not seen it before the House. The Taoiseach will recall that in the previous Dáil there was very strong opposition from all parties to the privatisation—

An Ceann Comhairle: Sorry, Deputy—

Deputy Caoimhghín Ó Caoláin: —and co-location proposals of the former Minister and Government, yet—

An Ceann Comhairle: Will the Deputy please respect the Chair and resume his seat? This is totally out of order as there is no promised legislation.

Deputy Caoimhghín Ó Caoláin: It is absolutely out of order. We are privatising public hospitals' management—

The Taoiseach: No legislation is necessary.

Deputy Caoimhghín Ó Caoláin: —and there is no explanation, let alone justification for what is happening.

An Ceann Comhairle: The Deputy has had his say. I call Deputy Durkan.

Deputy Timmy Dooley: I raised an issue on which I seek a response from the Taoiseach.

The Taoiseach: I might have one word in response to the Deputy's question. No legislation is required as temporary contracts are issued that are approved by the Minister for Public Expenditure and Reform. For many years, the position has been that there have been trolleys in hospitals. However, in Tallaght Hospital, for instance, the other day there were no trolleys in evidence for the first time in many years. Moreover, the cost base actually is moving down.

Deputy Robert Troy: They were sent elsewhere.

The Taoiseach: The Minister has—

Deputy Brendan Howlin: It was proper management.

The Taoiseach: —taken short-term contracts.

Deputy Caoimhghín Ó Caoláin: Is this a Labour Party initiative?

The Taoiseach: There has been proper management to look at the cost structure of hospitals and it already is paying dividends.

Deputy Caoimhghín Ó Caoláin: The privatisation of hospitals.

Deputy Timmy Dooley: Clearly, the Taoiseach is confirming that privatisation works.

Deputy Brendan Howlin: Has the Deputy no regard for patients?

Deputy Timmy Dooley: Is it the case that next week—

An Ceann Comhairle: I call Deputy Durkan.

Deputy Timmy Dooley: —nurses will be provided through agencies—

An Ceann Comhairle: The Deputy should resume his seat.

Deputy Timmy Dooley: —and that all nursing care will be privatised?

An Ceann Comhairle: Does Deputy Dooley hear me?

Deputy Caoimhghín Ó Caoláin: Moreover, the word “temporary” is absolute nonsense.

Deputy Timmy Dooley: Can the Taoiseach confirm this?

Deputy Brendan Howlin: Rubbish.

Deputy Caoimhghín Ó Caoláin: Once it is in, the Government will hold with it.

An Ceann Comhairle: I call Deputy Durkan.

The Taoiseach: What of the problem in the Mid-Western Regional Hospital in Limerick?

Deputy Brendan Howlin: Deputy Dooley does not want any change. He does not want reform.

An Ceann Comhairle: I ask the Minister to desist. I call Deputy Durkan.

Deputy Timmy Dooley: Does the Minister confirm there is agreement with the Labour Party that the delivery of health care is to be privatised?

Deputy Brendan Howlin: Rubbish. Moreover, the Deputy knows it is rubbish.

Deputy Aengus Ó Snodaigh: Privatisation by the Labour Party.

An Ceann Comhairle: Deputy Durkan should proceed. Deputy Dooley should resume his seat.

Deputy Timmy Dooley: In that case, the Minister should explain what is happening. The Government is doing it through the back door.

Deputy Brendan Howlin: There is no——

An Ceann Comhairle: Deputy Dooley, I will not call you again.

Deputy Aengus Ó Snodaigh: This is privatisation by stealth.

Deputy Timmy Dooley: A Cheann Comhairle, this is outside the scope of the Croke Park agreement.

Deputy Brendan Howlin: The Deputy is not interested in——

Deputy Bernard J. Durkan: On promised legislation——

An Ceann Comhairle: Minister——

Deputy Timmy Dooley: This is an attack on the Croke Park agreement.

Deputy Brendan Howlin: ——change or reform.

Deputy Caoimhghín Ó Caoláin: What of University Hospital Galway? On how many other hospital sites will this happen?

An Ceann Comhairle: I ask the Minister not to answer the aggro. I call Deputy Durkan.

Deputy Timmy Dooley: The Minister should explain that to his backbenchers.

Deputy Caoimhghín Ó Caoláin: What a shame on the Labour Party to be absolutely complicit in this.

Deputy Barry Cowen: That is new Labour. The Labour Party is gone.

An Ceann Comhairle: Deputy, please.

Deputy Bernard J. Durkan: On promised legislation, what is the current status of the proposed national vetting bureau legislation? What progress is expected and can Members expect its implementation within a reasonable timescale?

An Ceann Comhairle: Thank you. That is grand.

The Taoiseach: Another accurate question from Deputy Durkan.

Deputy Barry Cowen: A good deflection from Deputy Durkan.

The Taoiseach: I can tell him it is being worked on as a matter of priority and will be introduced this session.

Deputy Willie O’Dea: The Deputy has been active since the change of Government.

Deputy Timmy Dooley: Does the Deputy never attend his parliamentary party meetings?

Deputy Simon Harris: As the Taoiseach is aware, when it comes to helping vulnerable people to interact with our judicial system, we still operate under draconian legislation dating from 1798, namely, the Lunacy Act, with its insulting terminology. The programme for Government and the legislative programme contain a commitment to the publication of capacity legislation. Can the Taoiseach confirm to the House when he expects the publication of that Bill?

An Ceann Comhairle: Is legislation promised?

The Taoiseach: I believe Deputy Harris is referring to the proposed mental capacity Bill, which will be published early next year.

Deputy Charlie McConalogue: As the Taoiseach is aware, the national review panel for investigation into serious incidents and child deaths produced its report yesterday. It highlighted some very serious inadequacies in our social care system. I believe the report merits the allocation of time in the Dáil to discuss it.

An Ceann Comhairle: Yes. That is grand.

Deputy Charlie McConalogue: I ask the Taoiseach to set aside time in the Dáil in the near future to debate this serious matter. In addition, yesterday——

An Ceann Comhairle: Thank you, Deputy. The first thing he should do is ask his Whip to raise the matter.

Deputy Micheál Martin: The Government orders time.

An Ceann Comhairle: The Taoiseach is not here to——

Deputy Charlie McConalogue: I also have an addendum in respect of the Order of Business yesterday, when the Taoiseach indicated that the national review panel was set up in response to the publication at a press conference held last year by the Minister for Justice and Equality, Deputy Shatter, of the details of a named person and regarding the investigation into how that person's death came about. The Taoiseach should correct the record of the House because the review panel publication yesterday makes clear the six cases involved were dealt with anonymously and in an appropriate manner.

An Ceann Comhairle: Sorry Deputy, this is not on the Order of Business.

Deputy Charlie McConalogue: No, but I seek a correction of the debate on the Order of Business yesterday.

An Ceann Comhairle: No.

Deputy Charlie McConalogue: The Taoiseach indicated the review panel was set up in response to the reckless action of the Minister, Deputy Shatter——

An Ceann Comhairle: Thank you, Deputy. Please resume your seat.

Deputy Charlie McConalogue: ——which must be corrected because what was set up was a thorough establishment of——

An Ceann Comhairle: Sorry Deputy, not on the Order of Business.

Deputy Charlie McConalogue: I refer to a thorough establishment of the position by the HSE and the Taoiseach needs to correct the record of the Dáil on that matter.

An Ceann Comhairle: The Deputy might try to table a parliamentary question.

Deputy Micheál Martin: The Deputy seeks a correction of the Dáil record.

The Taoiseach: I agree with the ruling of the Ceann Comhairle in this regard and if the Deputy raises this issue with his Whips, who are responsible, I see no reason Members cannot have a debate on this matter at an appropriate time. Before Deputy McConalogue entered this House, Deputy Shatter persistently pursued the issue of the death of children in care. While the criteria set out are very broad, it was following the unfortunate and tragic death of Tracey Fay, which Deputy Shatter raised in this Chamber numerous times, that this review came about.

Deputy Jim Daly: I refer to forthcoming legislation, namely, the temporary partial credit guarantee Bill. The Taoiseach is aware that small and medium enterprises continue to struggle to access credit and this is an ongoing problem. On a day like today when job losses are making headlines, it is important to maintain one's focus and I seek an update from the Taoiseach in this regard.

Deputy Robert Troy: It was to have been brought in last September.

The Taoiseach: I assure Deputy Daly that this is a matter of priority for Minister for Jobs, Enterprise and Innovation. I expect that legislation to be published in this session.

Deputy Timmy Dooley: Does Fine Gael not hold parliamentary party meetings any more? As it got the room, it may as well make use of it.

The Taoiseach: It is a matter of a tender process for the structure of a partial loan guarantee scheme that is so important for the Government.

Deputy Timmy Dooley: Fine Gael is making no use of the parliamentary party room. Would the Chief Whip not provide this information to the lads at parliamentary party meetings?

Deputy Paul Kehoe: The Deputy should speak up. I cannot hear him.

Deputy Timmy Dooley: I will talk to the Chief Whip afterwards when it will be easier to get to him.

An Ceann Comhairle: Sorry, we do not have chats across the floor here. Thanks a million. Speak through the Chair please.

Deputy Bernard J. Durkan: Hear, hear.

An Ceann Comhairle: I call Deputy O'Dea.

Deputy Paul Kehoe: We discuss what to do for the country after Fianna Fáil's time in office.

Deputy Timmy Dooley: God help us.

Deputy Willie O'Dea: I wish to raise two legislative items. First, the Government has stated the personal insolvency Bill is central to solving the problems of distressed mortgage payers. When exactly will it be published, as their situation is worsening on a daily basis? Second, the Minister for Jobs, Enterprise and Innovation yesterday announced a major overhaul of competition and consumer law. When will Members have sight of the Bill to provide for this change, namely the consumer and competition Bill, in order that the Minister will have an opportunity to announce this again?

The Taoiseach: I expect the personal insolvency Bill to come before the Government next week. The consumer regulation Bill to which the Minister referred yesterday is due early next year.

Deputy Niall Collins: Did the Taoiseach mention a date for the publication of the local government (charges) Bill and when will it be taken in the House?

The Taoiseach: I did not mention a date but it will be published and taken this session.

Deputy Niall Collins: There is no date.

The Taoiseach: No.

Deputy Timmy Dooley: After the election.

Road Traffic (No. 2) Bill 2011 [Seanad]: Order for Report Stage

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): I move: "That Report Stage be taken now."

Question put and agreed to.

Road Traffic (No. 2) Bill 2011 [Seanad]: Report and Final Stages

Bill recommitted in respect of amendment No. 1.

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): I move amendment No. 1:

[Deputy Leo Varadkar.]

In page 14, between lines 25 and 26, to insert the following:

10.—The Act of 2010 is amended in section 65 by inserting after subsection (3) the following:

“(4) For the purposes of section 26 of, and the Second Schedule to, the Principal Act (inserted by this section)—

(a) the reference to section 4 of the Road Traffic Act 2010 in—

(i) paragraph 4 of the Second Schedule to, and

(ii) section 26(4)(a)(i) and 26(4)(b) of,

the Principal Act shall be deemed to include a reference to section 49 of the Principal Act,

(b) the reference to section 5 of the Road Traffic Act 2010 in—

(i) paragraph 5 of the Second Schedule to, and

(ii) section 26(4)(b) of,

the Principal Act shall be deemed to include a reference to section 50 of the Principal Act,

(c) the reference to section 5(1) of the Road Traffic Act 2010 in section 26(4)(a)(ii) of the Principal Act shall be deemed to include a reference to section 50(1) of the Principal Act,

(d) the reference to section 12 of the Road Traffic Act 2010 in—

(i) paragraph 6 of the Second Schedule to, and

(ii) section 26(4)(a)(v) of,

the Principal Act shall be deemed to include a reference to section 13 of the Road Traffic Act 1994, and

(e) the reference to section 14 of the Road Traffic Act 2010 in—

(i) paragraph 6 of the Second Schedule to, and

(ii) section 26(4)(a)(v) of,

the Principal Act shall be deemed to include a reference to section 15 of the Road Traffic Act 1994.”.”.

Recommittal is necessary because I wish to include an amendment to section 65 of the Road Traffic Act. The amendment to section 65 essentially is a transitional measure that was drafted following consultation between my Department, the Office of the Attorney General and the Garda Síochána. While preparing for the changeover from the old to the new drink driving limits at the end of the month, my officials identified an issue in respect of the application of consequential disqualification orders following commencement of section 65 of the Road Traffic Act 2010. Section 65 substitutes section 26 of the principal Act and sets out the consequential disqualifications that will apply where intoxicated driving offences have been commit-

ted under sections 4 and 5 of the 2010 Act. At present, these offences arise under sections 49 and 50 of the principal Act. There was some concern that were proceedings under way in respect of offences that had been committed under sections 49 and 50, some difficulty might exist in applying the appropriate consequential disqualifications upon the commencement of section 65.

The advice of the office of the Attorney General was sought and as a result the agreed amendment explicitly refers in the provision to these offences under the old regime, mainly sections 49 and 50. This will ensure that the consequent disqualifications can apply in all cases as appropriate. In summary when we are making the transition from the old limits to the new limits no cases currently before the courts might escape through a loophole on the basis of the limits being changed. It is a technical amendment to apply belt and braces to that amendment.

Amendment agreed to.

Bill reported with amendments.

Bill, as amended, received for final consideration and passed.

Public Service Pensions (Single Scheme) and Remuneration Bill: Order for Second Stage

Bill entitled an Act to provide for a single Public Service Pension Scheme to be established and to apply to new entrants into the Public Service, to provide for other Public Service Pension Schemes not to apply to new entrants, to provide for pensions and other benefits in respect of service in the Public Service by new entrants, to provide for pensions under such scheme to be index-linked, to enable pensions under other Public Service Pension Schemes to be index-linked, to provide for the amendment of the Public Service Superannuation (Miscellaneous Provisions) Act 2004, to provide for the remuneration of any person appointed to a judicial office or to certain other offices, to provide for the amendment of the Financial Emergency Measures in the Public Interest (No. 2) Act 2009 and the Financial Emergency Measures in the Public Interest Act 2010 having regard to their respective long titles (including recitals), and to provide for related matters.

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): I move: “That Second Stage be taken now.”

Question put and agreed to.

Public Service Pensions (Single Scheme) and Remuneration Bill: Second Stage

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): I move: “That the Bill be now read a Second Time.”

Since coming into office, the Government has already shown that it is committed to reform. We are determined to change critical aspects of Government and public administration with the long-term interests of the taxpayer and the citizen in mind. In this context, I propose a Bill which provides for far-reaching reform of public service pensions. The Bill’s principal purpose is to introduce a new single pension scheme for all new entrants to the public service. The new scheme is a commitment under the EU-IMF programme of financial support for Ireland.

The Bill aims to strike a balance between public service workers and the taxpayer. It will ensure that public service workers continue to have access to good pensions and a reasonable standard of living in retirement, while the Exchequer benefits from greater control over the associated costs and the future burden on taxpayers is reduced. Deputies would agree that the current model of public service pension provision is clearly not tenable in the long-term — a

[Deputy Brendan Howlin.]

television programme this week highlighted that challenge. Getting these decisions correct now is essential to make the system work in the future. Government and the Oireachtas itself must decide how public service pensions should be provided.

As the House will know, there are significant increases forecasted in public service pension costs owing to the growing number of public service pensioners and rapidly increasing life expectancy. Improved life expectancy has placed us in the welcome situation whereby Irish people now expect to enjoy longer, healthier retirements. However, these social benefits bring with them costs to the individual, to public service employers and to the Exchequer.

The statistics are clear and compelling. Over the next ten years in Ireland, the number of people over the age of 65 years is expected to increase by approximately 50%. When the State pension was first introduced 100 years ago, the average male life expectancy at birth was almost ten years lower than the pension age. It is only since the early 1960s that men have had an average life expectancy at birth beyond the State pension age. How things have changed. Now life expectancy at birth is 75 years for a male and 80 years for a female. For a man born in 1945 and therefore turning 66 and qualifying for the State pension this year, his life expectancy at birth was 67 and his life expectancy today is 81. A woman of the same age would expect to live to 85. Some public servants who have worked for 30 years are drawing a pension for as long as or even longer than the period they worked. Attempting to sustain this into the future is simply not practicable.

These demographic effects will place an increasing strain on our public finances. Demographic projections suggest there will be only two people of working age to every person aged 65 or over by the middle of the century, compared with six people of working age to every person aged 65 or over today. The smaller proportion of our population that will be working will be bearing a greater burden in aging costs such as health care, welfare and pensions. We must take steps now to deal with these looming costs. Older people have made their contribution and we must accept our responsibility in the social contract. However, we must be sensible and realistic about the burden which the present and future working population can bear in this context. I must be clear in what we offer people who are coming to work in the public service.

The issues surrounding long-term pension policy and the pressing problems of pension schemes, both public and private, in the here and now are complex. Retirement ages, actuarial valuations, funding standards and so on are confusing and often incomprehensible to many. Public service pensions operate on a pay-as-you-go unfunded basis. The reality is that, to pay for public service pensions, financing must increase from the State, the public servant or the taxpayer.

In 1997, expenditure on public service pensions was 1.5% of GNP. By 2027 it is expected to account for 3% of GNP and approximately 3.5% by 2050. Long-term projections are notoriously difficult to make with complete certainty, but the core point remains valid: the costs of public service pensions have doubled in the past decade and will, relative to the country's output, double again in the medium term. It is important and fair that the pension scheme be adjusted to take account of these looming costs.

There have been some changes in the area of public service pensions in recent years: Since 1995 all established civil servants and public servants are subject to full PRSI, thus giving them an entitlement to State social insurance pensions. Integration of contributions and benefits apply as part of these arrangements, that is, the occupational pension is reduced by the amount of the State pension. In 2004 the pension age for new entrants to the public service was increased from 60 to 65 years. In 2009, there was the introduction, in the Financial Emergency

Measures in the Public Interest Act, of the pension-related deduction, more commonly known as the public service pension levy and with effect from 1 January this year public service pensions were reduced on foot of the public service pension reduction legislated for in the Financial Emergency Measures in the Public Interest Act 2010.

The new single scheme was developed having regard to these reforms and in the light of a number of reports including the extensive and fundamental work of the Commission on Public Service Pensions, established by the Minister for Education and Skills, Deputy Quinn, when he was Minister for Finance, which reported in 2000 as well as the national pensions review, published in 2005. The Green Paper on pensions was published in September 2007 with the aim of promoting adequate pension provision in a sustainable, modern and flexible manner. An extensive public consultation process followed on from the publication of these important reports. This has served to underline the difficulties we face in achieving consensus and understanding in this area.

The Green Paper was followed by the national pensions framework which was published in March 2010 and included the public service single scheme among its objectives. The range of reforms recommended included raising the minimum public service pension age; increasing the rate of pension contributions; modifying the earnings-linking of pensions; adjustment or abolition of fast accrual terms; and moving to the calculation of pensions on the basis of what is known as career average earnings. The inclusion of these reforms in the Bill before us serves to underline the importance for the Government of taking decisive action. This will help to ensure that when Ireland emerges from the current difficulties, public pensions policy will be on a sound footing.

Responsible government requires that we resist any temptation to delay and, as Minister for Public Expenditure and Reform, it is my job to promote sustainable policies for all areas of public spending. It is unusual to have a horizon of 40 years when grounding sensible policy, but we need to take a long-term view. It is important to be unequivocal about these matters. Ireland has an opportunity, owing to its relatively young population and current positive dependency ratios, to use the time afforded to establish a sustainable system in the longer term. We must grasp that opportunity.

The Government values public servants and is committed to providing them with good quality pension arrangements. Such arrangements will continue to be a defining feature of employment in the public service and one of the attractions of becoming a public servant. While there has been significant reform of public service pensions following the work of the Commission on Public Service Pensions, the process of modernising and restructuring the system must continue in the light of demographic and budgetary realities which pose a future risk to the Exchequer. Equally, we need to provide certainty that people will have a sustainable pension into the future.

The changes I am proposing will make the public service pensions system simpler, more transparent, fairer and better able to deal with the changes we know are coming and thereby assist us to remain sustainable in the long term. Making these changes is not easy or straightforward. Dealing with the fundamental challenges posed to our pension and benefits system as a result of rising life expectancy and other ageing pressures, while ensuring productivity and value for money for taxpayers, requires difficult choices to be faced.

The most important feature of the single scheme is that pensions will be based on career average pay, not final salary as is the case at present. Pensions based on career average earnings will be fairer and more equitable to the majority of members that do not enjoy high salary growth rewarded by way of final salary schemes. Deputies opposite will be acutely aware of the anomalies and unfairness shown up recently by a final year salary determining an ongoing

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pension thereafter. Using career average pay means that public servants will each year accrue a specific amount towards their pension and lump sum. For most public servants, this will be one eightieth and three eightieths, respectively. In other words, one eightieth of their annual pension will be placed in a fund for a pension, while three eightieths will be the calculation for the lump sum. This is a notional sum, as there will not be a fund. These “referable amounts” will be calculated annually and up-rated each year by reference to the consumer price index and the total accrued will be aggregated to produce a person’s pension and lump sum on retirement. This is a significant change from the current position where the pension is based on final salary on retirement.

There are two other major cost reducing changes from existing terms. The first is the increase in pension age to 66 years and its linking with the State pension age which will increase to 67 in 2021 and 68 in 2028. As new public servants pay full PRSI and their State pension forms part of their final pension entitlement, it is important that the State pension, in terms of the years of entitlement, be linked with the pension regime operating in the public service. The second is the indexation of post-retirement pension increases to the CPI instead of pay. Once a public servant retires on his or her career average pension, further increases will be linked with the consumer price index, rather than the holder of the job last held on retirement.

The new scheme will apply to new entrants in all areas of the public service. This will include the Civil Service, the education sector, the health sector, local authorities, the Garda Síochána, the Defence Forces, non-commercial State bodies and other regulatory or similar bodies. For certain public servants such as qualifying and designated officeholders, including the Taoiseach and the President, the Judiciary, Oireachtas Members and those who must retire earlier than other public servants such as gardaí, Permanent Defence Force members, prison officers and firefighters, higher accrual rates will apply. To mirror this, higher contributions will also apply.

With regard to the recent teachers’ unions’ claims that scheme members will contribute more than they will receive in benefits, all of the concerns, comments and proposals outlined to date by the unions, including the Trident report which the teachers’ unions commissioned, were borne in mind in the consideration and drafting of the new scheme. There was a lengthy and detailed engagement with the public service unions last year, including those representing teachers. These discussions, at the unions’ request, were brought under the auspices of the Labour Relations Commission which made recommendations concerning the CPI linkage and the integration formula to be used in the scheme. These recommendations are reflected in the legislation and there are to be further discussions with the public service unions on other technical issues. On foot of this, the public service committee of congress is not opposing the scheme. I welcome this and look forward to further useful discussions with congress on these matters.

The Trident report assumes that the pension related deduction, commonly called the public service pension levy, is a pension contribution. This is mistaken and the law could not be clearer. Section 7(2) of the Financial Emergency Measures in the Public Interest Act 2009 states:

“(2) A deduction under section 2 is not a pension contribution for the purposes of the Pensions Act 1990”.

The pension levy contribution is a misnomer. It was called that by the previous Government, but it is a levy on pay. I hope it will not be a permanent feature, as I said to the unions when I met them. In my judgment, it is mistake for unions to characterise it as a pension contribution because the fear will be at a future date that it will be subsumed into the calculation of pension contributions. Under the auspices of the Financial Measures in the Public Interest Act 2009, it

is not, by definition, a permanent measure. I hope it will not be a permanent measure, but, obviously for the foreseeable future, it is required.

Contrary to the teachers' unions' claims, the new scheme has an employers' contribution. The Trident report estimates this contribution at 4.9%. The Comptroller and Auditor General recently estimated the annual pension cost for serving teachers at 22.4%. The new scheme will reduce this figure by approximately one third. The employee contribution continues to be 6.5% : 3% on pensionable pay and 3.5% on net pensionable pay, that is, reduced for social welfare integration. This gives a net contribution of 4.9%, according to the Comptroller and Auditor General, leaving approximately a 10% employer contribution. Therefore, there will be a significant continuing Exchequer contribution to public sector pensions.

There are a number of other issues I want to bring to the attention of the House. The new scheme makes no provision for enhanced pension arrangements for senior new entrant appointees such as Secretaries General and non-commercial State body chief executives. Such persons will be treated the same as other public servants, with pension accruing relative to pay and annual accrued amounts indexed to the CPI and aggregated to produce a pension and lump sum on retirement. The amount of anomalies that some opposition Deputies have rightly identified in recent times and which I have discovered that have built up, particularly in the last couple of decades, is striking. We need to restore fairness to the system, but one should be conscious that it is very difficult to unravel an existing system. In this way, pension will be a function of pay and a higher salary will mean a higher pension proportionate to one's lifetime earnings. This in-built pension-pay proportionality will not be accompanied by special pension enhancements such as added years.

One question that may be posed is why not simply apply the scheme to serving public servants also. Some outside the public service have asked this question. I see a distinction between offering someone a public service position with single scheme membership and changing the pension terms for someone who took up their public service employment under clearly defined and understood terms and conditions. A new entrant can decide whether to take the job on the terms offered, a serving person does not have that option. Many of us will know public servants who stayed in the public service because of the pension provision. It may not be unlawful, but it would be unfair and unjust to people who have worked for many decades on the basis of an agreed outcome in pension terms to then expect that we could arbitrarily change this at the end, or near the end, of their career.

As Deputies are aware, it has been necessary owing to the financial emergency facing the country to legislate in the public interest for the pension-related deduction, a cut in public service pay and the reduction in public service pensions which will be further reduced, reflecting the reduced pay rates, for those retiring after February next. These measures were taken to meet fiscal targets: the pension-related deduction is expected to realise savings of about €900 million this year, an extraordinary sum of money. The tiered reduction in all public service pensions above €12,000 per annum introduced this year has cut pensions, on average, by about 4% and will save about €100 million in a full year. It may not, however, be legally straightforward to reduce accrued pension benefits by adjusting their terms, particularly where benefits have been accrued and contributed to for many years.

To avoid a destabilising rate of retirements in 2011 and to manage the cost of retirements in 2011 and 2012, it was decided that the grace period during which pre-cut pay rates would be used to calculate pension on retirement would be extended to the end of February 2012. This means that those retiring after February 2012 will see a pension reduction of 7% on average, as their final salary pensions will be calculated on the reduced pay level. The pension reduction outlined will not apply to those retiring after that date.

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To those who call for the single scheme terms to be applied to the future service of serving public servants, this has not been agreed by the Government, nor is it part of the EU-IMF programme. Given the retrenchment in the public service, I do not consider that this is the time for such a change. We must concentrate on the reform tasks before us, to which we are committed and on which we must deliver. There is no change in the position in relation to the public service agreement or the associated clarifications concerning the indexation of public service pensions. In other words, the Croke Park agreement is not affected by this proposal.

There is an enabling provision in the Bill which would allow me, as Minister, to make an order to apply a CPI link to public service pensions should this be decided in the future. As is well known, there will have to be discussions about this issue under the agreement and if these should lead to a decision to make this change, I will have the necessary legislative powers without having to come back to the House with further legislation. The enabling provision should not be used to create an expectation that it will be unilaterally implemented; discussions will not be pre-empted in any way. This approach is entirely in keeping with both the letter and the spirit of the agreement. Of course, any changes would not, and could not, be implemented during the current agreement in accordance with the clarifications we have given.

I will now outline the main provisions of the Bill. The Bill's principal purpose is to provide for a new single pension scheme for all new entrants to the public service. The new scheme is the subject of a commitment in the EU-IMF programme. Part 3 of the Bill includes the necessary legislative amendments required to allow a reduction in pay rates for public servants and officeholders, including members of the Government and new members of the Judiciary, whose pay rates are determined in legislation.

The Bill is in four Parts, of which Part 1 is preliminary and general. Part 2 deals with public service pensions, with five chapters: (i) preliminary and general, Part 2; (ii) single scheme; (iii) pre-existing public service pension schemes; (iv) provisions applicable to all public service pension schemes and (v) consequential amendments, Part 2. Part 3 deals with the remuneration of judges and other officeholders, while Part 4 deals with the amendment of Acts relating to financial emergency measures in the public interest.

Part 1 contains standard provisions providing for the Short Title of the Bill, commencement, the repeal of legislation and expenses, and defines "Minister" as being the Minister for Public Expenditure and Reform.

Part 2 is the most substantial element of the Bill and deals with all aspects of the new scheme to which I have referred. It deals with public service pensions. The sections in chapter 1 — preliminary and general — define the terms to be used in the Bill and the scheme. "Public servants" are defined as officeholders or employees of public service bodies. The President, Members of either House of the Oireachtas, qualifying officeholders such as Ministers, the Attorney General, the Ceann Comhairle, Ministers of State, the Leas-Cheann Comhairle, the Cathaoirleach, the Leas-Chathairleach, the Leader of Seanad Éireann, members of the Judiciary and other designated officeholders are covered by the provisions of the Bill. "Public service body" is defined as meaning the Civil Service, An Garda Síochána, the Permanent Defence Force, local authorities, the Health Service Executive, the Central Bank of Ireland, educational institutions and non-commercial State bodies where a public service pension scheme is in place or applies, or may be made. The CPI is defined as being the consumer price index, all items. Owing to the legal position of the Central Bank as part of the euro system, the new scheme will apply only with the agreement of the Governor. This is explicitly set out in the Bill. Chapter 1 also gives the Minister power to introduce, by regulation, the administrative measures necessary for the operation of the new scheme as defined in the Bill.

Chapter 2 provides for the establishment of the single scheme and sets out the age-related and other criteria for membership. Persons, other than those seconded or absent on leave with or without pay from a public service body, who become public servants on or after the operative date will be members of the new scheme. It is not proposed to bring the commercial State body sector within the ambit of the Bill. Accordingly, a schedule of excluded bodies is proposed. Owing to the historical evolution of pension systems in commercial State bodies, a separate system has grown up and their market-oriented ethos means it is not considered feasible for their staff to be included in this measure.

Chapter 2 also defines “new entrants” to the scheme. It provides that, from the operative date, for a six month holding period, someone who was at one time a public servant, on returning to be a pensionable public servant, will be regarded as a single scheme member and will not be able to claim pre-single scheme pension terms.

Chapter 2 also provides for a public servant to retire at the age of 66 years or the age at which the person would, from time to time, become eligible for the State pension. The proposed new retirement age of 70 years, at the latest, is also specified in this chapter, with exceptions made for elected officeholders and certain uniformed public servants.

Chapter 2 sets out the provisions concerning pension contributions. For most scheme members, these will be integrated with the social insurance system. This implies 3% of pensionable remuneration and 3.5% of net pensionable remuneration. The chapter also provides that all contributions charged under the new scheme shall be paid directly to the Exchequer.

Chapter 2 sets out the terms and conditions which will apply under the career-average system in the new scheme. It stipulates that members of the scheme will earn money amounts which accrue to their pension and lump sum benefits annually.

The earned “referable amount” is calculated as a fixed percentage of actual pensionable earnings. In this way, the accumulation of future pension benefits will reflect a person’s evolving actual pay over the course of a career, while at the same time ensuring that the real value of those pensionable earnings is protected through indexation to the consumer price index.

For almost all scheme members, the money amounts earned will be integrated with the social insurance system. The integration formula applicable to the vast majority of new-entrant public servants includes an accrual rate of 0.58% up to earnings of €45,000 — a figure recommended

12 o'clock by the Labour Relations Commission that represents 3.74 times the value of the State contributory pension — which provides for some occupational accrual in addition to that being provided by the State pension until pay exceeds this figure.

These are not simple calculations. How they were arrived at is beyond my mathematical comprehension. That said, the LRC recommendations have been accepted. The pension accrual rate above the aforementioned threshold is 1.25% of the scheme member’s pensionable remuneration. The lump sum accrues at the rate of 3.75% of the scheme member’s pensionable remuneration.

For certain public servants, including the President, qualifying and designated officeholders, the Judiciary, Oireachtas Members and those who must retire earlier than other public servants, such as gardaí, Permanent Defence Force members, prison officers and firefighters, higher accrual rates and contributions apply.

Provision is made in this chapter for a pension to be paid to a surviving spouse or civil partner of a deceased member and, where applicable, eligible children, and sets out the rates, terms and conditions attaching thereto. These include cessation on cohabitation or marriage, a standing scheme rule which is in line with social welfare rules and practice, with which the scheme is integrated.

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I do not have time to discuss all aspects of the Bill. Part 3 deals with changes to the pay for new members of the Judiciary and certain other officeholders.

Importantly, the amendment of section 46 of the Courts (Supplemental Provisions) Act 1961 provides for revised salary rates for members of the Judiciary appointed after this Bill is enacted. The revised rates reflect the pay reductions and pension related deduction applied to other public servants in addition to the 10% reduction applied at the beginning of 2011 to new public servants appointed to public service entry grades.

Article 35.5 of the Constitution provides that: “The remuneration of a judge shall not be reduced during his continuance in office.” The Government has published the text of a proposed referendum to amend this provision. If passed, implementing legislation will be passed to apply revised pay rates to serving and future members of the Judiciary to ensure comparable treatment between members of the Judiciary and other public servants.

The Presidential Establishment Act 1938 is amended to provide that the new person elected to the Office of President will have an annual salary of €249,014. The current rate is €325,507.

This is complex, wide-ranging legislation. I will be happy to provide any detailed briefing any Member in Opposition or on this side of the House requires for the sake of clarification. The meat of our debate will be dealt with on Committee Stage when we go through the legislation line by line. I am happy to commend the Bill to the House.

Deputy Sean Fleming: I welcome the opportunity to speak on Second Stage of this Bill. We generally need new legislation in this area. The principles of the Bill are generally welcome on this side of the House, as are many of the specifics. On Committee Stage, we would like the Minister to agree to our detailed amendments or take on board the principles thereof and have his departmental staff agree on a satisfactory wording. We would like to see the legislation amended before it passes through the House. I welcome this discussion but flag that, on Committee and Report Stages, we will be tabling amendments that we will want taken into account.

Towards the end of his speech, the Minister outlined some of the specifics of the Bill. Let me make a few general points and then deal with specific aspects of the Bill. The Bill's main purpose, as we all now know, is to provide for a new single pension scheme for all new entrants to the public service. The Minister's briefing note states, importantly, that this will significantly reduce costs to the taxpayer while at the same time ensuring public servants and their dependants will continue to have a reasonable income on retirement. The new scheme will apply to the Civil Service, the health and education sectors, the HSE, local authorities, the Garda, the Defence Forces, the regulatory sector and non-commercial semi-State bodies. It will include Oireachtas Members and members of the Judiciary. The Minister has dealt with this aspect and I do not propose to dwell on it. Other Members may be happy to talk about politicians' and judges' pay. I will leave that to them as they may want to go down that road.

There are important new initiatives in the scheme. The first that will attract a lot of public criticism concerns the higher minimum public service pension age. It is proposed that this be increased initially to 66 to bring it into line with social welfare related increases affecting the State pension. The retirement age will rise on a phased basis to 67 and 68. The Minister made a very strong, cogent and well-documented case for this on the basis that we are all living longer. Many people spend longer in retirement than they spend in the workplace. The purpose of the scheme is to ensure people, during the course of their employment, will contribute to a scheme. It is great that we are living longer. It is great that the health of the nation is improving, despite daily and yearly criticisms. The overall health of the nation has improved, as is evident

from the increase in the length of time people live. People are living better lives than they did in the past because of better medical treatment.

It must be recognised that some people feel strongly that it is ageist to be forced to retire when they reach retirement age. There should be an option for people to work a little later than they now do, if only to keep them active for longer. We have all seen people who, having worked all their lives, did not last too long after retirement given that their work was part of what they were. For most new entrants to the public service at present, there is no maximum retirement age. I make this point in the proposed new maximum retirement age of 70.

Another feature of this legislation is the calculation of pensions on the basis of career average earnings rather than final salary. The Minister stated there may have been an abuse of the system whereby people were promoted just at the end of their careers to attract a larger pension. We have all encountered that. It is great for the person concerned but everyone else must pay for it. It was part of the system. Let us not say the system did not allow for it. Perhaps it should have been dealt with much earlier.

Consider the change to the overall rate of pension contribution from staff. It will generally remain at 6.5% but, for those who do not work until they reach the full retirement age that generally applies, there will be an increased contribution rate, given that they receive their pension on a fast accrual basis. Members of the Oireachtas are included in this category.

Modification of earnings linked to pensions comprises a bone of contention. The new scheme provides for the linking of post-retirement pension schemes to the consumer price index and not to pay. We will have to return to this in detail. I understand what the Minister is saying and he might clarify it in due course. Over the course of 40 years, increases in pay could be higher than consumer price index increases. Alternatively, increases in the consumer price index may be higher than pay increases. We must have concrete worked examples of how that will work out.

Deputy Brendan Howlin: It can only go up. It cannot go down.

Deputy Sean Fleming: I understand it cannot go down but over a period of between 30 and 50 years one could be left behind so we must work on that. I suggest some hybrid but I have no wish to defeat the purpose of the Bill by having a hybrid too much in favour one way or the other. At the end of the lifetime of the scheme, perhaps in 40 years time, it is expected that the new scheme will reduce annual expenditure on pensions by 35% or €1.8 billion. That is the long-term projection. It is a cut of one third. We are saying to people who are used to a pension that it will not affect them but it will affect other people in future. On average, their pension will be one third less than what it would have been otherwise. It is difficult to see where these figures are coming from. Someone must have produced a report but I guarantee the House that if one asked ten other consultants to produce the same report one would have ten different answers. No one can see into the future or the long-term. It is not too many years since we set up the National Pensions Reserve Fund. The Minister at the time, Mr. McCreevy, set it up and 1% of GDP was put into the National Pension Reserve Fund and it was to be there for us all. I recall the discussions in this House to the effect that come 2025, a large fund would be in place but most of it is gone already. Events overtake people's intentions. We must come back to the issue of the consumer price index, CPI, linkage.

The Houses of the Oireachtas produced a Bill digest last night, a comprehensive document containing a summary of the Bill. There are many fine charts in it but, in truth, I have not had time to digest it because it only came out last night. It is available in the House today. I refer to the chart on page 15 of the document. People are put in bands ranging from €20,000 to €170,000 although there cannot be too many on €170,000. The chart suggests that people on

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€45,000, a figure mentioned in several contexts, will not see any change. There is a chart projecting the single pension scheme assuming a 1% real wage growth each year and comparing it to the current pension scheme. It shows the differences that would occur in terms of pensions. Most of the people on €50,000 would get 93% of their pension, the people on €100,000 would get 90% of their pension and the people on €170,000, the highest figure, would get 89.58%. I did not have time to study the comprehensive document that came out last night but, if I read the chart correctly, it appears to suggest a 10% reduction in the pension for those on the highest payroll based on these assumptions but no reduction for people under €45,000. We agree with this because people on low salaries such as those on €45,000 deserve it. Let us consider a couple in receipt of the State pension to begin with as well as various entitlements. They would get at least €20,000. The average net income of a low waged public servant is not a great deal better than what the State pension would have been. Such a person would not get significantly more for having done 40 years work. It is only right that people at the low level of pension entitlements would not be hit because otherwise they could ask what was the point of working for the pension and, if they had not worked at all, they would have received the old age pension which was close in amount.

The chart appears to say that much of the reduction for the people on the higher level will be of the order of a maximum of 10%. I cannot square that. I call on the Minister to explain how that reconciles with the statement in the briefing note we received from the Department suggesting this would result in savings of 35% in pension funds. There are many documents to be examined and perhaps I am not reading the charts properly but this is my initial assessment. I cannot see from where the savings of one third will come.

If the Minister is to achieve savings of one third he should provide the numbers. What are the approximate salary scales of people in the public service? I suppose we could get the information by parliamentary question and it is on the record as well. How many people earn under €40,000, €50,000 or €60,000? Let us suppose there were no reduction for people who earn between €45,000 and €50,000. That is a large number or coterie of individuals in the public service. It means those at the higher end would necessarily suffer a reduction in pension of 50% if we were to get an overall saving of 35%, especially if others were giving no savings.

Deputy Brendan Howlin: There is steep rise over one's lifetime and this means one gets a bigger whack in one's career average.

Deputy Sean Fleming: I understand that but the numbers of people in that category are rather small relative to the 300,000 or more public servants and these people will receive a defined benefit pension. It is important to make the point because people are utterly confused and there was spin from the Minister's Department when we asked a parliamentary question on the matter. I have examined the reply provided on 20 September. I asked about the substantial severance payments for Secretaries General. Naturally, the Minister stated he would examine it but a relevant amendment should appear on Committee Stage to deal with the excessive severance gratuity payments. It could be dealt with now; we need not wait for legislation. If such measures are not included in the Bill we will be obliged to vote against it.

Deputy Brendan Howlin: Contractual issues arise for existing people and I have explained that.

Deputy Sean Fleming: I refer to new Secretaries General, some four of whom have been appointed since the Minister came to office. I will not name them but the Minister knows them. Some vacancies are scheduled to arise as well. I see no justification for those special arrangements. The Minister has talked the talk about this change.

Deputy Brendan Howlin: Did the Deputy not read it?

Deputy Sean Fleming: However, he is walking the walk for the future. I understand that the Secretaries General in place are in place but vacancies will arise in the immediate future. I cannot understand it. No one in Ireland, not one among 3.5 million people, except those getting these payments would agree with the new people getting them other than the few people involved and the few people around them who would be keen to continue the arrangement for some more years if they can get away with it. The Minister would have unanimous support not only in this House, but from the people if he stopped the practice.

Deputy Brendan Howlin: There will be a revised scheme before Government next week.

Deputy Sean Fleming: That is good.

Acting Chairman (Deputy Tom Hayes): Please, this is a Second Stage debate.

Deputy Sean Fleming: When we raised the matter with the Minister by way of a parliamentary question, the longest paragraph in the reply stated: "I should point out that, before the end of this month, I will introduce the Public Service Pensions (Single Scheme) and Remuneration Bill 2011." The Minister spelt it out. The Minister tries to give the impression when we talk about obscene payments for new Secretaries General that he is doing something about it and refers to this scheme which, as we are aware, will not have a financial effect for 40 years. The spinners in the Minister's Department have done well to confuse the public. Most people believe this legislation will do something else because a reference is placed in the answer about an unconnected matter.

Deputy Brendan Howlin: That is full information.

Deputy Sean Fleming: It is extra information but I am simply dissecting it so that people will not take the view that the issues are directly related. The Minister should move on the matter sooner or later.

I understand the Minister wishes to exclude certain commercial bodies. The Schedule to the Bill refers to bodies to which the definition of "public service bodies" does not apply. These include any body corporate established by Act or Parliament before 6 December 2002 which, upon its establishment, was of a commercial character. We understand the Minister is not including the commercial semi-State companies but I seek answers on some specific bodies to be included in the course of the legislation. The first such body is Anglo Irish Bank. We would freak out if it was included in the new legislation. However, given that Allied Irish Banks, AIB, is 99% owned by the Exchequer, I call on the Minister to clarify whether those in AIB, Irish Nationwide, Permanent TSB, Irish Life and EBS are similarly excluded, and whether those from Anglo Irish Bank are excluded because each of these organisations has been taken into effective State control. Will the Minister clarify the position for organisations such as Teagasc? It carries out a good deal of commercial activity but I am unsure of its commercial status. What is the position for organisations such as the National Gallery and the Zoological Gardens? These are commercial organisations but I do not see them listed in the Schedule. Perhaps they are somewhere in-between because they get a considerable amount of State funding but they have commercial income as well.

Will the Minister clarify the position for foster parents working for the HSE? I refer to people who are long-term foster parents. Some of these people have been fostering for 30 or 40 years. They have looked after different children and they have a good name. Effectively, they are in receipt of long-term payments from the HSE. Are such people categorised as

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employees? Will they fall under the scheme? What is the position for new foster parents in future and those who carry out home help? Will the Minister clarify the status for these people? There are other organisations funded by public bodies which are partly commercial. I have in mind new child care facilities which are paid the early child care supplement. Some of these facilities are fully funded by the supplement and are in a position similar to that of schools. While they have an intermediate board of management, the Department pays salaries as an agent for the board of management. Will the Minister clarify the position pertaining to child care facilities which are effectively fully funded and paid for through Exchequer grants even though they have a local management committee? Will he also clarify whether nursing homes which are fully funded by the Exchequer on the basis that all their patients fall within the fair deal scheme will also be covered by the scheme?

I am sure the legislation has provisions dealing with public servants who take a break in service or work under term time or job sharing arrangements. Forty years down the line we could have a Greek scenario here with public servants engaging in strikes or industrial disputes. Thankfully, we have not had many industrial disputes in the public service because relations have been good over the years. What would be the position if an extended industrial dispute, such as those which occurred in An Post and other public bodies, were to arise in the public service or Health Service Executive?

What pension provisions will apply in the event that a public body is privatised, as was the case with Eircom? Other arms of the State may be privatised in due course. What will be the position when the reverse occurs, namely, a private sector organisation is taken into State ownership? This has occurred in the case of the major banks. What pension provisions will apply to the employees of such organisations?

How many bodies will be responsible for the payment of public service pensions? At present, the HSE, local authorities and Departments all have responsibilities in this regard. The Minister has an opportunity to establish a single, centralised pension payment body for the public service. It does not make sense that finance officers in each of the county councils make separate arrangements for the payment of pensions to former staff. Likewise, each Department has separate arrangements for staff, for instance, teachers and employees of the HSE. A case can be made for making one body responsible for pension payments. It would be a more efficient and streamlined system. If one body, the Department of Social Protection, can pay the old age State pension to all pensioners, there is no reason one organisation could not handle pension payments for retired public servants. I ask the Minister to consider my proposal. While it may not be part of the Croke Park agreement, there is no reason the Minister should not pursue such a reform as the introduction of one pension payment management system would be beneficial.

On additional voluntary contributions, I have heard many complaints from teachers who had sought to make up their years following breaks in service. Although the payments they made were deducted from payroll through the Department of Education and Skills, they were forced to use a private pension provider. I will not name the companies in question. If a centralised pensions management system were in place, the Minister could introduce a mechanism to enable additional voluntary contributions to be paid into the Exchequer rather than private sector companies. I understand the Taoiseach stated in the House yesterday that the management fees and commissions charged by pension companies are disgraceful in terms of people accruing their pension rights. When a person comes to draw down his or her pension, as much as one third of the fund he or she has accumulated will have disappeared because management fees of as much as 2.5% per annum will have been applied. Is there a case, in the interests of efficiency in the public service, to have additional voluntary contributions paid into the

Exchequer? The actuarial valuation could then be applied to such payments when the pension is paid out. This would prevent public servants who wish to obtain additional years or build up a faster accrual as a result of being appointed to a post in later years being ripped off by the private sector.

If the Minister can introduce a single pension scheme for public servants, he must consider introducing further legislation to introduce a single contract of employment for public servants. I accept that not all organisations are the same. Let us take the example of local authorities to which the Minister referred. Some local authority staff have five more days' annual holiday than others. Over 40 years, such staff will enjoy one extra year in holidays than their counterparts in other local authorities while receiving a full pension based on 40 years' service. This does not make sense. Standardisation of contracts would be beneficial.

We all remember the debacle in the Health Service Executive some years ago when the famous PPARS system was introduced in an attempt to computerise the payroll and pensions of employees in the HSE. Approximately one third of the organisation had been covered before the previous chief executive officer of the HSE called a halt to the process on the basis of its prohibitive costs. The cost of computerisation was extraordinary because the previous system was a shambles. This was the logical outcome of computerising a system that was a mess. The PPARS system identified 2,800 different payment arrangements in the HSE. Approximately 38 different payment arrangements were in place for the porters who open and close the doors of hospitals. Different arrangements applied to the guys in Limerick Regional Hospital, Ennis General Hospital, St. Vincent's Hospital and Loughlinstown Hospital, even though they were all doing the same job in the same public body. In one hospital, they may have been given a day off on a holy day whereas the same staff in another hospital may have been given three hours off to go to mass before returning to do a split shift. In one hospital, a staff member may have been given two days off if his or her mother died whereas staff in another hospital may have been given one day off for the same reason. The different local arrangements and ridiculous anomalies in various public bodies need to be rationalised. It used to be part of the terms of employment of staff in Kildare County Council, for example, to be given a half day off to attend the Punchestown Festival. Many other daft arrangements apply. I ask the Minister to consider the introduction of a standard contract.

I accept the Minister's view that the pension levy does not form part of the contributions towards individual pensions. Teachers' representatives made a serious case in that regard but the Minister has answered it factually. On pensions generally, the Comptroller and Auditor General has qualified the accounts of a number of organisations, many of which are commercial State bodies. He has drawn up a schedule and I ask that officials of the Department contact his office to obtain a copy of it. The overwhelming number of qualifications he has given on accounts for public bodies in recent years were made on the basis of inadequate provision for the pension fund. The House is debating pensions. All the Minister needs to do is ask for the list of organisations for which the Comptroller and Auditor General has issued qualifications to his audit reports. He has stated the accounts of the organisations in question do not give a true and fair representation in accordance with the law because of deficiencies in the pension fund arrangements. This matter must be examined to ascertain whether it has implications for the Minister's proposals. An estimate of the costs involved is required because last year the Department unilaterally agreed to assume responsibility for the pension entitlements of the staff of third level colleges, including university professors. This will create substantial costs. Many similar issues arise and all these matters must be examined in greater detail before Committee Stage.

The Minister stated the provision in the legislation regarding a CPI link to public service pensions is an enabling provision and the matter has not yet been decided. My party has

[Deputy Sean Fleming.]

difficulty giving the Minister power to introduce a measure without reverting to the House with further primary legislation. It is difficult to secure changes to a measure if the means of introducing it is by statutory instrument. Given that 300,000 people work in the public service, the national Parliament must sign off on any legislation making changes to their entitlements. While I accept the enabling provision has been included in the Bill in good faith, the failure to have changes implemented publicly and transparently in the House is not a good way to do business.

I propose to raise a few points regarding the explanatory memorandum. I am intrigued by the following statement: “Section 9 (Scheme and membership) provides for the establishment of the single scheme and describes to whom it applies, i.e. all public servants other than those under 16 or over 70 or those who do not qualify as scheme members under *section 10*.” What public servants are aged under 16 years? I understood it was illegal to employ persons aged under 16 years.

Section 11, which deals with the pensionability of allowances and emoluments related to payments, provides that only permanent payments will be considered pensionable. I would like to see a list of the allowances the Minister will include as pensionable. I realise people must make a contribution. It emerged at the Committee of Public Accounts that until recently, at several Army depots throughout the country, new recruits were being given a Border duty allowance because their barracks was within a certain number of miles of the Border. There has been no Border duty by the Irish Defences Forces in many years yet long after it stopped it appears some people still receive a permanent allowance. The Minister might address some of those points.

Regarding section 19 the Minister provides the full details of the figure of 45,000, which he states is too complicated to follow. Perhaps somewhere on the public record he will describe how the Labour Relations Commission arrived at this figure. It must have had a consultants’ report because I do not believe the LRC has any expertise in this area. I would love to know who it paid to give what advice. That needs to be examined as do most similar situations.

On section 28, concerning retirement on medical grounds, the Minister provided a clear example. I ask him to take this point on board. The whole principle of the legislation relates to “career average”. I understand the good nature of the people who drafted the legislation. The current position is that if a person is retiring on medical grounds he or she can receive up to seven extra years of service. However, that seven years will be calculated according to the most recent, full-year, referable amount, namely, current salary, and not on the career average. There is a tremendous incentive, therefore, for a person promoted to the highest level because he or she will now be able to receive seven extra years at that highest level of salary. That runs utterly counter to the principle.

Deputy Brendan Howlin: Good point.

Deputy Sean Fleming: A Secretary General might get the job and decide to retire, taking that extra seven years. Or, because the arrangements of a Secretary General may be slightly different, we could consider a position close to that grade. As drafted, there is a tremendous incentive for a person who arrives at a high rate to leave on sick leave because he or she will get the extra seven years at the maximum rate. I accept it is somewhat mean to base the rate on career average but the Minister has built in a big incentive for higher paid people to retire, take a “sickie” and be certified as no longer capable for work. I ask the Minister to look at that issue because I am worried about it.

I refer to the relevant authority that must make the final payment which, I presume, relates to where the person ends up working for the final year of his or her career. Will there be a disincentive for various local bodies, whether a local authority or the HSE, to take on a person near the end of his or her career, knowing the organisation will be caught having to pay the entire pension for the rest of the person's life as a pensioner? The legislation states that there is a duty on a person taking up employment to make a declaration that he or she has no other pension entitlements. This information could be incorporated. There should be a duty on the actual public bodies to investigate this matter, by means of PPS numbers. It is no good their claiming the employee did not inform them. There was a situation where a worker who had a full-time salary in Athlone Institute of Technology also drew a salary at NUI Galway. Neither outfit knew the person was doing his ten or 20 hours in the other organisation. While he was drawing two salaries and perhaps building up two pension entitlements.

I ask the Minister to clarify section 52 which deals with cessation and reduction in benefit. This includes the case of a person who is to be dismissed for causing financial loss to a public body. From the time of dismissal the right will exist not to pay pension until the loss to the State is covered. What about a regulator, who, through inaction, caused massive financial loss? The Minister should investigate whether this provision can now be applied to Mr. Patrick Neary, who did not do his job as Financial Regulator. I have no problem naming Mr. Neary in the House and I would look forward to his attendance at a committee to answer on this issue from his perspective. He was probably a good public servant up to the point when he was appointed to the job of Financial Regulator but he did not do that job in a competent manner. He received his salary and his severance package and went away with them but I do not understand why we are paying him a pension when nobody in Ireland — nor probably he, in all conscience — believes he earned that salary, never mind the pension entitlement. I would like to have some further detail regarding persons who are to be dismissed for incompetence or in cases where there are court proceedings.

I touched on a number of points. When is the Minister's proposed commencement date of these measures? There is no reference to that. What is the approximate time scale? We look forward to a more detailed discussion on different amendments on Committee Stage in the coming weeks.

Acting Chairman (Deputy Tom Hayes): Are Deputies Mary Lou McDonald and Aengus Ó Snodaigh sharing time?

Deputy Mary Lou McDonald: I am sharing time with Deputy Aengus Ó Snodaigh.

Acting Chairman (Deputy Tom Hayes): I shall signal when 15 minutes have passed.

Deputy Mary Lou McDonald: When Deputy Fleming questions the pension entitlement of the Financial Regulator, it strikes me that he is not be alone. One would wonder about the pensions of many who sat on the opposite benches not so long ago, and why they received them. I must make that point.

Deputy Brendan Howlin: Fair point.

Deputy Mary Lou McDonald: My party welcomes this legislation. Clearly, the Public Sector Pensions (Single Scheme) and Remuneration Bill cannot go unchecked. I welcome the Minister's comment in respect of sustainability in pensions, especially in respect of fairness, and welcome this opportunity to address the inequities of the current system which unduly favour the higher echelons.

[Deputy Mary Lou McDonald.]

It appears that lower paid workers will have better provision in the new scheme. The principle of calculating public sector pensions on the basis of career average earnings rather than on final pay makes a great deal of sense and I welcome those concepts. To the Minister's way of thinking, linking the public service pension age with the three year increase in the State pension age, makes sense and I see the rationale. However, my party does not support forcing older people to stay in work late into their 60s. If we continue along this trajectory who is to say retirement age may not go as far as 70? A previous speaker referred to people remaining active, which is excellent.

Deputy Brendan Howlin: In 30 or 40 years' time they could be flying around.

Deputy Mary Lou McDonald: This should be on the basis of choice, not enforcement.

Deputy Richard Boyd Barrett: They could be on their knees, of course.

Deputy Mary Lou McDonald: When the Minister introduced this increase in pension age entitlement it was a cutback, or a savings measure. It would be disingenuous, therefore, to paint it as some type of affirmation for active aging.

Comment was made on the enabling clause. I share the reluctance to give to the Minister those kinds of powers. I note also that the enabling clause, if I understand it correctly, applies in respect of existing entitlements. There is a problem in the legislation that I have raised with the Minister, in that the new scheme applies to new entrants. This causes a situation within the civil and public service where there is a two-tier system in operation.

Deputy Brendan Howlin: It is a 30 or 40 tier operation.

Deputy Mary Lou McDonald: Broadly speaking that is the case and it is not a desirable position. The Minister has repeatedly said he cannot touch the existing schemes. In the House he indicated this was because he would consider it to be unfair. He also hinted there may be legal issues concerning notions of legitimate expectation and so on. I would like to hear something more concrete from the Minister. If it is the case that he has received legal advice to the effect that he cannot disentangle or change the existing pension regime for serving public and civil servants, he must attend both House and committees and give us that advice in chapter in verse. It is much preferable that a single, fair, equitable scheme should apply to all working in the civil and public service and that such distinctions not be made.

I am with the Minister regarding the elaborate calculations in respect of pensions. That will be a testing job and we will be obliged to address the issue on Committee Stage. I welcome the indication from the Minister that he will engage with those of us on the Opposition benches in respect of it.

The Minister has addressed the issue I raised with him last week with regard to the teachers' unions. I am inclined to agree with him that it is a mistake to describe the pension levy as a pension contribution. It is not and never was a pension contribution; it is a levy or tax. We must rename the pension levy.

Deputy Brendan Howlin: We would be obliged to amend the Act in order to do so.

Deputy Mary Lou McDonald: The term "pension levy" is unhelpful and misleading. It is extremely irritating for people who are being taxed in a particular way to have their contribution dressed up as a pension levy. The Minister has indicated, to the trade unions and in this House on two occasions, that he perceives the levy to be a temporary measure.

Deputy Brendan Howlin: It is reviewable annually under the Act.

Deputy Mary Lou McDonald: Yes. However, if the Minister is going to inform the teachers' unions and, by extension, their membership, that this is a temporary measure, he must provide a timeline indicating when the pension levy will be lifted.

Deputy Brendan Howlin: I cannot provide an indication in that regard.

Deputy Mary Lou McDonald: The Minister has said on a number of occasions that he cannot provide an indication, but it is he who described the pension levy as a temporary measure. There is a need for him to address this matter. The suspicion is that the pension levy is precisely the same as the health levy in that it endures.

Deputy Brendan Howlin: It is like the Emergency.

Deputy Mary Lou McDonald: I wish to raise an issue which specifically relates to women in the civil and public service. Has the Bill been gender proofed? I raise this matter because many women and some men have what might be deemed to be disjointed careers. In other words, they might take time off from work to care for children or elderly relatives or for some similar reason. As a result of, their period of service is broken. In calculating final pensions, to what extent have work patterns such as that to which I refer been considered? If the Minister has not already done the maths, I strongly urge him to do so in advance of Committee Stage.

There is a particular anomaly about which I am concerned and which is noted in the excellent digest produced to accompany the Bill. It relates to workers who accrue more entitlements than they might be able to claim. Those involved in this regard are individuals who move down grades. The example offered in the digest refers to a head teacher who might choose to spend the final years of his or her career working as a careers adviser and states his or her salary would be limited to half of his or her final careers adviser salary. The anomaly to which I refer is to be found in the current scheme and section 19 of the Bill will ensure it will be carried forward into the new single scheme. I urge the Minister to give consideration to this matter.

The elephant in the room is the fact that the new legislation does not address the inequities in the existing scheme. As stated, we are moving towards a system under which there will be a two-tier workforce in the civil and public service. That is not good news for the workers or taxpayers. The scheme deals with new entrants only and fails to tackle the scandalous practice of excessive pay and pension arrangements for the big hitters across the civil and public service. The Bill includes provision for cuts to pay. However, when the average citizen examines the suggested pay reductions, I do not believe his or her heart will bleed with sympathy for those concerned, particularly as we are working down from such an extraordinarily high level. The country is in crisis, but judges, hospital consultants, county managers, the President and Members of this House will continue to enjoy pay and pensions that would literally make our EU counterparts' eyes water. For example, British hospital consultants working within the NHS are paid less than half that of their Irish counterparts. That is utterly scandalous.

Deputy Dinny McGinley: I agree with the Deputy that it is scandalous.

Deputy Mary Lou McDonald: Pensions in the public sector account for 13.9% of the total pay and pensions bill. As everyone is aware, the overall bill has increased by 66% since 2006. This figure does not take account of all those who will retire before the end of February 2012.

The major problem in this regard relates to the existing pension regime and the fact that the Government still believes it is acceptable to shell out for excessive pay and pension packages. The Minister will state the new single pensions scheme has been agreed with the troika, that

[Deputy Mary Lou McDonald.]

public sector numbers are down, that new public service entrants are subject to a 10% reduction in pay rates and that public sector pensioners are feeling the brunt of the reduction in public service pensions which came into effect at the beginning of the year. All of this is true. However, it is also true that public servants on low and average incomes are feeling the pinch of the cuts and that there are knock-on effects for members of the public as a result. The majority of public service pensions work out at an average of €20,000 to €30,000 per year. However, over 100 retired civil servants each receive over €100,000 per year in pension payments. This figure does not include retired judges, hospital consultants, senior gardaí or county managers. In the light of the fact that the Civil Service makes up just 10% of the overall public sector, I do not believe it is a stretch to say there might be approximately 1,000 retired public servants who are in receipt of the whopping €100,000 per year pension payment.

It is disturbing that the Department of Public Expenditure and Reform does not collate data in respect of this matter. The Minister has admitted that he does not know the number of public sector workers who are in receipt of bumper pensions. I accept that the people concerned — the former top brass in the public sector — are in a minority, but the fact is that each bonanza package awarded to one of them would cover the cost of multiple average pensions. It is on this basis that I find it astonishing that the Department does not receive and collate data of the type to which I refer.

This legislation presented the Government with a major opportunity to step up to the plate and tackle excessive pay and pensions among those in the highest ranks of the civil and public service. As the Minister is aware, I have continually made reference to the pay-off which Mr. Dermot McCarthy, former Secretary General to the Government, received. The eventual cost to the State of Mr. McCarthy's package will be €6 million. He obtained a special severance gratuity of €142,670 and received his full pension at the age of 57 years — not at 70 or anything close thereto — without an actuarial reduction being imposed. On each occasion on which I raise this matter with the Minister, he invokes the Top Level Appointments Committee, TLAC. I must again state he is studiously ignoring the specific powers granted to him under the Superannuation and Pensions Act 1963 to rescind such payments to and added years for those who occupy the most senior echelons within the public service. TLAC cannot overrule the law of the land. It is worth reminding the House and the Minister that the Secretary General to the Government and other senior public servants are members of TLAC. We must ask if that is best practice or even acceptable. The Minister stated that terms approved on the appointment of current Secretaries General will be honoured by the Government but last week he told the House he was grappling with the excessive pay and pensions of those who currently occupy the highest ranks of the public sector. He believes, as has been stated today, that the indefensible pay and conditions represent a legitimate expectation, but in a time of austerity and hardship, I find that utterly astonishing. The likes of Dermot McCarthy, regulators, Bertie Ahern and Brian Cowen are cushioned, as are others who made at least some contribution to our current woes. That is not on and politically and legally it is a significant missed opportunity for the Government not to address this matter now.

I understand we will deal with the detail of the Bill on Committee Stage, which is appropriate, and we will bring forward amendments referring to the issues I outlined in my contribution. Sections 60 to 64, inclusive, deal with salaries, particularly of future judges, and the Minister should ensure not only that the salaries of future judges are addressed with all due haste but also those of serving judges. I know reductions have been made in respect of the pay of the Taoiseach, the Tánaiste, Ministers and so on but these have not gone far enough and they should go further.

Section 10 contains a curious provision exempting certain persons from the new scheme if they leave and return to the public service. On the face of it, that seems reasonable but on further consideration it seems to be tailored for Members of the Oireachtas, MEPs and others who lose their seats before returning to a seat they previously held. The Bill provides that those people would have the terms and conditions of the old scheme applied, which is unacceptable and will fuel a very virulent cynicism among taxpayers and citizens as they look at the political class.

I welcome the fact that we have legislation and that it is geared towards full provision, especially for those on lower incomes. I note some of the flaws of the Bill, which will create a de facto two-tier system, and I do not accept that these new conditions can only be applied to new entrants. I ask the Minister to substantiate his claim that it would be legally problematic to apply the new scheme across the board.

Deputy Aengus Ó Snodaigh: Tá sé tábhachtach go bhfuilimid ag labhairt ar an mBille seo inniu agus go bhfuilimid ag díriú isteach ar cheist mhór na bpinsean sa tír. Tá fadhb mhór ann, ní hamháin maidir leis na pinsin poiblí ach leis na pinsin príobháideacha chomh maith. Níl rudaí ceart mar atá siad rialaithe faoi láthair. Níl sé ceart cad atá ag tarlú. Tá deis againn deighleáil le ceist na bpinsean ina iomlán san mBille seo ar dtús ach tá súil agam, chomh maith, go bhfeicimid Bille ón Aire Coimisce Sóisialaí amach anseo a dhéanfaidh deighleáil le ceist na bpinsean ina iomlán, mar níl an córas i gceart agus ní raibh le fada an lá. Tá a lán athraithe gur chóir dúinn díriú isteach orthu.

Many pension schemes are blighted by giant holes, particularly the private funds, but there is also an effect on the schemes of public or semi-State companies. That is leaving workers, especially those approaching retirement age, carrying a very heavy can. Yesterday, the Taoiseach indicated that the State has no role to play in filling holes which have emerged in these schemes. The State has a role to play and the Taoiseach's comments were a kick in the teeth to thousands of workers whose pensions, through no fault of their own, will be insufficient to sustain them in old age. At a minimum the Government should be taking steps to remove restrictions that are preventing Irish pension funds from addressing their deficits themselves, and that is one role the State has in filling the holes in these schemes.

It was reported over the weekend that An Post has a ballooning pension deficit of €800 million, and the fund is prevented to an extent from addressing that deficit by the current rules which exclude it from investing in Irish Government bonds which would pay higher interest rates than German Government bonds. If a change occurred, the Irish economy could be boosted in a patriotic act and worker pensions would also be protected.

There are two issues in this regard. Why is the Government still allowing the ratings agencies to dictate economic policy? At an EU and international level, steps must be taken to rid us of these odious companies and their activities. Pension fund trustees cannot invest in bonds deemed by these conflicted ratings agencies as junk. Some of these Irish Government bonds might be deemed as having junk status by the ratings agencies but these are the same bodies that gave the sub-prime mortgage products in this and other countries a AAA rating at one stage, and we all know what happened with that.

The ratings agencies are not impartial observers and are actually far from it. Last year a US Senate investigation committee hauled senior Goldman Sachs officials over the coals, and during the process it emerged that the ratings agency used to rate Goldman Sachs financial products was in fact hired by Goldman Sachs itself to do so. Where is the objectivity in that? This is the same Goldman Sachs to which the NTMA paid €7.8 million in taxpayers' money to advise on the recapitalisation of AIB and Bank of Ireland earlier this year. Anyone can see the conflict of interest as, on the one hand, these companies played no small role in destroying

[Deputy Aengus Ó Snodaigh.]

the global financial process, especially the Irish economy, while on the other hand, they are being paid by the Government to advise us on how to get out of this mess. That is a major problem.

Private pension funds represent untapped wealth that should be made available for targeted investment in Ireland's recovery. That is the public role for the Irish pension schemes. Currently, the Minister for Finance, Deputy Noonan, has a decreasing pot of money but Irish pension funds are investing in Germany or bailing out European pension funds. Those funds should be invested in Ireland. We urgently need to maximise investment in Ireland and at a minimum we must remove restrictions that are preventing funds from doing so. At this stage there is a patriotic duty in pension funds to invest in Ireland and a minimum percentage of Irish private pension funds should be compelled to be invested here. That would be a step in the right direction.

It would mean that Irish workers would see a benefit from their pension fund on their own doorstep. Pension deficits are a major problem and whether the Taoiseach wants to or not the Government must play some role in helping them to "fill the holes" to which he alluded yesterday.

I take this opportunity to urge the Minister for Social Protection, Deputy Burton, to meet the Communication Workers Union to discuss what can be done to address the considerable pension deficit in An Post — €800 million — in this instance, a semi-State company that was highlighted at the weekend.

I understand the Bill is tied to a promise made to the IMF and that it is connected to the economic crisis and specifically deals with public service pensions. I welcome the news that the Department of Social Protection is to investigate charges in the pension industry. Such an investigation is long overdue. I have long believed that charges in the industry are exceptionally high and it is vital that they are exposed, documented and reduced, thus saving money for pensioners. The Government should force some transparency around costs in the private pensions industry. Pension fund managers should be required to disclose all charges and fees. Moves must be made in that regard because otherwise the Government's entire pension policy is being developed in the dark. We do not know what the charges are and how much it is costing Irish pensioners.

The Pensions Board should collect data on charges but as it does not, currently there is dearth of information on Irish pension industry costs. That said, according to TCD academic, Mr. Jim Stewart, industry charges could be swallowing as much as 30% of a pensioner's lump sum. As was highlighted in a programme on RTE on Monday night; in some cases the smaller the pension the greater the proportion being swallowed by industry charges. That must be addressed in an overall pension package and whether it is done by means of amendment to the Bill before us or in a future Bill it is urgent that it would be done.

In the absence of legislative action by Government to protect pensioners, and more directly as a result of the legislative enabler for the pensions industry provided by the Government, the new 0.6% levy on private pension funds will in all likelihood be passed directly on to pensioners. If that is allowed to happen a pensioner with an annuity of €10,000, which is less than the State pension, could be down €900. I have discussed that with the Irish Senior Citizen's Parliament. There are significant fears that the levy will hit older people on low incomes hard. The Bill provides the Government with an opportunity to introduce an amendment that would have the effect of mandating the pensions industry to absorb the new levy from within its existing fees and charges. I urge the Government to use the opportunity to amend the Bill rather than wait for further legislation to be drawn up.

The pensions industry continues to claim that it cannot possibly absorb the cost of the new levy but must instead pass it on to pensioners. On the basis of studies on costs in Britain, that is simply an incredible claim. PRSAs are comparable to the British stakeholder product yet the costs associated with PRSAs are considerably higher. One has to ask whether the private pensions industry is really earning its cut. In recent years and up until last year the rate of return on private pension assets was 1%. One could get 3% if the money was invested in the post office. That shows private pensions are not all that they are made out to be and that perhaps many private pension fund managers are not earning their keep. Last year the rate of return was 11%, which was high, but even if the rate continued at half that level the industry could easily absorb the new levy. More action must be taken in that regard.

We need a complete overhaul of pensions policy. More radical reform of retirement income policy is badly needed. The favoured policy approach of the present Government and previous Governments is to subsidise private pension provision. The policy has abjectly failed: individuals who have paid into private pensions; the Exchequer which continues to forgo significant revenue via tax reliefs and; society generally because despite huge tax expenditures in the form of relief on pension contributions the vast majority of people continue to depend heavily on the State pension. The Government must learn lessons from this failure.

The National Pensions Framework promises to introduce auto-enrolment pensions with contributions collected by the PRSI system and then to be gifted as a wholly undeserved and reckless reward to the private pensions industry. In our view longer term reform of the Irish pension system should involve making the basic State pension universal and sufficient to provide a minimum income for all in old age. I wish to put other points on the record and I will do so on Committee Stage. I hope the minor changes I have suggested, especially on the levy, can be introduced as Committee Stage amendments to ensure some relief for people who are awaiting their pension in the near future.

Deputy Richard Boyd Barrett: I wish to share time with Deputies Clare Daly and Joan Collins.

Acting Chairman (Deputy Tom Hayes): Is that agreed? Agreed.

Deputy Richard Boyd Barrett: Unlike the Sinn Féin Deputies, I do not welcome the legislation. The bottom line is that workers are being asked to work longer for less. It is part of a nasty, regressive attack on the rights and entitlements of working people generally. It arises in the context of a relentless, vitriolic and utterly dishonest campaign of scapegoating against public sector workers generally, the purpose of which has been to cause a race to the bottom in terms of their pay, entitlements, pensions and the rights of workers generally, both those in the public sector and the private sector. It is part of a strategy of playing public sector workers off against private sector workers with the intention of attacking them both.

Much of the context for those sort of attacks on public sector workers has implied that the Government is championing in some way the interests of private sector workers and pensioners. Let us be clear: in the criticism I make of the legislation and the Government's intent, we are as concerned as anybody else about the difficulties and injustices being faced by private sector pensioners. If the Government had any real concern for private sector pensioners it would do something. Instead of attacking public sector pension entitlements it would do something, for example, about the criminal overcharging of private sector pensioners by Irish fund managers. As the Government will be aware, recent reports and analysis suggest that private sector pensioners are losing between 30% and 40% of the value of their pension fund essentially because of the greed of private sector pension fund managers. The Government should do something about that rather than attack public sector pension entitlements.

[Deputy Richard Boyd Barrett.]

It should also do something to ensure that it is mandatory for private sector employers to make substantial contributions towards the pensions of private sector workers. The failure of the Government to do anything to champion the real interests of private sector workers and pensioners is symptomatic of its more general refusal to take on the wealthy, corporate elite in this country and impose taxes on it which could be used to fund decent pensions for all workers in the public sector and the private sector.

Symptomatic of the real attitude of the Government towards private sector pensioners was the so-called 0.6% raid on private sector pensions earlier this year, which as the Tara Mines pensioners have now explained to us is not in fact a 0.6% raid on their pensions but actually amounts to 10% of the value of their annual pension being taken off them for the next four years or 2.5% over the full lifetime of their pensions. This is a disgusting raid on people who worked all their lives and paid their taxes and pension contributions. Their pensions are being attacked by this Government to pay off bankers, bondholders and vultures of the financial markets. Other private sector workers are likely to discover that their pensions were similarly affected. The Government needs to provide decent pension rights and entitlements to private sector workers by making employer contributions mandatory.

In regard to public sector pensions, it is important to be clear about the context in which these events arise. In criticising this legislation I also acknowledge the legitimate anger felt by ordinary people in regard to excessive pay and pension entitlements for top civil servants, semi-State bosses, politicians, judges and the bankers who are now effectively public servants. The Government should do something about these individuals by cutting their pay and pension entitlements. At a time when ordinary workers in the public and private sectors are being lashed by levies, universal social charges and taxes on pensions and pay, it is disgraceful that some people are still paying themselves multiples of the average industrial wage. People are right to be angry but this Government has no intention of doing anything about the problem other than token gestures.

The ULA's view is that nobody paid with public money should earn more than €100,000 per annum. If the Government is serious about dealing with excessive pay among those at the top of the public sector, that is what it would do. Such a cap would solve the problem of people walking away with massive pension pots. Rather than attack the pensions of low and middle income public sector workers on the spurious basis of preventing people from building up excessive pensions, by reducing salaries we would not have to deal with these obscene entitlements.

This legislation is based on the myth that ordinary public sector workers have gold plated pensions for which the rest of us pay. Public sector workers pay for their pensions through superannuation, the pension levy and their taxes. The Government continues to recycle ideological rubbish in this regard. On 11 October, the Minister for Public Expenditure and Reform stated: “[t]o appreciate how the single scheme will continue to provide valuable pensions to teachers, it is instructive to look at the 2009 report of the Comptroller and Auditor General on public service pensions which estimated the annual pension cost to the State for teachers to be 22.4% of pay.” That is absolute nonsense. According to that report, the cost to the State was 9.6% of pay. The remainder came from the public sector workers themselves. In any event, the State's money comes from the taxes paid by these workers.

This legislation will require new entrants to the public service to pay more into their pension schemes than they will get in return. The State, as employer, will pay a lower contribution to pensions than the average proportion across the private sector. Contrary to all the mumbo jumbo arguments that are wheeled out to defend it, this legislation will accelerate the race to

the bottom by attacking the pay and pensions of all workers, whether public or private, and it should be opposed resolutely.

Deputy Clare Daly: It is not possible to examine the issue of public sector pensions in isolation from the attacks that have already taken place on the State pension and the crisis in the private pension industry. I remind the House of the criminal decision taken earlier this year to increase the State pensionable age to 68. Approximately 11,000 people who will reach the age of 65 in 2014 will have to work an additional year to avail of the State pension. People will have to work until they are 70 in areas like cleaning, catering and construction to get the State pension.

We must also acknowledge the crisis in the private pension industry in light of the reports that hit the headlines this week. Retirement funds are essentially being defrauded by pension operators. Workers who were employed for 40 years in companies that would have been deemed to be on the “A” list, such as Waterford Crystal, are facing pensions of €100 per week. They would have been better off if they had left their contributions under the mattress. In the semi-State sector, pension schemes like the Irish airline superannuation scheme, which I paid into, are facing deficits of hundreds of millions of euro. Workers continue to pump millions of euro down a black hole in schemes from which they will never receive benefits.

This crisis in the private sector does not arise because people are living longer nor is it the case that we cannot afford to offer them a decent retirement. It is the result of the underfunding and mismanagement of schemes by employers and the race to the bottom among semi-State companies which are outsourcing positions to non-pensionable jobs. It is lunacy that pension provisions continue to be given to the private sector to manage.

Contrary to the Government’s statements on this legislation, it will not deal with the pay of those on the fat cat salaries at the top. We have no problem with those at the top levels paying more but this fudges the intention behind this Bill, which is to yellow pack future recruits to the public sector by giving them inferior pensions. Public sector workers will not enjoy a big pot of gold at the end of the rainbow without contributing anything. Since 1995 the State pension has been integrated with the public sector pension, which means workers are contributing through PRSI, but in reality we should be subtracting €12,000 for each of those public service pensions to get a true sense of what the public sector workers are getting in return for the substantial contributions they are making. I will outline a case study in that regard. A person who joins the Civil Service as a clerical officer at the age of 25 might be paid approximately €22,000. If that person works his or her way up the scale to executive officer level, they might be on a salary of approximately €48,000 after about 25 years. If they have made 40 years of contributions into a pension scheme, they will be paid a pension of approximately half of their final salary, approximately €23,500 per annum. We must bear in mind that the contributory State pension of €12,000 is integrated into that. Therefore, the pension the person will be getting on foot of the contributions they have funded themselves will be approximately €11,500. It is hardly a massive pension.

The prospect of lengthening the working life to 68, with a retirement cap of 70, has been suggested. It is lunacy to force people to work longer and thereby deny young people coming out of college the right to employment. It has been calculated that for every nine public servants who will work until the age of 70, the equivalent of one new public sector job will be lost. It is absolute madness. The proposal to ask public servants to work until the age of 66, then the age of 68 and finally the age of 70, while maintaining the position that their pension contributions are reckonable for a maximum of 40 years, is daylight robbery. Someone who joined the Civil Service at the age of 21 — he or she might have become an usher in here — might not retire until the age of 68. In the case of such a person, seven years of pension contributions

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will be reckoned for nothing. They will not get the value of that money back at all. It is an attempt to legalise daylight robbery. Current employees who started to work in the public service after 2004 could be working for up to four years without getting any benefit back from their contributions. As has been said, it is conceivable that people will end up paying more into these schemes than they will get back.

I disagree with the move from basing the calculation on final salary to basing it on career average salary. That will hit people by taking money from their pockets. The Minister for Public Expenditure and Reform, Deputy Howlin, has packaged it by saying it is not a cause of worry because it will have more of an effect on higher earners. That does not stand up to statistical evaluation. Most people who slowly rise through the ranks will end up taking a hit because of this measure. Regardless of how it is dressed up, it is undoubtedly an attack on the living standards of retired public servants.

No one is opposed to workers contributing to their pensions as long as the money in question is used to support people during their retirement years and to look after elderly people in general. It is understandable that people who have been hit by extra taxes believe it is lunacy to raid the pension fund to bail out bankers and to fund speculation and so on. It is an indictment of the present system that it somehow sees the fact that people are living longer as a bad thing to be decried by society. It is a great achievement for humankind that people often have 20 years after their working lives to do things they never dreamed possible. It should not be a problem at a time when massive untapped wealth is not being invested by those who do not feel they can make a profit on it. At a time when millions of people are unemployed, we are forcing people to work until the age of 70 or beyond. It shows how dysfunctional the present economic system is.

The real con is that the Government is not looking at the pensions problem holistically. It seems to be under the illusion that it is possible to solve it based on the private sector. It is just not going to happen. Deputy Ó Snodaigh made the point that Irish pension funds are being invested abroad. He is absolutely correct. Almost €100 billion from such funds has been invested outside this country. With proper Government intervention, those funds could be invested in Ireland. These moneys could be used to get people back to work and get the economy going. It would not be a question of raiding pension funds as the Government has done. It would be a question of investing moneys securely, getting a return on that investment and protecting the pension scheme. The Government could leverage that by saying that if these moneys are not invested at home, some of the massive tax concessions that are given to pension funds will be reconsidered.

We are looking at this completely the wrong way around. We need a radical overhaul of the pensions system in its entirety. A similar pensions scheme should apply across the board to public and private sector workers. Such a scheme has been advocated by economists from Trinity College and TASC. They have suggested that rather than going down the ridiculous road that is being pursued at the moment, we should universalise the social welfare pension in a way that would provide a guaranteed income to all older people. They believe the appropriate level would be 40% of average industrial earnings at the age of 65. They propose that in tandem with such a measure, a new social insurance retirement fund should be established as an alternative to continuing to pour money into the black hole of pension funds. The fund would cater for workers by giving them an earnings related income.

Such a mandatory defined benefit scheme would operate alongside the universal State pension scheme. Contributions could be guaranteed at 50% of the final wage or salary, up to a specified minimum. That would be a far better system and would deliver far better returns. It could be facilitated by rejigging the existing system and removing many of the supports that

are given to private pension funds. For example, the ceilings on earnings for tax relief purposes could be reduced. If the Government were serious about making a real contribution to dealing with the pensions issue, this is what it would be doing. It would not be scapegoating public sector workers in this regard. I will conclude by saying the unions have been incredibly quiet on these issues. They have let their members down. This battle will be taken into the next Stage of the debate on this Bill.

Deputy Joan Collins: This is yet another attack on living standards and working conditions that were fought for and hard won. The outrageous media campaign suggesting that public sector workers are overpaid and underworked and receive fat pensions is scandalous. None of it is based on actual fact. Comparisons with public sector numbers and pay levels in other OECD countries show that numbers and pay levels in Ireland are generally lower, albeit with some exceptions. If one were to believe the so-called newspapers, such as the *Sunday Independent*, one would be under the impression that it is a crime for a working person to have a secure and reasonably paid job and to benefit from an adequate pension after 40 years of hard work.

When I left school in 1979, I went looking for work. My parents directed me towards the Civil Service, advising me that although pay levels were not great, I would get a pension at the end of my career. They said I might have received great pay in the private sector but I might not get a great pension at the end of it. People were actively encouraged to go into the public sector so they would have something at least at the end of 40 years of hard work. The United Left Alliance regrets the anti-working class propaganda I have mentioned. It is a shame that Labour Party Ministers are not doing the same.

The argument that public sector pensions should be cut because private sector pensions have been devastated in the financial meltdown is a false one. My United Left Alliance colleagues have made the point that no pension should be cut. The problem with private sector pensions is the profit making of the companies and fees managers involved. The fees that are charged can be higher than the amount the person is putting in. Irish private pension schemes lost 35.7% of their value in 2008. The OECD average was 17%. Public sector pensions involve no management fees and virtually no administration costs.

The real scandal in this country is that 30% of pensioners live in poverty. That is double the OECD average. Real reform in this area would involve giving every citizen an adequate State pension — of at least 45% of their annual wages, as has already been explained — when they reach retirement age. Public and private sector employers should have to contribute to the funding of this. The average public sector pension is not extremely generous. The average occupational pension paid to a person who has worked as a teacher for 40 years is €22,000. Just 4.5% of public sector pensions are more than €55,000. No savings will be made as a result of these proposals until new entrants start to retire in 2058. The Government should act now by capping public sector pay at €100,000 and pensions at €50,000. Surely this would be better than creating a two-tier workforce in the public sector.

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

Message from Seanad

An Leas-Cheann Comhairle: Seanad Éireann has passed the Central Bank and Credit Institutions (Resolution) (No. 2) Bill 2011 without amendment.

Ceisteanna — Questions

Priority Questions

Renewable Energy Tariff Scheme

1. **Deputy Éamon Ó Cuív** asked the Minister for Communications; Energy and Natural Resources when it is expected that the European Commission will give State aids permission to the REFIT scheme; the reason for the delay in approving same; and if he will make a statement on the matter. [29908/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Under Directive 2001/77/EC, Ireland was assigned a renewable electricity target of 13.2% by 2010. Following extensive public consultation and consideration, it was decided that to reach the 2010 targets, a new scheme was necessary to deliver the build rate required to meet the renewable electricity directive target level. Experience across Europe clearly showed that feed-in tariffs were proving the most successful of the options available to member states in terms of encouraging new build. It was for this reason that the renewable energy feed-in tariff, known as REFIT, was announced in 2006 for certain categories of renewable energy, including wind and hydro power. It received state aid clearance in 2007, and the REFIT scheme has achieved its goal in that, at the end of 2010, Ireland had succeeded in surpassing the 2010 target.

The planned extension of the first REFIT scheme is designed to support up to 4,000 MW of onshore wind, landfill gas and hydro technologies. The new REFIT scheme for biomass technologies is designed to support a range of technologies, including combined heat and power, CHP, and anaerobic digestion, as well as co-firing of biomass in the peat power plants. Separate state aid applications are being progressed with the European Commission in regard to these schemes. The Commission is finalising its assessments on both applications.

Deputy Éamon Ó Cuív: Does the Minister agree, in view of the European Union's stated objectives in regard to renewable energy, that there is a contradiction between the huge delay in giving these state aid permissions and the targets of the European Union itself? Will the Minister explain whether he believes the time it is taking is reasonable? Will he further clarify when he believes the permissions will be given?

Deputy Pat Rabbitte: I broadly agree with the Deputy in that the time taken is longer than I would like. I was in Brussels last week on a number of different issues, and the same question was raised with me by our own MEPs. The latest information I have as a result is that the biomass REFIT is likely to emerge as early as next week, which is welcome because I am aware of a couple of tangible projects that are in the offing and others which are queued up. On the question of the renewal of REFIT for onshore wind, this might still be a few weeks down the line.

Deputy Éamon Ó Cuív: Will it be three or four weeks?

Deputy Pat Rabbitte: It is impossible to say. Once it goes through the system, we have complied by providing the information required from us. After that, it goes through the system in the Commission and, like everywhere else, that system has its own bureaucracy.

Deputy Éamon Ó Cuív: I find it extraordinary that the Union has been lecturing us about our public service yet it cannot deliver something that is of vital European as well as Irish interest. I understand 1,000 MW of power is ready to proceed.

As I understand it, under the REFIT scheme, as proposed, a generator — in other words, the person who owns the windmill — gets €66 per MW hour produced, whereas the supplier — in other words, the middleman — gets just under €10 per MW hour. I further understand that in the event of the price of electricity rising dramatically, which could easily happen as oil becomes scarce, all of the upside goes to the middleman — the supplier — rather than to the generator. Is my understanding correct? Does the Minister consider this a reasonable balance? Should that balance be more in favour of, first, the consumer, in that when the price goes over a certain limit there would be a rebate to the PSO, and, second, the generator — in other words, the person who invested in the windmills — rather than the middle group, namely, the network which delivers the electricity?

Deputy Pat Rabbitte: I view this from the point of view of the targets we have to make. It is clear from the experience across Europe that without some kind of a feed-in subsidy, it would not happen.

Deputy Éamon Ó Cuív: Then make it higher.

Deputy Pat Rabbitte: I believe we are agreed on that much.

Deputy Éamon Ó Cuív: It should go to the generator.

Deputy Pat Rabbitte: Yes, but only the supply company is prepared to take it on. Otherwise, there would not be the extent of progress that has been made in terms of building out the capacity. Only the supply companies would take it on.

With regard to REFIT 1, as we have known it, a number of changes have been introduced to the mechanism that tighten up some of the Deputy's concern, and they are with the Commission at present. As the Deputy knows, the problem with wind is one of intermittent supply, and we have to try to build in for that. Where the market price goes above a certain limit, it falls out. There are recent studies on this point which the Deputy might be interested in following up in the Oireachtas Library, in particular a study by EirGrid and the SEAI which addresses the particular issue he raises.

An Leas-Cheann Comhairle: We move to Question No. 2.

Deputy Éamon Ó Cuív: With no disrespect to the Minister, it does not address the balance between the generator, the supplier and the consumer. I know the study to which he refers and while it deals with the cost to the State of REFIT, it does not address the issue that——

An Leas-Cheann Comhairle: We must move on.

Electricity Generation

2. **Deputy Brian Stanley** asked the Minister for Communications; Energy and Natural Resources his strategy on electricity generation from wind and wave; and his views that the targets set will be achieved. [30320/11]

Deputy Pat Rabbitte: Under the renewable energy directive, 2009/28/EC, Ireland was set a binding national target by the European Union of 16% of all energy consumed to be from renewable sources by 2020. National targets of 40% electricity, 12% heating and cooling and 10% transport are commensurate with reaching our overall directive target. Currently, there is approximately 1,800 MW of renewable generation operational, of which just over 1,500 MW is from wind power, in addition to 240 MW from hydro-generation and 30 MW from biomass renewable generation. Operators of a further 1,000 MW of new renewable generation from the

[Deputy Pat Rabbitte.]

Gate 1 and Gate 2 group processing series have signed grid connection offers and are awaiting grid connection, mainly in the next year or two.

As part of the Gate 3 process, an additional 3,900 MW of offers issued to renewable generators. Even allowing for challenges that some developers face owing to increased planning restrictions in and around special areas of conservation, this amount of renewable generation is well in line with achieving Ireland's target.

Ocean technologies are still very much at the research and development phase and there are no wave energy devices operating on a commercial scale anywhere in the world. A number of Irish universities and the Marine Institute are pursuing research and other initiatives in the ocean energy sector and a quarter scale test site for devices has been established in Galway Bay. The intention is to eventually be able to test full scale grid connected pre-commercial wave energy prototypes. In order to achieve this goal, an ocean energy development unit in the Sustainable Energy Authority of Ireland has been pursuing a strategy of developing a site where this testing could take place.

Additional information not given on the floor of the House

EirGrid's GRID25 strategy sets out the high level plan for delivering an upgraded electricity transmission network to 2025. EirGrid is working to enhance the national network capacity between now and 2025 by reinforcing existing lines, deploying new grid technology and building new transmission lines.

The programme for Government states a future Gate 4, if required, will be plan-led, that is, future wind farms are to be built at locations where the wind regime is best and built in numbers or clusters to reduce the cost of connection to the grid. In the event that a Gate 4 process is contemplated in due course, my Department will engage with the Commission for Energy Regulation, EirGrid, ESB Networks and the industry on its design in the light, *inter alia*, of the programme for Government.

Deputy Brian Stanley: I tabled this question because some experts have queried whether these targets regarding renewable energy can be met by 2020. With the correct strategies in place, it will be possible to do this. It will form a central part of our energy policy and bring jobs and overall economic benefits. If we could harness even a small part of the estimated billions that can be realised from wave energy generation around the coasts, it could provide a massive injection for local economies, as well as meeting their energy requirements. However, how much of this is likely to be realised? The Minister mentioned planning. Does he agree that the hold-ups in planning and the delay in allowing projects at planning stage to commence are placing the targets in doubt? What steps—

An Leas-Cheann Comhairle: I thank the Deputy. I call the Minister and will revert to the Deputy.

Deputy Pat Rabbitte: I will give the Deputy one last piece of information that is relevant to this question. It pertains to the proposed Atlantic marine energy test site at Belmullet, County Mayo, which is approaching a stage of development that could see it ready to enter the full consenting process within the next few months, subject to budgetary considerations in 2012 and future years. The test site includes two offshore test areas at water depths of 50 m and 100 m which would, in turn, be connected to a shore-based electricity substation.

I do not disagree with the Deputy regarding the contribution that might be made. However, some of these technologies are still very much at the research stage. I hope the Government

will be able to continue to fund some of this research because Ireland is uniquely endowed in this sector.

In response to the Deputy's question on planning, yes there are and continue to be difficulties in the system, whereby projects that are essential for this and other purposes have slowed down. It is a constant challenge to balance the rights of individual citizens and the public interest. Trying to get the balance right is a difficult challenge.

Deputy Brian Stanley: I had a short space in which to speak the first time.

An Leas-Cheann Comhairle: The Deputy did not really, but he should proceed.

Deputy Brian Stanley: Are specific steps being taken with regard to the planning process?

Another question pertains to NewERA. While it has not been specified, it is envisaged that NewERA will be involved in it.

Deputy Pat Rabbitte: Involved in what?

Deputy Brian Stanley: Involved in rolling out wave and wind energy projects. Does the Minister envisage a role for NewERA in this regard?

Overall, this sector has huge potential for job creation if the technology can be developed, as well as for the finances of the State, because it would reduce the amount of money leaving the State as we import most of our fuel requirements. Moreover, it also has huge potential in terms of the reduction of CO2 emissions as it is clean energy.

Deputy Pat Rabbitte: I agree with the Deputy that anything that reduces Ireland's dependence on the importation of fossil fuels is a positive development and there are certainly possibilities into the future in this regard. In addition, it undoubtedly would help to reduce Ireland's carbon emissions.

As for the role of NewERA in this regard, the main issue confronting the Government is the provision of adequate funding to continue the research under way. The NewERA proposition, in respect of whatever parallel stream of funding will be put in place, is to invest in additional job creation. I cannot honestly tell the Deputy that when this issue was being discussed, the question of ocean and wave energy generation was at the top of the pile. However, if progress is made in the use of the testbed, research and so on, it undoubtedly would be free to apply for funding from that source. However, the more immediate challenges relates to continuing the research work under way.

Telecommunications Services

3. **Deputy Tom Fleming** asked the Minister for Communications; Energy and Natural Resources if he will ensure that next generation uncongested broadband is rolled out in County Kerry [30300/11]

Deputy Pat Rabbitte: The telecommunications market in Ireland, including the provision of next generation broadband networks and services, has been fully liberalised since 1999 and has since seen the steady growth and development of significant well regulated competition in the provision of the full range of telecommunications products and services. Provision of broadband services, including next generation broadband, is, therefore, primarily a matter for the private sector telecommunications operators.

The Government is not a commercial operator in this market and can only intervene in cases of market failure. Such interventions are subject to state aid clearance by the European

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Commission. Nevertheless, it is a priority of the Government that there be broadband coverage across the entire country. Therefore, in cases of market failure to deliver quality services, the Government will continue to intervene, where it is appropriate and possible to do so.

The group broadband scheme, the national broadband scheme, NBS, and the rural broadband scheme are all examples of where the Government has intervened previously to ensure broadband availability in areas, particularly rural areas, where commercial investors have failed to provide services. The national broadband scheme, now completed, has delivered broadband services to some 1,028 electoral districts countrywide. A basic broadband service is now available in all areas of the country. This has been provided ahead of a European Commission target to have such a basic broadband service widely available across the Union by the end of 2013. The rural broadband scheme which recently closed for applications aims to identify remaining individual premises in rural Ireland that are unable to obtain a broadband service for reasons specific to the premises, even though broadband is generally available in the area.

These interventions are additional to the overall progress being made on the quality and delivery of broadband within the competitive market. For example, broadband speeds of up to 100 megabits per second, mbps, are already available to approximately 500,000 premises using coaxial cable. This will increase to more than 700,000 premises by the end of next year. Telephone lines now provide digital subscriber line broadband offering speeds of up to 24 mbps, depending on distance from exchanges.

Additional information not given on the floor of the House

In addition to these improvements in fixed line services, developments in wireless technologies are also delivering higher speeds. Fixed wireless products, are increasingly available, and are advertising speeds of up to 10 mbps, while mobile broadband speeds are also being increased. The speeds being provided through these technologies will be considerably enhanced with the availability of new spectrum as a consequence of the switch to digital television services. ComReg proposes to auction this valuable spectrum for the purposes of providing fourth generation high-speed wireless broadband services. Current statistics indicate that more than 80% of customers nationally have opted into broadband services in the range of 2 mbps to 10 mbps.

Under the NewERA proposals in the programme for Government, there is a commitment to co-invest with the private sector and commercial semi-State sector to bring forward next generation broadband customer access to every home and business in the State. This commitment must be implemented in a manner compliant with the applicable EU state aid rules, which I mentioned previously. The next generation broadband task force, which I chair and which also comprises the Minister of State, Deputy O'Dowd, the chief executive officers, CEOs, of all the major telecommunications companies operating in the Irish market and of some Internet service provider companies, is currently considering how best to facilitate the roll-out of next generation broadband. The purpose of the task force is to discuss the optimal policy environment required to facilitate the provision of high-speed broadband across Ireland. The task force will also assist me in identifying those areas of the country where commercial service providers are planning to invest and areas more appropriate to market intervention to ensure the Government commitment to next generation customer access is delivered.

Deputy Tom Fleming: I thank the Minister for his reply. No part of County Kerry has yet been upgraded to next generation uncongested broadband. As the county is the main tourism hub in Ireland, it is imperative that this is rolled out in the short term. The problem was highlighted at the recent Irish Open golf championship in Killarney. The broadband speeds available for visiting journalists fell far short of what is available to the media in other

developed countries they would visit in carrying out their job. Only the good will and expertise of the local technicians on the ground who patchworked the existing service kept the system going over that week. If it were not for them, the system would have virtually collapsed.

The same applies to conferences. Large numbers of people attend conferences in Killarney and other parts of Kerry. With the huge influx of tourists and so on——

An Leas-Cheann Comhairle: I must call the Minister.

Deputy Tom Fleming: Pilot schemes are operating in Dublin and Wexford for next generation uncongested broadband and I believe Kerry would merit this service.

Deputy Pat Rabbitte: Of course I agree with Deputy Tom Fleming that every part of the country should have adequate connectivity. I am not sure the facts and figures bear out the notion that those in Kerry are especially disadvantaged. I know all Kerry men are very good at communicating that view, especially on the third Sunday in September, but I do not think it is necessarily true. The point he is raising relates to a particular event, the Irish Open. As a result there was extraordinary pressure on the system with the world's media in attendance. In those circumstances, the sponsor or the organiser ought to have arranged that booster resources were available because such an event would stretch any system.

I do not know if the Deputy saw the remarks of President Bill Clinton who said at Dublin Castle that our broadband is better than the broadband in the United States in many parts of the country, which is true. That is not to say it is adequate. I acknowledge that given topography and so on, there are difficulties in counties such as Kerry. That is especially true at a time when there is the great pressure, as there was during the Irish Open. I acknowledge that is a problem.

An Leas-Cheann Comhairle: I take it the Deputy is happy enough.

Deputy Tom Fleming: A Leas-Cheann Comhairle——

An Leas-Cheann Comhairle: I will allow the Deputy to speak very briefly because we are out of time.

Deputy Tom Fleming: We are very dependent on tourism. We also have our small businesses, industries and farmers who need to expand their businesses and livelihoods. They are being greatly inhibited in job creation and so on by what is available owing to our peripherality. There was a recent survey by the Kerry Community & Voluntary Forum.

An Leas-Cheann Comhairle: A question, please.

Deputy Tom Fleming: It really spelled it out and I will present it to the Minister's office because it deserves consideration. It states that public statements about the national coverage of broadband are patently incorrect when it comes to County Kerry. As can be seen from the report, large areas of the county have no or at best limited coverage. There are other facts and figures in the report and I ask the Minister to have his staff review it.

An Leas-Cheann Comhairle: The Deputy could give that to the Minister. I must proceed to Question No. 4.

Deputy Tom Fleming: There is optic cable lying idle in County Kerry at the moment.

An Leas-Cheann Comhairle: I thank the Deputy.

Deputy Tom Fleming: I ask the Minister to approach Eircom to come back into the business of providing broadband. With its expertise——

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

Deputy Tom Fleming: —— and the structures, it deserves to be considered.

Strategic Energy Infrastructure

4. **Deputy Éamon Ó Cuív** asked the Minister for Communications, Energy and Natural Resources if he considers any of the gas networks, the electricity networks, or the electricity transmission systems as strategic infrastructure; and if he will make a statement on the matter. [30188/11]

Deputy Pat Rabbitte: Investment in the development and maintenance of Ireland's gas and electricity network infrastructure is of fundamental strategic importance for the economy. Secure and reliable energy supply is a prerequisite for inward investment, for indigenous enterprise and for all consumers. Energy is the lifeblood of all economic production, whether in the high-tech ICT and bio-pharmaceutical sectors, the services sector or indigenous sectors such as agrifood.

Ireland has achieved a reliable and modern electricity and gas infrastructure over the past decade. The building of these modern and reliable energy network systems was achieved by extensive and well executed investment by the State-owned network companies, ESB, Bord Gáis Éireann and EirGrid. The networks must be maintained and enhanced as necessary to ensure Ireland has an energy infrastructure which is fully fit for purpose. Investment in strategic energy infrastructure is a key priority for the European Union.

The Government fully endorses the strategic national importance of investing in Ireland's electricity transmission infrastructure. Delivery by EirGrid of its national grid development strategy, known as GRID25, is critical to economic recovery, regional development, security of supply, competitiveness and the achievement of Ireland's renewable electricity targets. The east-west electricity interconnector between Ireland and the UK will be completed by the end of next year. Investment in the networks and infrastructure by Bord Gáis Éireann, ESB and EirGrid in recent years has been significant. The importance of the investment was demonstrated in the very adverse weather conditions in 2010 when the gas and electricity networks were shown to be robust and reliable.

The Government recognises the importance of the energy sector to the economic and social functioning of the State, and that the State must continue to have a strong and direct presence in electricity, particularly in the regulated transmission and distribution networks. The same principle applies in the gas sector. This presence must be maintained in a way that protects overall economic competitiveness and does not deter private investment. The process to analyse options for the minority stake sale in ESB will fully reflect these principles.

Deputy Éamon Ó Cuív: I am very pleased the Minister has confirmed that these are strategic national assets. How can he square what he has just said about these being strategic national assets with the commitment in the programme for Government that the sale of assets would be non-strategic assets? How can the Minister explain the Government's decision to sell what he has now has declared to be strategic national assets? There was no equivocation about a part sale or whatever — they were not to be sold. How can the Minister explain the Government's decision to part sell the ESB?

Deputy Pat Rabbitte: I have no difficulty reconciling what we have said. There is no doubt that these are strategic assets and it is for that reason that the Government has decided to sell only a minority stake in the ESB to ensure the State maintains a controlling interest. It would have been my wish that we were not forced into this position at all, but the memorandum of understanding with the IMF and EU signed by the previous Government, of which the Deputy was a member, in November 2010 made plain that the disposal of State assets was a condition of the funding of the State. I wish it were not so and my colleagues will hold discussions with the troika this week on the issue. We will see what will come out of that, but unfortunately that is the genesis of the problem.

Deputy Éamon Ó Cuív: The Minister is incorrect and he should check the source document, the memorandum of understanding, where he will see that the previous Government committed itself to a review which was carried out by Dr. Colm McCarthy. To ensure efficient gas and electricity networks, there was no number nor was there a specific commitment to sell any State assets. The present Government made the money commitment, not us. Even before the publication of Dr. McCarthy's report, the programme for Government stated:

“We will target up to €2 billion in sales of non-strategic state assets drawing from the recommendations of the McCarthy Review Group on State Assets when available.”

The programme for Government also states that:

“Assets will only be sold when market conditions are right and when adequate regulatory structures have been established to protect the consumer interests.”

I believe that when any stake in these assets is sold, the private interest predominates, but does the Minister think that market conditions will be right over the next four years to sell these State assets, in line with the programme for Government?

Deputy Pat Rabbitte: If I knew the answer to that, I would be going down to Paddy Power. I do not know what the situation will be in four years. What I do know is that market conditions are not propitious right now and, therefore, we will not be selling anything at the moment. I made that clear on a number of occasions.

We really should not be rewriting history here. I notice that it is now the new mantra of the Deputy's party that they never agreed to sell any State assets. I saw Senator Thomas Byrne from Meath on Sean O'Rourke's programme on Sunday night, and his position was that the Fianna Fáil Government never signed away the State assets. Of course it did.

Deputy Éamon Ó Cuív: We did not.

Deputy Pat Rabbitte: That is why we are where we are. That is why the previous Government brought in Colm McCarthy, whose report stated that we should sell. It is not possible to forget something that happened before Christmas. Even if someone were a presidential candidate he would remember he was a member of the Executive before Christmas. That was only a few months ago.

These are the origins of the problem and we have decided on the minimum we can negotiate. There is no question of control falling out of the hands of the State.

An Leas-Cheann Comhairle: Thank you Minister. I am sorry Deputy——

Deputy Éamon Ó Cuív: If the Minister checked the documentation, he would find there was no firm commitment. We undertook to carry out a review and the Minister is always trying to

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bluster his way out of his Government's decisions. This Government gave these money commitments in the programme for Government. No amount of bluster will get away from the facts in cold print.

An Leas-Cheann Comhairle: We are proceeding to the next question.

Deputy Pat Rabbitte: The only thing the last Government did not do was to put in a figure, and according to what the troika told us, that Government begged not to put in a figure and leave it as it was.

Deputy Éamon Ó Cuív: The Minister now admits that there was no figure and no commitment.

State Companies

5. **Deputy Seamus Healy** asked the Minister for Communications, Energy and Natural Resources if he will rely in the main on investment in modern industry through State companies such as the ESB and others to generate economic growth and jobs in view of problems (details supplied). [30361/11]

Deputy Pat Rabbitte: I can assure the Deputy that employment creation is the central economic objective of the Government. This issue encompasses a number of key Departments, including Enterprise, Jobs and Innovation, Finance, Public Expenditure and Reform, Education and Skills, and this Department.

In so far as my own responsibilities are concerned, I have statutory responsibility for the State energy companies as well as for RTE and An Post. I also have more general responsibility in the areas of energy and telecommunications which impinge on competitiveness.

It is the case that ESB, Bord Gáis Éireann, EirGrid and Bord na Móna have invested significantly and cost effectively in Ireland's energy infrastructure and the energy sector over the last decade. Their current corporate strategies, in line with my overall objectives for the energy sector, commit to continued investment in the energy networks and in renewable power generation.

The investment programmes of these successful State companies are critical for the regeneration of the economy, for inward investment and for regional development. ESB, BGE and Bord na Móna have consistently paid dividends to the Exchequer over recent years and are major employers as well as generators of economic activity.

EirGrid, as the State-owned transmission system operator, operates the successful single electricity market, thus ensuring security of energy supply for business and consumers. EirGrid is currently completing, on behalf of the Government, the construction of the east-west electricity interconnector and is working to roll out vital transmission infrastructure under GRID25. The investment in interconnection and the transmission grid is critical for the economy and for achieving our ambitions in renewable energy.

The Government recognises that the cost of energy in Ireland is a serious competitiveness issue facing energy consumers during this difficult period for the economy. The provision of secure, sustainable and competitive energy supplies is critical for the economy and is a challenge we are determined to meet.

Additional information not given on the floor of the House

The competitive nature of the Irish energy market, which is characterised by price transparency and the highest level of customer switching in the EU, helps put downward pressure

on prices. In addition, we must focus on all possible additional actions to mitigate costs where possible for business and domestic customers. Additionally, from an electronic communications policy perspective, competition and investment certainty have given rise to significant competitiveness improvements over recent years. New entrant service providers have increased choice and quality and driven prices downwards, all to the benefit of business and residential customers.

Deputy Seamus Healy: I thank the Minister for his reply. Would he agree that the policy of relying on the private sector to create jobs and solve the economic and social crisis in this country has failed? He himself stated that the various companies under his umbrella have been successful. In the early years of the State, companies like the ESB, Bord na Móna and the Irish Sugar Company were the key drivers in the economy and in creating jobs in the economy.

We now have a situation where nearly 450,000 people are unemployed. We have lost more than 6,000 jobs since the Government came into office, while another 950 jobs were lost today at Aviva. Merck Sharp & Dohme has announced 40 job losses, while jobs were recently lost at TalkTalk and MBNA. Does the Minister agree it is now necessary for the State to provide investment for State companies to create jobs, because the private sector clearly has failed and cannot deal with our current situation?

Deputy Pat Rabbitte: I agree with the Deputy that we have a huge unemployment problem. There is no doubt about that. It has been made immeasurably worse by the collapse of the construction sector, and therefore a huge segment of construction workers, with varying levels of skill, are out of work. That is the huge mountain this Government must try to scale.

I cannot agree with the Deputy if he is saying that the private sector has failed and we should rely on the State companies. It is not one or the other. We live in a mixed economy. State companies have made a significant contribution to employment, as well as discharging their responsibilities on the supply of energy, telecoms, postal services, cutting turf and so on. Without the role of the multinational sector and without the role of thousands of small and medium sized enterprises, however, our unemployment situation would be a great deal worse. I cannot agree with the Deputy that it is either-or, but I agree with him that wherever we can extract value and cause employment to be created, that ought to be our target.

Deputy Seamus Healy: Of course I never suggested that it is either-or. The current situation is that the private sector has simply failed to create the jobs. The jobs the sector has created are obviously very welcome. I am suggesting that we cannot be excessively dependent on either the private sector or foreign direct investment and that we must invest in our own State and semi-State companies to create jobs.

We are due to pay €3.5 billion to unsecured bondholders in Anglo Irish Bank, and I think €700 million of that is to be paid in the next few days. Can the Minister assure the House that we will get at least the same benefits as those proposed for Greece, whereby the claims of these bondholders will be reduced by 50%? The €1.75 billion saved on that reduction should be put into State companies for direct job creation.

Deputy Pat Rabbitte: I agree with the Deputy about leveraging jobs in the State sector wherever we can. The Minister of State, Deputy O'Dowd, has been preoccupied with this issue for more than the last six months. Wherever we can source investment for the creation of new employment connected with the State companies, we will do that. For example, one of the major projects the Minister of State, Deputy O'Dowd, has been concerned with is the creation of a water utility company. Therefore, I have no difference with Deputy Healy on that issue.

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As regards the prospective settlement in the eurozone concerning the Greek debt problem, the Deputy will have heard the views of my colleague, the Minister for Finance, Deputy Noonan, including his public statements on the bondholders issue as it relates to Anglo Irish Bank. At this stage, I do not know — I do not know if anybody knows — whether a settlement in the wider eurozone will be concluded this weekend. Plainly, it is a matter that concerns all member states and especially Portugal and Ireland. What concerns us particularly are the settlement terms to be agreed. It is important that there be a settlement, if not at the weekend, then as soon as possible thereafter.

Deputy Seamus Healy: It seems to be taking a long time.

Other Questions

Radio Licensing

6. **Deputy Timmy Dooley** asked the Minister for Communications, Energy and Natural Resources if, following the introduction of digital television, he intends to instruct ComReg to ensure all 3G and 4G licences issued will be subject to a requirement of 100% population coverage; and if he will make a statement on the matter. [30098/11]

Deputy Pat Rabbitte: The management of the radio spectrum is a statutory function of the Commission for Communications Regulation, ComReg, under the Communications Regulation Act 2002. In accordance with this function and its obligations under EU law, ComReg designs and manages the spectrum assignment process. In so doing, it must bear in mind the objectives of ensuring the efficient and effective use of radio frequencies, promoting the harmonisation of use of frequencies across the European Union, and encouraging investment and promoting competition in the interests of consumers. ComReg is independent in the exercise of this spectrum management function.

The individual licensing of wireless communication equipment is also a function of ComReg under the Wireless Telegraphy Acts 1926 to 2009. Under the Acts, mobile telecommunications service providers and operators are required to obtain licences from ComReg. They are also required to comply with licence conditions set by it in accordance with regulations made by it under the Acts and in accordance with the EU regulatory framework.

I am advised that ComReg will not be granting 3G or 4G licences in the future. Instead, a multi-band award of spectrum in the 800MHz, 900MHz and 1,800MHz band, via auction, is proposed. In accordance with European directives, spectrum will be released on a service and technology neutral basis. I am advised that this means that the eventual licensees will be permitted to use their spectrum allocations to provide electronic communications services of their choosing, including mobile telephony and Internet access services, subject to certain technical specifications — for example, compatibility as set out in the directives.

I am further advised that the minimum population coverage requirements of the existing 3G licences were volunteered as part of competitive evaluation processes. Competition between current operators has delivered coverage levels that exceed, often significantly, the minimum coverage requirements set out in the licences. Coverage continues to be an important competitive differentiator in the market and operators continue to give it prominence in marketing and advertising campaigns.

Additional information not given on the floor of the House

ComReg advises that a stipulation of 100% population coverage is not proposed, as it would require costly and duplicative infrastructure to be built. However, it expects that market competition will continue to deliver comprehensive coverage for voice services in a cost effective manner. ComReg is of the view that its current proposals will also ensure cherry-picking of high density urban areas does not occur.

ComReg has undertaken an extensive and comprehensive public consultation process on its proposals for the forthcoming spectrum auction. I expect that it has examined every aspect in great detail with a view to ensuring the maximum possible benefit for consumers, in accordance with its statutory obligations. Details of its proposals are available in its latest published document, ComReg 11/60, and associated documents.

Deputy Éamon Ó Cuív: From the Minister's reply, one would think he had no role in the matter and that he could not give any general directives to ComReg. If necessary, he could, of course, legislate. When ComReg issues 800MHz and 900MHz band licences, will it be a condition to have 100% coverage across the territory of the State? Furthermore, will the Minister assure us that coverage will extend indoors? If it refers to outdoor coverage, it should be noted that most people use such devices indoors. Will ComReg insist on whoever receives a licence providing 100% coverage across the State within a fixed period?

Deputy Pat Rabbitte: Given the complexity of this issue, I have already suggested to the Deputy that it would be a good idea for the Joint Committee on Communications, Natural Resources and Agriculture to invite ComReg to make a submission on this matter. The Deputy is probably posing the question because he knows there is no such thing as 100% coverage. He also knows that in many of the precedents set there has not been 100% coverage, even in the case of the RTE signal. For example, when Vodafone received its licence, the requirement was that there be 85% coverage. In the case of O2, the figure was 80%, and for Meteor, 53%. Because of the competition factor to which I referred, all of these operators comfortably exceeded the requirement set. The result is that we now pretty much have universal coverage. I have represented views to ComReg which has conducted its consultation process. It would be productive if ComReg was to make a submission to the joint committee.

Deputy Éamon Ó Cuív: We will certainly invite ComReg and I understand the joint committee is in the processing of doing so. In the meantime, policy is laid down by the Minister, not ComReg. When he talks about 70% coverage, he is referring to population; the figure is about 50% in the case of territory. It is interesting to note that the figure for Germany is 90% and for the United Kingdom, 95%. Is it Government policy to ensure that when spectrum is awarded via auction, there will be as near to 100% coverage as possible? The Minister can probably argue that in the case of RTE there is 99.99% coverage. It is virtually 100%, although we will probably settle for slightly less. We must be careful, however, because if the Minister refers to a target of 95% of the population, that may cover only 80% or 85% of the territory of the State owing to the population imbalance between different areas.

An Leas-Cheann Comhairle: Can the Deputy, please, put a question?

Deputy Éamon Ó Cuív: I am asking a question. Will the Minister set minimum coverage requirements to be sought by ComReg to ensure there will be a universal service throughout the State, or will he be the agent adding to the digital divide within the country?

Deputy Pat Rabbitte: I am reluctant to agree with the Deputy that there is a digital divide in the way he portrays it. The reason we have a statutory body charged with management of

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this process is that it has the technical and professional capacity to assess it. It is a very complex issue. I think the Deputy understands the point I have made, that there is no precedent in which there has been 100% coverage. However, because of competition in the marketplace, there will, in effect, be universal coverage. The Government's policy approach to the spectrum to be awarded by auction is primarily that it offers us the capacity to enhance mobile and especially broadband services. That is the main policy objective. Second, it will realise a not insignificant income for the State which may be seen by the Deputy as incidental to the policy objective, but it is important.

Deputy Éamon Ó Cuív: It is not incidental.

An Leas-Cheann Comhairle: I am sorry, but the Deputy will have to raise that matter on other day. We are proceeding to Question No. 7, as we are way over time.

Alternative Energy Projects

7. **Deputy Catherine Murphy** asked the Minister for Communications; Energy and Natural Resources having regard to the projected continued decline in international crude oil production and the over-dependence on imported oil here, his plans to adopt the oil depletion protocol (details supplied) as passed by the Portuguese parliament in April 2011 as a clear statement of his intention to wean off over-reliance on imported oil and to facilitate a rapid transition to renewable energy sources and energy efficiency measures; and if he will make a statement on the matter. [29912/11]

Deputy Pat Rabbitte: Ireland remains critically dependent on imported fossil fuels, particularly oil and natural gas. This dependency underlines the immediate and long-term imperatives of enhancing energy security, reducing price volatility and ensuring energy sustainability. National energy policy objectives are in line with overall EU policy objectives and are informed by the critical work of the International Energy Agency on all aspects of energy supply.

The Government is fully committed to delivering national energy efficiency and renewable energy objectives that are aimed at moving the economy away from reliance on imported carbon-intensive fossil fuels. The adoption of an oil depletion protocol is not required as a further statement of intent on this commitment, which is underpinned by the programme for Government.

The electrification of transport offers considerable potential for Ireland, not just in terms of energy efficiency but because of the ability to use cheaper grid-sourced electricity, an increasing amount of which will be sourced from renewable resources as we progressively deliver on our ambitious target of 40% renewable energy generation by 2020.

The bio-fuels obligation scheme incentivises and enables the sustainable growth of an Irish bio-fuels market affording opportunities for indigenous bio-fuel producers and allowing for the displacement of traditional oil products in the transport sector. During the first obligation period — the last six months of 2010 — the bio-fuels obligation scheme was responsible for bringing a total volume of 98.5 million litres of bio-fuels on to the Irish market, which is equivalent to more than 4.25% of the transport fuel market in the State.

The Better Energy scheme provides Exchequer-supported incentives for energy efficiency and renewable energy upgrades, brings 25 energy suppliers on board as partners to offer upgrade services directly to consumers and supports energy-efficiency upgrades in low-income private housing. Delivery on these commitments will progressively reduce our dependence on imported fossil fuels.

Deputy Catherine Murphy: The Minister's point, that we are critically dependent on imported fuel, is key. Would the Minister call the target of generating 40% of our energy from renewable resources by 2020 ambitious given our dependence on fossil fuels, oil in particular? It may well not be. Are there initiatives that the Minister believes could be invested in that would provide jobs and assist us in exceeding the target that are not being considered because of the financial limitations? If so, are there other areas being worked on that could allow us to exceed our target of 40%? I do not regard the target as ambitious given that we are probably now at the point of peak oil.

Deputy Pat Rabbitte: As Deputy Murphy will know, the experts differ on the definition of peak oil and when it will be reached. The central point remains, namely, that the extent to which the State relies on the importation of fossil fuels is critical. That is indisputable and I accept it, but there is an ambitious programme under way to develop our capacity in renewable energy.

The Deputy's asked whether there are initiatives in addition to those making a contribution to energy efficiency that would create jobs but which are constrained by the current economic environment. The honest answer is that there are. There is no doubt but that the area of retrofitting in the residential sector, for example, offers great potential for energy saving, given the standard of housing. Retrofitting has a significant spin-off in terms of employment. The additional €30 million we invested in this area this year through the jobs initiative means there are now almost 6,000 people employed at retrofitting. The answer to Deputy Murphy's question is that, if I were able to invest thrice as much, it would have a commensurate result in terms of energy savings and job creation. We are constrained by the financial circumstances.

Deputy Catherine Murphy: Is there a tipping point? With regard to Deputy Ó Cuív's question, it was stated one could not forecast four years ahead. One could certainly forecast that, in ten years, we will run into very serious difficulties in providing energy to the industrial sector, for example, by virtue of the fact that we are not proceeding quickly enough. There is probably a tipping point beyond which investment will not yield the desired result. The Minister referred to the result of investing three times as much as is being invested at present. What is the consequence of creating the jobs at this stage? What is the return on the investment of €30 million? If it were trebled, would it cover its own cost over time?

Deputy Pat Rabbitte: Yes. I am currently fighting as if for my life to keep the retrofit programme alive until we move on to the next phase. We have done considerable planning and preparation to divine a new model for retrofitting nationally. Public and commercial buildings constitute a valuable area in terms of potential energy savings and job creation. The idea is to create a new model that will involve a partnership between the energy supply companies and the banking sector. Homeowners will be enabled to get the work done on their homes largely using the savings they make on their energy bills. It is a win-win situation. Homeowners will have more comfortable homes and the work will be paid for with the savings made. The supply companies and banking sector would be part of the delivery process.

Fiscal Policy

8. **Deputy Charlie McConalogue** asked the Minister for Communications; Energy and Natural Resources in view of a statement (details supplied) confirming to Dáil Éireann last week that the sale of strategic State assets was not a condition of the Memorandum of Understanding of December 2010, if he is in favour of the sale of State assets; and if he will make a statement on the matter. [30109/11]

10. **Deputy Richard Boyd Barrett** asked the Minister for Communications; Energy and Natural Resources if he will explain his role in the discussions around the disposal of State assets under the EU-IMF programme and in relation to New Era and proposals for a State investment programme to create jobs; and if he will make a statement on the matter. [30088/11]

14. **Deputy Derek Keating** asked the Minister for Communications; Energy and Natural Resources if, in relation to the group set up on the sale of a stake in the ESB, the names of the members and it's terms of reference. [29909/11]

Deputy Pat Rabbitte: I propose to take Questions Nos. 8, 10 and 14 together.

The EU-IMF Programme of December 2010 involves a commitment that the Government will outline methods to raise funds through asset disposal. The 2011 budget included a similar commitment. The programme for Government includes a commitment to finance investment from the proceeds of the sale of certain non-strategic State assets.

Far from confirming to Dáil Éireann last week that the sale of strategic State assets was not a condition of the memorandum of understanding of December 2010, the Minister for Finance, Deputy Noonan, stated that the European authorities and IMF require the sale of State assets as part of the programme and confirmed that the Government supports the sale of non-strategic State assets.

Ireland is significantly dependent on the funding arrangements put in place under the EU-IMF deal to pay for its public services and restore the banking system. In this context, I accept that the fiscal path to which the Government is committed under the EU-IMF agreement demands that the option of realising value from State assets be fully explored. I accept that there is significant value in commercial State energy companies that could be realised at an appropriate time after necessary further analysis of all the complex factors relating to the disposal of commercial assets in the energy sector.

The memorandum of understanding between Ireland and the troika, as revised last April, commits the State, at the insistence of the troika, to an ambitious programme of asset disposal. In terms of value, this has inevitably led to a particular focus on the State energy companies, especially ESB Electric Ireland. In this context, the sale of a minority stake in the ESB as an integrated utility has been agreed by the Government. This decision is an early demonstration of the commitment by the Government to the programme for Government objectives and its obligations under the memorandum of understanding. The sale will be advanced by means of a defined process involving a full evaluation of the best approach to be taken, including consideration of the size of the minority stake to be sold. The process is being progressed by a group co-chaired by my Department and the Department of Public Expenditure and Reform and includes officials from the Department of Finance, the National Treasury Management Agency and NewERA.

Deputy Éamon Ó Cuív: I imagine that in his heart and soul the Minister is on the same track as me. It appears the ideologues in the Minister of State's party and the troika are pushing this along. Reading between the lines I suspect the Minister is trying to follow the principle of *festina lente*. While he has been forced to agree in principle, he will place a dris chosáin all along the way in the hope this will never happen because he and I know it is wrong. If that is his intention, he has my full support. Will he confirm that this is what he is trying to do?

Deputy Brian Stanley: He cannot say it in public.

Deputy Pat Rabbitte: If ever there was a booby trap set for a Minister, this is it.

Deputy Éamon Ó Cuív: It was set by the Minister.

Deputy Pat Rabbitte: If the Deputy does not mind, I will fail to spring it. The reason it is a case of *festina lente* is market circumstances are such that no one would wish to go to the market with State assets. The reason we are going to the market is the memorandum of understanding. The House has seen what has been enforced in Greece in the disposal of state assets. When one considers the menu of State assets in this country, as detailed in the Colm McCarthy report, one comes back to the energy sector. There are several other areas in which one could seek to realise a sale, but the proceeds would not make a great impact on our mountain of debt. Therefore, one comes back to the energy companies. The approach the Government has sanctioned is to seek a compatible investor at the right time, for example, something like a pension fund, to take a minority stake in a successful, vertically integrated utility in Ireland which is profitable, pays a dividend, is creating employment and a major player in securing our energy supply.

Deputy Éamon Ó Cuív: In the coming four years the turnover of the State will be in excess of €200 billion. The margin for error in that amount far exceeds the €2 billion referred to in the programme for Government to be raised through the sale of State assets. Therefore, like many other things, in financial terms, this aspect could be renegotiated. It is simply a drop in the ocean. So far this year the Government is €800 million ahead of the targets set in the budget. Will the Minister confirm that this process is being driven by an ideological view in the EU-IMF troika rather than by a financial need? If we achieve the targets set in the four year plan and the memorandum of understanding by growth, without selling assets, does the Minister believe the EU-IMF troika would agree that assets need not be sold? In that event, would the Minister be in favour of not selling them?

Deputy Pat Rabbitte: If we could achieve the targets set without the sale of State assets, the honest answer to the Deputy's question is that I would be perfectly pleased with that outcome. My approach to the disposal of State assets is that I am prepared to examine the issue on a case-by-case basis. Different arguments can be advanced for different holdings in State ownership and arguments that apply to one do not necessarily apply to all of them. This is one of the merits of the shareholder executive idea encompassed or proposed in the NTMA in the guise of NewERA. Individuals with the necessary expertise and the capacity to import expertise where needed will assess the totality of the menu in place on a whole-government basis.

Is the process being driven by an ideological view in the troika? It might be better if the Deputy were to put that question to some of his colleagues. I do not know what drove them to include it in November. I have watched the situation unfold in Greece and discussed it with my Greek counterpart. The view in Greece is that they could not possibly meet the imposition on them and that they do not have the amount of state assets required to realise the targets set for them by the troika. I am unsure whether it is ideological, but there is certainly a view within the troika that the entire purpose of this country being included in a programme such as ours is to encourage the recovery of the economy in order that we can seek market access again during the lifetime of the programme. The sooner we can go back to the markets to source our own funds to run the State the better. It seems taking a rigid, ideological position is not necessarily compatible with this objective.

Deputy Derek Keating: The Minister has gone some way towards answering the question I intend to pose. To what extent does he believe he is in a straitjacket in dealing with this issue? To what extent is he in a bind in having to sell a stake in the ESB?

Deputy Pat Rabbitte: Several people representing the three elements that make up the troika visit this country at the end of each quarter and check the homework of the Department of Finance. If we are not in compliance, they will not sign the cheque. Up to now, they have accepted it. I hope my ministerial colleagues, Deputies Noonan and Howlin, will be able to report tomorrow that, once again, they have accepted that we have managed to meet the targets set.

Deputy Éamon Ó Cuív: We have exceeded them.

Deputy Pat Rabbitte: The Deputy has broken my train of thought. They require that we realise significant funds from the sale of State assets. It is an open secret that they attempted to include a figure of €5 billion in the renegotiated memorandum of understanding. Instead, the revised memorandum of understanding commits to an ambitious programme involving the disposal of State assets. I am unsure how “ambitious” it is, but I know the figure is more than the €2 billion committed to in the programme for Government. Perhaps the Deputy is correct to suggest that as time passes, a more liberal view will be taken of whether imposing a heavy demand on the State in terms of the disposal of State assets is consistent with economic recovery and restoring growth to the economy. The Deputy might be right in suggesting that as time passes, this aspect will be reviewed.

On the question posed by Deputy Keating, we are in a bind and must show product, so to speak. That is the reason we are in the circumstances we are in with the decision on the sale of a minority stake in the ESB.

Deputy Brian Stanley: I note the Minister is much more ideologically flexible than he was when he was gallivanting around the midlands a few decades ago. I am sure he will justify his flexibility on the basis that we are now in a different place. On the sale of State assets, is he in favour of selling off parts of Bord na Móna? What are his plans for the large tracts of semi and fully cut-away bog owned by Bord na Móna in the midlands?

Deputy Pat Rabbitte: I have regular discussions with Bord na Móna. The problem is we are running out of móna.

Deputy Brian Stanley: There is a fair amount of móna left down my way.

Deputy Pat Rabbitte: Yes, the company has been imaginative in diversifying and gradually replacing its core business. The Government is engaging with it in a number of areas. Obviously, the last thing we want to see is a diminution of employment in the company. The opposite is our objective and discussions with it are ongoing. I do not know what we will do with the cut-away bog. We are considering the matter. Much of this Question Time has been devoted to the issue of renewable energy, an area in which one could envisage a significant role for Bord na Móna. That is one possibility and there are others. The objective is to maintain and create employment.

Deputy Éamon Ó Cuív: The Minister has been very helpful and Deputies may have obtained a better reading of his mind this afternoon than on any previous occasion. He referred to Greece. Ireland and Greece are in a totally different position because we have adhered to the agreement we reached with the European Union and the International Monetary Fund. It is my understanding from the statements of the Government that the European Union and the IMF do not mind how the Government proceeds, provided it achieves the bottom line. However, when it comes to the sale of State assets, we appear to have common cause because the issue is being ideologically driven by the European Union and the IMF. We have seen what ideologically driven policies and competition in Europe did to the banking sector, for

example. Will the Minister try to ensure the privatisation of State assets will be deferred for as long as possible in the hope we can avoid a forced sale of assets we do not want to sell? I am not opposed to selling assets where their sale would be better for everyone concerned. The Minister will agree, however, that the ESB or part of the company is not such an asset. Does he also agree that if one wants economic growth, control over basic energy infrastructure, that is, networks, is vital because one must be able to direct investment from a national perspective rather than on the basis of securing a return on capital? Does he agree that, if possible, the State should retain 100% ownership of the gas and electricity transmission and network systems?

Deputy Pat Rabbitte: As I have stated on a number of occasions, there is no question of the Government surrendering control of either of the companies to which the Deputy refers. The Deputy referred to adhering to targets, meeting the bottom line and substituting one thing with another. This trade-off is taking place on the revenue side, for example, in reversing the previous Government's decision on the minimum wage, we had to modernise the joint labour committees. However, the troika has not at any stage indicated an intention to let us off the hook on the commitment to dispose of State assets set out in the original memorandum of understanding.

While I sincerely hope the quantum is open to negotiation, the divvy-up between what we put into an envelope to send to Frankfurt and what we can use for reinvestment purposes for job creation in the indigenous economy is as important. I hope this matter will also be up for negotiation. I know the Minister for Public Expenditure and Reform, Deputy Howlin, and the Minister for Finance, Deputy Noonan, have been engaged in that very process. As Deputy Ó Cuív stated, this may well be a dynamic that unfolds over a period. I have already given him a fairly frank answer to the original question he asked. However, the ideology, if that is what the Deputy calls it, that drives troika thinking appears to be, as in the case of Greece, that if it is to fund a programme of support for the administration of the State, it expects us to make a contribution in the form of the disposal of some State assets. I hope the quantum, as well as the destination of the proceeds, is negotiable but, as far as I am aware — we will hear what the two relevant Ministers have to say tomorrow — there is no sign that the troika has relented on the principle of the State making a contribution through the disposal of some State assets. While I wish it were not so, that is the position.

Deputy Éamon Ó Cuív: Does the Minister understand what is driving the process? It is being done in the interests of private companies and financiers which want to get their hands on assets the Irish people have built up. If that is the case, we will work with the Minister to ensure they do not succeed. We will support him and I hope he will support our efforts.

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 Michael McNamara — the revenue loss to the Exchequer arising from an increase in off-licence sales and a decrease in on premises consumption; (2) Deputy Ann Phelan — to raise the issue of fuel laundering which is nurturing criminality, particularly cross-Border crime, at a time when the State is developing a more favourable international image abroad; haemorrhaging funds from the Exchequer in a difficult financial period; distorting competition against legitimate business; and seriously wasting the resource of vital State security and revenue institutions; (3) Deputy Joe Carey — the development of a service area at Moneypoint Pier, County Clare, to supply backup to companies engaged in oil exploration; (4) Deputies Peadar Tóibín, Kevin Humphreys and Willie O'Dea — the recently announced job

[An Leas-Cheann Comhairle.]

losses at Aviva Insurance; (5) Deputy Dan Neville — the increase by 4% to 11,966 in the number of presentations to hospital due to deliberate self-harm; (6) Deputy Michael McCarthy — the need for a fairer distribution of resources to west Cork under the local and community development programme; (7) Deputy Brendan Griffin — the need for a new school building at Milltown Presentation secondary school, County Kerry; (8) Deputy John O'Mahony — the proposed closure of District Court services in County Mayo; (9) Deputy Thomas P. Broughan — to ask the Minister for Health if critical funding for St. Michael's House, Ballymun Road, Dublin 9, will be maintained in budget 2012, given the series of budget cuts the organisation has experienced in the past three years and the impressive range of services it and its dedicated staff continue to provide for citizens with an intellectual disability across the northside and beyond; and if he will make a statement on the matter; (10) Deputy Shane Ross — the proposed closure of the motor tax office in Nutgrove shopping centre, Rathfarnham; (11) Deputy Éamon Ó Cuív — the need for the Minister of State with responsibility for the Office of Public Works to act on the Government decision of December 2010 on the difficulties some householders are having in obtaining flood insurance for their houses following the floods of November 2009; (12) Deputy Dessie Ellis — the need for the Minister for Transport to take action to ensure the retention and improvement of essential bus services for working class and elderly communities in the Dublin area; and (13) Deputy Joe Costello — the need to provide funding for Foróige to help run its Big Brothers Big Sisters of Ireland programme.

The matters raised by Deputies Tóibín, Kevin Humphreys and O'Dea, Costello, Carey and O'Mahoney have been selected for discussion.

Topical Issue Debate

Job Losses

Deputy Peadar Tóibín: The loss of jobs at Aviva Insurance has been a slow motion catastrophe. Some 950 of the company's staff have lost their jobs, while approximately 300 further staff will have their jobs outsourced. Members of staff have been left in limbo for several weeks. The company is one of the largest and most profitable insurers in the State. The job cuts will result in €36 million being taken out of the economy and have the potential to increase the social welfare bill by €20 million. The Government has acted like Pontius Pilate. For several weeks, I have asked repeatedly that it intervene in this scenario which has been ongoing for weeks. Even at this late stage, I ask that it do everything in its power to save as many jobs as possible. Will it make officials of the Department of Finance available to the staff and unions at the company to ensure the costs and business plan of Aviva can be thoroughly analysed and savings made to make the jobs in question viable?

Deputy Kevin Humphreys: Having experienced redundancy in the recession of the 1980s, I sympathise and understand what the workers at Aviva Insurance and their families are going through. I ask the Minister of State to ensure all possible resources are marshalled to help the workers in question. Will he outline what resources will be made available? I also ask him to meet management of Aviva Insurance to ensure there is certainty regarding the workers and their entitlements and to argue for the retention of as many jobs as possible. Will he also clarify whether it is possible to submit an application for funding under the European Globalisation Adjustment Fund? I understand an application may not be made until March. If that is the case, will he ensure we will be prepared when the time comes? I also call on him to appoint one official to act as the sole co-ordinator across all Departments and serve as a single point of direct contact for workers. Having fallen down in this regard on previous occasions, we must

ensure retraining and educational opportunities are available and workers are made aware of their entitlements.

Deputy Willie O’Dea: As has been noted, the catastrophe that occurred in Aviva Insurance today had been well flagged, including, for example, in September when the company announced a review. The tone and content of that statement left us in no doubt as to what was on the way. What has the Government been doing in the meantime? What precise action has taken place to avert, or at least mitigate, this catastrophe? What discussions have taken place at chief executive officer level within other sectors of the insurance industry to adopt a co-ordinated approach? It seems this very important section of the services sector is vulnerable and we do not want another job shock between now and Christmas.

I deplore the lack of communication with the workers, even as late as today. Can the Government ascertain whether the company is in compliance with the provisions of the Employees (Provision of Information and Consultation) Act? It is certainly in breach of the spirit of that legislation and I am anxious to know if it is also in breach of the letter.

Will the Minister clarify the situation in regard to the company’s announcement on outsourcing? If this means what we think it means, will the State agencies try to have an arrangement with the company whereby these outsourcing provisions will be confined to ex-employees of Aviva who already have the requisite expertise? My final point was that made by Deputy Humphreys, namely, there should be a single contact point across the board. That is something we experienced in Limerick as a result of the Dell fall-out.

There is one final important issue with regard to the European Globalisation Adjustment Fund. We applied to that after the Dell closure but the effect of the fund’s investment was much less than it could have been. A few minor adjustments would have made all the difference. In committee today I asked the Minister of State’s colleague, the Minister of State, Deputy Sherlock, whether the Government was seeking change in the criteria by which the European Globalisation Adjustment Fund might be applied. I wish to know the up-to-date position on that.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry): I thank the Deputies for raising this matter. First and foremost, my thoughts are with the hundreds of workers in Aviva and their families who heard this news today.

Subject to the conclusion of negotiations between the company and the workers over the coming six months, the full support of the Government and its relevant agencies will be at the disposal of the workers affected by the announcement today. The Minister for Jobs, Enterprise and Innovation, Deputy Bruton, the Department and the relevant agencies have engaged almost daily with the company in an effort to minimise the impact of this process on jobs in Ireland. The Minister has met and been in regular contact with the Irish management of Aviva. He also met the company’s European chief executive officer, Mr. Igal Mayer, and the company’s global chief executive officer, Mr. Andrew Moss, and has remained in regular contact with them throughout this process.

There is a lengthy period of negotiation of six months ahead which is in contrast to what applied in the case of other recent job losses. I note the company’s ambition to achieve many of its targeted reductions through voluntary redundancies. Any job reductions will begin after March 2012 and will take place over a two-year period which at least provides workers some time to plan ahead. I note also that the company has signalled the potential to grow up to 200 new jobs over the same two-year period. IDA Ireland is working and will continue to work with the company to try to deliver on that potential.

[Deputy John Perry.]

These job losses in Aviva reflect another legacy of the collapse of our economy over recent years. Aviva business has dropped by between 20% and 30% as people are buying fewer insurance products in general. It is also a reflection of the global economy given that Aviva worldwide has already reduced staff numbers significantly from 56,000 to 36,000. We are not immune from that situation but it is important to note that Ireland has succeeded in building an international financial services industry that is diverse in the activities carried out and which enjoys a world-leading reputation in several sectors. Although the past three years have represented a severe stress test for all financial centres, firms at the International Financial Services Centre in Dublin have shown resilience and flexibility. Employing some 33,000 people directly and many more indirectly, the IFSC remains critical as both an employer and a centre of economic activity. As the House is aware, this Government has set job creation and retention as one of its key priorities in the programme for Government. It is what drives the work of my Department and that of other key Departments as we seek to provide a better future for our young people and our society in general.

The terrible news today from Aviva is part of the economic legacy which this Government inherited and we are committed to addressing it. The Government has shown it is a government of action. We have recapitalised the banks, renegotiated the memorandum of understanding with the EU, the ECB and the IMF and have substantially reduced the interest we will pay on loans from those institutions. When we came into Government we were told these things could not be done but we have shown our determination to turn this country around and are doing so in spite of continuing uncertainty in global financial markets. Notwithstanding the likely growth of the economy this year — for the first time in three years — today's announcement underlines the scale of the challenge ahead for the Government and the economy.

Deputy Peadar Tóibín: Thoughts and sympathy are not enough in this situation. I do not believe we should have a defeatist attitude. We must save as many of these jobs as possible. The two issues that affect these types of businesses are the anti-investment policy of the Government, which is killing demand, and costs. The Government should send officials from the Department to look, first, at the top-heavy management structures in these businesses, second, at the fact there are upward-only rents on a trophy building which was bought by the company at the height of the boom in 2007, and, third, what can be done in regard to rates and energy costs which significantly affect the cost baseline of business. Those decisions are down to Government. If it acts on them, it has a chance of saving these jobs. If it does not, all we are hearing is platitudes.

Deputy Kevin Humphreys: I thank the Minister of State. It is heartbreaking to see so many jobs being lost and we must work hard to retain as many of them as possible. I ask the Minister of State to act quickly on that. These are young people with young families who have mortgages and debts and are facing into a frightening scenario. Will the Minister of State consider appointing one person to co-ordinate the response? I ask for retraining to start now to allow people to move smoothly into new areas. I reiterate these are young people who are anxious to be retrained although they would prefer to stay in their own jobs. Preparation must start now. We cannot wait until people are walking out the doors. We must ensure now that the maximum number of people are kept in their jobs and that those who lose their jobs will be in a position to take up new jobs in areas in the economy where there is growth.

Deputy Willie O'Dea: I am glad to hear about the meetings the Minister, Deputy Bruton, attended. To what extent did the Minister and the State agencies engage? The impression I get from the Minister of State's speech, and more particularly from the Taoiseach's replies today,

is that the Government and the State agencies appear to be passive recipients of information from Aviva rather than actively engaging with the company to discuss any problems it had and whether those problems could be solved with a view to averting at least some of the job losses.

Is the Government now working on any proposals to alleviate this situation? Has it engaged with the company or is it in the process of so doing to see whether specific measures can be taken to make it as easy as possible for the company to retain as many jobs as possible? I reiterate my question about what is happening in regard to other players in the insurance business. Have they been spoken to with a view to their problems and to averting potential further employment catastrophes in this line later in the year?

Deputy John Perry: I listened very actively to the Deputies' concerns. Our primary concern is for the workers who will eventually face redundancy. In that context, the timeframe announced by Aviva for its restructuring programme at least provides some assistance to workers. The State development companies will work actively in every way possible to minimise job losses. We must provide assistance to workers, and the State development agencies will support them in planning ahead, which is critical. It must and will be done.

When it becomes clear which workers face redundancy, each will be offered the full support of the agencies to ensure they are properly informed about other opportunities that present during the coming six months, such as options in employment, business education and training. The Government is dealing decisively and immediately with this. As Deputy Humphreys noted, this is about straight talking.

In addition, IDA Ireland will continue its engagement with Aviva to try to secure investment in new and growing business areas. This is an ongoing process.

It is important to note here that Ireland continues to be competitive in attracting investment from major global companies. Recent examples which testify to our attractiveness as a location for investment in the area of financial services include the creation of 100 jobs by Fidelity in Galway and Dublin, 100 jobs by BNY Mellon in Dublin, 50 jobs by Butterfield Fulcrum in Dublin, 60 jobs by Allianz in Dublin, 150 jobs by Arvato Finance in Dublin and 75 jobs by D&B in Dublin. In the area of shared services and customer support, recent announcements include the creation of 150 jobs by Quest in Cork, 350 jobs by PayPal in Dublin, several hundred jobs by Zenimax in Galway, 75 jobs by Avaya in Galway, 50 jobs by NEI in Galway, 100 jobs by NPD in Athlone, 100 jobs by Alere in Galway, 50 jobs by Citrix in Dublin and 200 jobs by EA & Bioware in Galway. I accept that what I have said about the creation of other jobs does not compensate anyone with regard to what happened earlier today.

I will bring to the attention of the Minister, Deputy Bruton, the point relating to the appointment of a single point of contact person to co-ordinate activities. As Deputy O'Dea clearly stated, our priority must be to ensure that the relevant agencies, including IDA Ireland, work with Aviva to ensure that the level of job losses will be minimised. The three Deputies may rest assured that the Department will continue its work in respect of this matter. The Minister, Deputy Bruton, has been actively involved in dealing with it since concerns first emerged several weeks ago. He has had discussions with all the senior personnel from Aviva in the context of ensuring the impact of today's dreadful announcement will be minimised.

Departmental Funding

Deputy Joe Costello: I welcome the Minister, Deputy Fitzgerald. As she is aware, Foróige, the national youth development organisation, was founded in 1952. It deals with approximately 53,000 young people each year in the context of fostering their development and that of society.

[Deputy Joe Costello.]

Some ten years ago it established the internationally proven Big Brother Big Sister programme in Ireland. Foróige's stated vision for the programme is to build successful mentoring relationships for all young people who need and want them, thereby contributing to better schools, brighter future and stronger communities for all. The programme is based on the premise of matching young people with caring adults or friends who assist them in developing positive assets. Having a caring adult friend can help to build positive assets for young people to enable them to develop a commitment to learning, a positive sense of self and the future, positive values of caring, social justice, honesty and responsibility, and social competencies of making friends, planning, making decisions and resisting negative behaviour.

The Big Brother Big Sister programme has been in operation here for more than ten years — in a community and a school setting — and has dealt with more than 3,500 youngsters. The plan is to develop it further so that it might deal with 2,000 each year. The programme has been objectively evaluated and the outcomes relating to it have been shown to have brought about considerable improvements in young people. For the past five years the programme has been in receipt of funding from philanthropic organisations such as Atlantic Philanthropy. At present, this funding stands at somewhere in the region of €1.2 million. This funding was provided to demonstrate that the programme is viable and valuable. Its viability has been proven. However, the philanthropic organisations involved will not provide funding indefinitely. It is likely that Atlantic Philanthropy and the other organisation involved will withdraw from the programme unless the State becomes involved in some way. I understand that if the State were to provide €600,000 in matching funds, the other €600,000 would be made available by the two organisations in question on a long-term basis.

The Minister is well aware that it costs at least €100,000 to keep one young person in a State institution. For the amount it would cost — €600,000 — to confine six such individuals in such institutions, it would be possible for Foróige to deal with approximately 2,000 young people through its Big Brother Big Sister programme each year. This programme is viable and it provides young people with a direction in life through the establishment of role models. Given that there is a great need for role models and mentoring in the constituency I represent, I am of the view that the programme is invaluable. It would be a shame if the programme were to be lost simply because the philanthropic organisations which have been involved to date withdraw their funding because the State is not prepared to provide matching funds. I urge the Minister to give careful consideration to this matter with a view to ensuring that the programme will remain in operation.

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): I thank Deputy Costello for raising this matter which, I appreciate, is of great interest to him and many other Members. Like them, I have been greatly impressed by the range of services provided by Foróige in communities across the State. Soon after my appointment as Minister I had the honour of addressing the Foróige annual leaders conference in Kilkenny and saw at first hand the number of volunteers who attended. I have since visited several Foróige projects throughout the country, including in my constituency. On all occasions I have been very impressed with the work of Foróige.

We are all well aware of the threats posed to young people by alcohol, drugs and unhealthy lifestyles. In the context, we must come to grips with the challenges posed by consumerism, the media and new technologies. The opportunities provided by youth work services and projects — such as those offered by Foróige — support young people in dealing with the issues to which I refer and in becoming: confident individuals, effective contributors, successful learners and responsible citizens. That is why I am strongly support youth work.

I must place this matter in context. My Department will provide €60 million in funding to the youth sector during the current year. Foróige is currently in receipt of just over €6 million of this, which represents 10% of the Department's total youth work budget. In addition, Foróige is in receipt of significant funding from other Departments and State bodies. For example, it received more than €3 million in 2010 from the Irish Youth Justice Service in respect of 29 Garda youth diversion projects. Foróige works very effectively with local gardaí and with those involved in community projects. I have received reports from the officers and community workers involved which indicate that these projects are operating well. Foróige also received significant levels of further funding from other State bodies including the HSE, the Crisis Pregnancy Agency and local authorities. In 2009, Foróige received approximately €16.2 million in funding from the State.

The Big Brother Big Sister programme was developed in the United States as a mentoring programme that matches an adult volunteer to a young person, typically ten to 18 years old. It consists of two types of programmes, namely, a community-based programme and a school-based programme. The Deputy is correct in stating that the programme has been evaluated. This is happening with increasing frequency throughout the sector and programmes are being evaluated as they develop. The Big Brother Big Sister programme involves a young person and an adult volunteer meeting, under supervision, once a week for a minimum of one year. The school-based programme aims to ease the transition of primary school students to secondary school by facilitating friendships between first year secondary school students and older students in their schools.

The Big Brother Big Sister programme is aimed at young participants who may be at risk of cultural or economic disadvantage. They may also have poor social skills. My Department and I recognise that many such innovative programmes have an important role in improving outcomes for children and young people. I commend Foróige on its initiative in introducing the programme to Ireland.

Foróige secured funding for this project from two philanthropic organisations, namely, Atlantic Philanthropy and the One Foundation. This funding was for a period of five years up to the end of 2011. Contrary to what the Deputy stated — I will check the position in this regard — I understand this funding is not being continued into 2012. Once-off funding was made available from the dormant accounts fund to assist with the evaluation of the programme, with some localised funding coming from the HSE. To date the Big Brother Big Sister programme has not been in receipt of any dedicated funding from of my Department's annual youth work budget. No commitment to future funding was given by my Department when the programme was established or since.

In light of the budgetary situation, the youth affairs funding schemes operated by my Department have not been in a position to accept new applications for funding since 2008. The focus has been on making existing interventions and services offered by those organisations in receipt of funds more effective.

My Department is currently examining options to reform funding allocation models to give youth organisations more flexibility in managing their allocation and to ensure both funding and on-the-ground youth provision are better focussed and responsive to the needs of young people in local communities. We are actively working in this regard. Having regard to the current fiscal environment, the reductions in public expenditure that must be achieved by Departments and State agencies, and in light of further budgetary constraints in 2012, it may not at this stage be realistic to envisage additional resources being available in 2012. However, I am very happy to continue to work with Foróige to seek to prioritise the most effective utilisation of existing resources, in particular from within the substantial envelope of existing

[Deputy Frances Fitzgerald.]

State funding being provided to it, and to assist in ensuring the essential learning from the Big Brother Big Sister project is maintained and developed.

Deputy Joe Costello: I thank the Minister for the comprehensive reply, which covers much of the ground and indicates the good work being done by Foróige. I understand from Foróige that whereas it gets 10% of State funding, it provides 15% of the youth services, so it is money well spent in that respect. In my constituency it shares an office with the Garda diversionary project and there is a linkage which is very valuable.

I may be wrong but my information is that the reason the philanthropic organisations are pulling out is a lack of engagement from the State. If there was engagement from the State for part of the funding, the philanthropic bodies would have been content to remain and be involved in further funding. Is this the case and is the Minister prepared to engage with the funding organisations, such as the One Foundation and Atlantic Philanthropies, to see if there can be a reasonable contribution from the State if the bodies would allow matching funds to ensure the continuation of the project?

Foróige's current target is 2,000 people who are very much at risk in areas where we must make every effort to keep people out of trouble. A mentoring programme is very valuable and has been proven to be effective. I ask the Minister to speak with representatives of Foróige to see what level of funding may be forthcoming from those philanthropic organisations.

Deputy Frances Fitzgerald: My understanding from contact with Foróige in recent times has been that the projected budget requirements for 2012 were €1.42 million and €1.63 million. The question of matching funding in the order described by the Deputy is new to me.

Deputy Joe Costello: It is roughly half of that or €600,000.

Deputy Frances Fitzgerald: That is not what I have been requested to provide. To date I have been requested to provide the amounts I quoted. It was certainly not clear that the agencies would reconsider and my understanding was that they were withdrawing funding. I am prepared to hear if Atlantic Philanthropies and the One Foundation are still interested and willing to provide that kind of funding. We are still left with the difficulty I outlined and the current demands on it. This would effectively be a new programme for the Department because it has not had dedicated funding before and given the current budgetary climate, we would be taking money from somewhere else. Many local youth projects need the funding I am giving them, so I still have a difficulty even if the organisations were willing to contribute 50% of funding. The Deputy mentioned €600,000 and my figures are €1.42 million and €1.63 million. It is unlikely the funding will be found this year, to be straight, in view of the demands on the Department and the expenditure review currently being undertaken by the Government.

Port Development

Deputy Joe Carey: I thank the Ceann Comhairle for facilitating this debate and I welcome the fact the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, is here. A 2006 departmental study estimates that 10 billion barrels of oil and gas equivalent are in Irish waters, worth €800 billion at prices of €80 per barrel. I welcome the recent announcement made by the Minister, Deputy Rabbitte, at the Atlantic 2011 petroleum conference, outlining that 13 new licensing options have been awarded to 12 companies.

We must see a dramatic increase in exploration activities in this country, given the massive potential which exists. The announcement by the Minister at the conference will encourage exploration drilling off our shores, which is an important step in realising our potential. We

must advertise the fact that Irish offshore oil exploration offers significant potential, and the Minister's announcement does that.

As we up our game in this country with regard to oil exploration I propose the establishment of an interdepartmental group to examine the potential on offer from Moneypoint pier in the Shannon Estuary in County Clare. There is considerable spare capacity at the pier in Moneypoint and in its environs which could be used as a headquarters for oil exploration teams working off the west coast. It is a deepwater pier with 24-hour access, offering ease of passage to supply ships. It is a bonus that it is already an industrial site.

I ask that an interdepartmental working group be established to compile a report and formulate a plan for a high-tech oil exploration support base at Moneypoint. It should be chaired by the Department of the Taoiseach and include the Departments of Communications, Energy and Natural Resources; Transport, Tourism and Sport; the Environment, Community and Local Government; and Jobs, Enterprise and Innovation. The working group should also include the ESB, Clare County Council and Shannon Development. The development of such a base at Moneypoint would give a significant boost to the Shannon Estuary, unlocking its potential as an industrial base and would have a positive consequence for jobs in County Clare and the mid west. It would be very beneficial.

I request that this interdepartmental group be established without delay and that a report and plan be drawn up. This plan could be used in our efforts as a State to accelerate the discovery of oil in offshore fields.

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I am grateful to Deputy Carey for raising this important issue. I begin with the positive position that the Irish offshore has recognised potential as a petroleum-producing area. However, while I recently made the announcement to which Deputy Carey refers in respect of the outcome of the 2011 licensing round, which resulted in the offer of 13 licensing options in the Atlantic margin, the reality is it will be some time before any of these could turn into exploration drilling. Overall, for the coming years the level of exploration activity requiring specialist port services is likely to be low, with on average only one to two exploration wells drilled in the Irish offshore annually. In the near term, it is expected the majority of drilling in the offshore will take place in the Celtic Sea and is most likely to be serviced by the ports on the south coast.

We also need to recognise that several Irish ports are well located to act as the service port for exploration activity off the west coast, including the ports of Foynes and Killybegs. The Port of Foynes has traditionally served as the oil and gas exploration support base in the Shannon Estuary. It has all the basic port requirements including good road access and bunkering. However, as there has been more activity off the north-west coast in recent years, principally associated with the development of the Corrib gas field, this work has been serviced from Killybegs.

Turning specifically to Moneypoint, as raised by Deputy Carey, this is a key part of the national strategic Infrastructure. It generates a substantial portion of Ireland's electricity demand and it provides important fuel diversity for the country. The jetty at Moneypoint is a large and specialised structure designed specifically to off-load coal from bulk ships up to approximately 200,000 tonne capacities. As such, the jetty has large conveyor belts running along its full length and also has two large ship unloaders, all of which are capable of handling only solid bulk material such as coal. Obviously, the continued use of this equipment is vital to maintain operations at Moneypoint. There are not currently facilities or space on the jetty for handling materials or services that might be associated with the oil exploration industry.

[Deputy Pat Rabbitte.]

It is also important to note that the Moneypoint coal-fired power plant has a number of key roles including generation, dual-fuel capability and on-site fuel storage, which make it subject to specific environmental constraints under the large combustion plant directive, the national emissions ceiling directive, the emissions trading directive, the IPPC directive and the ambient air quality directive.

The ESB generating station at Moneypoint is the most important power station in the national emissions reduction plan, NERP. The air emissions targets set out in the NERP are dependent on reductions in emissions from Moneypoint. Having already invested significantly in the Moneypoint environmental retrofit project to reduce sulphur dioxide, SO₂, and oxides of nitrogen, NO_x, emissions, the ESB is keeping abreast of technological developments in this area through its membership of industry bodies, including the Electric Power Research Institute, EURELECTRIC, VGB, the Edison Electric Institute and the Association of Edison Illumination Companies.

Having regard to hydrocarbon exploration activity for the foreseeable future and the nature of the Moneypoint facility, at this stage it is too early to identify the location that would best serve an eventual oil or gas production location that will hopefully develop in the Atlantic. It is also important to appreciate that once a discovery is made, it will take some time to bring it to development. Because of that time lag I must admit that I have not focused on the important point raised by Deputy Carey but I assure him that I will now do so.

Deputy Joe Carey: I thank the Minister for his reply. I accept the issue is a long-term one but we must do work on it now. There is considerable merit in Moneypoint. It is perfectly located in the Shannon Estuary and has significant attributes. If we can exploit the potential now the establishment of an interdepartmental group, as proposed, would make a compelling case for Moneypoint, the pier and site. It would offer accommodation for the headquarters of oil exploration teams to locate their engineering and logistical functions. I appeal to the Minister to establish such a working group to examine the pros and cons of using the pier site to drive the project.

Deputy Pat Rabbitte: I again thank Deputy Carey for raising a matter that has not been to the forefront of my mind which does not mean it is not very important.

I also have great difficulty addressing a House with no Opposition. It is the first time I have ever seen the House without an Opposition. I have taken many lectures on how dedicated Opposition Members are to spending time in the House while the rest of us are working in our offices.

Moneypoint is a dedicated and specific facility built and designed for that purpose but as Deputy Carey indicated, it has many natural advantages. Because the rate of drilling offshore has only been of the order of on average less than two holes per year the demand is limited. As I said, in one case the drilling was serviced from the southern ports and in the other from Killybegs. They have developed some facility in doing so. Foynes is a significant port in its own right. I do not know about the correct mechanism at this time to explore the matter but now that Deputy Carey has raised an important issue in terms of infrastructure to cope with what hopefully will be positive prospects offshore I will certainly examine the matter.

District Court Services

Deputy John O'Mahony: I thank the Ceann Comhairle for selecting this topic for debate which came to light at the weekend following comments made by Judge Devins which were carried in the media this morning. I thank the Minister for Justice and Equality, Deputy Shatter,

for replying to the debate. I understand he has just come from a select committee this afternoon.

The Courts Service met yesterday to make decisions on the future of the courthouses in Kiltimagh and Claremorris. There were also rumours in recent days about District Courts in Swinford and Ballyhaunis. I understand the decisions are based on cost savings which, in a sense, we all understand and support.

The key point I wish to make is that the Courts Service seems to be making decisions on cost savings to the provision of District Court sittings. The cost for the provision of court sittings in each of the two locations is approximately €17,000 per year. I am concerned at the additional costs involved for other parties. The Courts Service may save money but the Garda, solicitors and members of the general public will incur higher costs. One must bear in mind that the areas to which I refer are rural. There is not public transport to bring people for instance to the centralised courthouse in Castlebar. Kiltimagh is seen to be near Castlebar but the court serves an area as far as the Galway and Roscommon borders. I am sure the Minister is well aware that a small number of Garda serve in those towns and if they are caught up in courts in Castlebar their front-line duties will suffer. In addition, costs for travel and subsistence must be taken into account.

Currently, there are dedicated court days for sittings. If cases from all over the county are dealt with in Castlebar I expect there will be longer waiting periods on the day with gardaí being tied up for longer. The system will be a lot less efficient and cost-effective than is the case at present and will prove unwieldy. I ask that an overall cost analysis be carried out on the decision before it is implemented.

I also have a major problem with the way the decision was arrived at without consultation with the stakeholders — the Garda, judges, solicitors, coroners and members of the public. We all understand the need for savings and are in favour of them but rationalisation has already taken place in this area of the county. Courts were closed in recent years in Charlestown, Foxford, Kilkelly, Balla and Ballinrobe. If the closures go ahead there will be a whole swathe of the county without any District Courts. It has been a tradition for hundreds of years that justice is administered where the law has been broken. These closures will put an end to that tradition. I urge the Minister to intervene by asking for an overall cost-benefit analysis of the closures and their effect on the delivery of services.

Minister for Justice and Equality (Deputy Alan Shatter): I thank Deputy O'Mahony for raising this issue. Like my Cabinet colleague, the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, I find it extraordinary that the House is dealing with important issues and there is no sign of an Opposition Deputy. It is clear there is a commitment among Labour Party and Fine Gael Members to using the Topical Issue Debate in a productive way to address issues of concern. I hope we continue to deal with matters in this way and that at some stage the Opposition might return to the Chamber.

I want to deal historically with the issue raised by Deputy O'Mahony before directly responding to the points he has made. As he will appreciate, under the provisions of the Courts Service Act 1998 management of courts is the responsibility of the Courts Service and, as Minister, I have no role in the matter. Section 4(3) of the Act provides that the Courts Service is independent in the performance of its functions, which include the provision, maintenance and management of court buildings and provision of facilities for court users.

I made inquiries with the Courts Service, which informed me that in the current financial climate all court venues are kept under continuing review. In the context of the overall funding that will be available to my Department next year, and as the Department that funds the Courts

[Deputy Alan Shatter.]

Service, I am conscious of the need to effect efficiencies to meet our financial obligations and contribute to public sector cost reductions. It is important to place this review in context. The last review of the work of the District Court took place more than 50 years ago. Significant changes have occurred in addition to the current financial difficulties, including demographic, social and infrastructure changes, better access to modern transport and improved roads. I have been informed that the Courts Service applies a number of qualitative criteria to each venue, including case count, condition of the building, proximity of local gardaí and number of sittings per annum. It endeavours to ensure, insofar as possible, that venues have cell accommodation available to reduce Prison Service escort costs and meet the standard that court users are entitled to expect, while considering the efficiency of the courts.

Under section 6 of the 1998 Act, the Courts Service has broad powers to do anything necessary or expedient to enable it to perform its functions, including the designation of court venues. Having undertaken an extensive study of each area, levels of business and access to court venues and services, it has amalgamated more than 100 District Court venues, many of which were completely unsuitable for use. At the same time, it has benefited from a very substantial capital investment, with approximately €200 million spent on 50 venues. This upgrading work concentrated mainly on county towns and larger venues which are now available as appropriate resources in which to centralise court sittings.

The policy has been successful in developing more efficient use of time for the Judiciary, court users and gardaí. Rather than short half-day sittings in smaller venues, a full day's list can be dealt with. Delays in the District Court have been greatly reduced as a result and while local gardaí may have to travel to the alternative venues, they are likely to be involved in other cases there in any event and as a result can reduce the overall time they spend in court.

I have been informed that at its meeting on Monday, 17 October, the board approved proposals to transfer District Court business currently heard in Kiltimagh and Claremorris to the District Court sitting in Castlebar. Therefore, Castlebar District Court will from early next year deal with the business previously conducted at these three venues. The Courts Service has assured me there is capacity in Castlebar to do this. As the Deputy will be aware, a state-of-the-art courthouse is available in Castlebar since the completion of a €12 million project in 2004. This refurbishment saw the number of courtrooms increased to four and provided additional improved public waiting areas, consultation and practitioners rooms, extended court offices, judges' chambers, universal access and an enhanced sense of privacy and dignity for all court users. The facilities have capacity for video conferencing and digital recording of proceedings, which are requirements of an efficient 21st century court building.

I am aware of media reports about Swinford courthouse. The Courts Service has informed me that, contrary to such reports, no decision has been taken to close Swinford and it will continue to be kept under review.

The Deputy may also be aware that decisions were taken over the past five years to close four other venues in County Mayo. Three of those venues sat fewer than six times per year and dealt with an average of 150 matters each. It is simply not viable to retain such venues. The more venues there are, the more time court users spend travelling between them. This rationalisation gains operational efficiencies for courts, gardaí and the Prison Service. It also saves time and improves the speed of access to justice for everyone concerned. Taking into account this week's decision, which will take effect early next year, there will still be seven court venues in County Mayo and two of these will be located in the Gaeltacht area of the county.

These decisions are being taken by the Courts Service to achieve greater efficiencies, particularly with regard to freeing up judicial, staff and Garda time currently spent travelling between

venues. This rationalisation gains operational efficiencies, saves time and improves speed of access to justice. I agree with the Deputy it is important in addressing an issue such as this that an overall cost-benefit analysis be carried out. I am assured by the Courts Services that such analyses are undertaken very carefully and diligently. Unfortunately, in the economic times as they exist, there are efficiencies we need to achieve to meet the objective of reducing public expenditure. The Courts Service has taken these decisions with that in mind.

Deputy John O'Mahony: I thank the Minister for his extensive reply and I support the Courts Service in its efforts to find savings. However, if gardaí are to be absent from smaller areas I cannot see how they will be able to make more efficient use of their time. If it is shown that the overall cost of the new arrangement saves money, I will put up my hand and accept that there is nothing to be done but, while the Courts Service will decide on court sittings, I ask the Minister to ensure that the administration of justice here is done in a cost effective and efficient manner. I cannot see logic in the proposal as it stands at present.

Deputy Alan Shatter: I again thank the Deputy for raising the matter. I appreciate his interest in the proper administration of justice in County Mayo. It is important that those who come before our courts do so without unnecessary difficulty, whether in criminal or civil matters. At the end of the day, the Courts Service is independent and the decisions it makes are outside my control in the context of individual courthouses.

I share the Deputy's opinion that it is important the decisions made to reduce costs and use resources wisely in one part of what I describe as the justice structure do not impose unnecessary and additional costs on other parts to offset the benefits that may be gained. It is my understanding that this type of assessment and analysis has been undertaken in the context of these two courthouses but I will make further inquiries in that regard to provide whatever further assurances I can to the Deputy.

It is regrettable that courts which have existed for many decades and provided a service to local communities should have to be closed. Tragically, in the context of the huge economic difficulties with which the State is confronted, fiscal stringencies need to apply. In the context of using taxpayers' money wisely, decisions have to be made, whether by me as Minister or other bodies under my aegis, which bring about change. These decisions are a cause of concern in local communities, which we have to address, but we have to implement them because it will otherwise be impossible to meet our financial obligations and reduce the level of public expenditure to restore the State to economic sovereignty.

Public Service Pensions (Single Scheme) and Remuneration Bill 2011: Second Stage (Resumed)

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

Deputy Paschal Donohoe: I would like to share time with Deputy Barry.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Paschal Donohoe: I am pleased to have an opportunity to speak to this Bill. I will focus on why it is to be welcomed, outline some of my concerns about parts of it and conclude by making some observations about general pension provision policy in Ireland. However, I will begin by responding to points made in the Chamber earlier today about the Bill and points made elsewhere about the cost of public pensions and the need to reform the current system.

A number of claims about the Bill were made by Deputies from the Independent group. I utterly refute what they said about the Government's attitude to public pensions. They spoke

[Deputy Paschal Donohoe.]

about the alleged iniquity in the application of the pension levy on private pension funds. They made wild claims that the Government was attempting to steal money from people to fund the bailout of the banks. This is wrong on many counts. Two points, in particular, stand out. First, the same individuals spent many years calling for the wealth located in private pensions to be invested in job creation in Ireland. The moment the Government made an attempt to do so, they were the first to argue and vote against it. Second, I would like to remind them in response to what they said about where the money is going that when the pension levy was introduced, the Government made it clear that every cent would go into creating jobs, reducing employers' PRSI, decreasing the rate of VAT and funding a number of schemes across government designed to get people working and active again. All of the money has been used for these purposes and will be so used during the next four years.

It has been suggested the Government's policy is not doing enough to reduce the cost of current public pensions. It must be pointed out in response that those who are receiving public pensions have already seen significant reductions in the last 12 months. Public pensions of between €12,000 and €24,000 were cut by 6%; pensions up to €60,000, by 9%, and pensions of more than €60,000, by 12%. The aim of these measures which were introduced by the last Government and are still being implemented was to reduce the cost of the current pensions bill. The measures implemented are being taken into account. This point is frequently missed when people talk about what needs to be done to reduce the cost of the public pensions bill.

The Bill which is being proposed by the Government should be supported by Deputies for four reasons, some of which have been touched on by other speakers. I want to reiterate them. The first is that the Bill clearly addresses the sustainability of the cost of pension provision in the future. A point missed by those who previously spoke about the Bill is that current pension liabilities have to be met from current expenditure. The Government has to choose whether to spend money on providing accident and emergency services or special needs assistants, or meeting the State's pension obligations. The Bill seeks to bring the cost of future pension provision down. It reflects the fact that if this is to happen, people will have to work for longer and make a greater contribution to their pensions. Nobody, including those who will have to work longer to that end, wants to do this. Surely the greatest thing we should seek to avoid is getting to the point where people look forward to drawing down their pensions, only to find that sufficient money is not available to pay them. The Bill has been designed precisely to avoid this.

The second reason is that the Bill will introduce a simplified model for funding and designing public service pensions. It will do this through the establishment of two funds. People will pay into one fund to meet the cost of the pensions they will receive. The second fund they will pay into will meet the cost of the lump sums they will receive when they leave their employment. It is a far simpler model than the myriad schemes that have been available before now. This aspect of the Bill seeks to bring simplicity and clarity to how people contribute to their pensions and how they draw them down.

The third reason is that the Bill deals with an anomaly regarding top-up payments. The current practice is for the State to top up the number of pensionable years of individuals in certain professions who are on the verge of retiring to allow them to have a particular level of pension on retirement. The Bill will remove that anomaly and thereby ensure taxpayers will no longer have to assist persons who, in many cases, have earned very generous salaries across their working lives. This feature of the current system has been a source of anger. This legislation is seeking to clear up that matter.

The fourth reason is that the Bill will base pension entitlements on average salary across people's working lives, as opposed to their final salary. Unlike some Opposition speakers, I

believe that is a much fairer and clearer mechanism. This change reflects the fact that people are paid different salaries at different points in their careers and pay into their pension funds at different rates at different times in their working lives. A model that calculates pensions on the basis of average earnings across the period represents a much fairer way of determining what level of pension a person will be entitled to receive.

I would like to mention two aspects of the Bill that concern me and should be teased out as it moves through the Houses. Section 19(1)(a) limits the pension that will be available to an individual to a maximum of half his or her final salary. I will explain my concerns in this regard. People are working for longer nowadays because they are healthier, because they need to in many cases, or because they want to. Towards the end of one's working career, one might decide to take a different job, perhaps on a lower salary than one received in the early or middle parts of one's career. A person in his or her mid to late 60s who is preparing to retire might choose to do a job that attracts a salary far below that he or she has earned throughout the rest of his or her career. If section 19(1)(a) is implemented, the pension such a person will draw down could be less than the contribution he or she has made to the pension fund across his or her working life. If this is not really an issue, it should be explained. If it is an anomaly, as it appears to be, it should be dealt with as the Bill moves through the House.

My second concern relates to public servants who decide not to work full-time for various reasons. They might take a career break, for example. I am worried about the consequences of such decisions for their pensions. When working parents are making decisions on child care and looking after their families, they might decide to take up the option of working part-time or not working for a period of time. When we are considering a Bill such as this, we need to consciously reflect on the pension provision we want to make for such persons at the end of their working lives. I do not think their pensions should automatically be based on their average salaries, or the number of years over which they have attained that average salary. As someone who is in that position, I think the State needs to pause, decide how it wants to deal with this issue and make adjustments, if necessary.

I will conclude by speaking about the overall pension provision issues. We need to revisit this debate. The Government needs to engage more broadly with the industry. The policy documents in regard to private pension provision in the State detail many of the objectives in regard to coverage as well as how many people are in pension schemes. Of course, as we now know, we have a growing problem of the same pension funds now being in deficit. In conclusion, the issue of pension sufficiency needs to be given the same weight of consideration as pension coverage.

Deputy Tom Barry: I welcome the opportunity to speak on this important Bill, which will address the pension shortfall that will arise if this situation is allowed to go unchecked in the next 20 to 30 years. The growing cost of public sector pensions, currently €3 billion a year, is a matter of huge concern which needs to be dealt with immediately. The Irish people want to see reform and real change and, most of all, they want to see an equitable and fair society.

The spectre of the previous Financial Regulator, who sat on his hands and received an outlandish golden handshake on his retirement after falling asleep at the wheel, greatly annoyed the Irish people. However, a similar situation surfaced recently when the Government Secretary General retired on a retirement package of €713,000. This highlighted the fact this whole area needs immediate and direct intervention. It makes it even more difficult to stomach given this particular civil servant was sitting at the Cabinet table for almost a decade and directly contributed to the advice which almost bankrupted this country. It is strange and bizarre that he could be rewarded for doing so.

[Deputy Tom Barry.]

We all talk of how wrong this situation is, rightly so. For the record, however, I wrote to the outgoing Secretary General last month outlining that I felt the lump sum payment he received was wrong and that it should be returned immediately. I did not comment on his pension as I feel everybody is entitled to a pension as it relates to the work that person has done over a lifetime. However, I feel the method of calculation of the pension was wrong, which is what is being rectified in the Bill today. I did not want the opportunity to arise where this individual could say no one formally asked him to return those moneys. I have not received a reply, which is quite understandable as the only reply that is necessary is for those moneys to be returned.

It is very important to deal with the situation which was and is occurring, where lump sum payments and pensions received by certain people far outstrip what this country can afford. It is important for the Government that these pension payments to public servants, including TDs, are seen to be fair and equitable.

When we think back on the circumstances that combined to create this unsustainable situation, benchmarking stands out. Benchmarking was, in effect, a ploy where the sole objective was to buy votes and elections at a cost of €1 billion per year to the taxpayer. Benchmarking was also inequitable within the public sector as higher grades got a special deal that more or less doubled their benchmarking allocation — one could almost say they were paying themselves. The inequality within the public sector saw top earners on €250,000 while a starting grade began at approximately €20,000 — a tenfold differential, up from a sixfold differential some years previously.

Senior public servants wanted to be benchmarked against bankers, whose foundations, as we well know, were built on quicksand. It has to be noted that no method was available for negative benchmarking. While we are all aware of the comment that funds can go down as well as up, benchmarking was allowed to go only in one direction. Negative benchmarking has occurred in the agricultural sector, in which I am involved, for many years. While people of course do not like to see a reduction in their incomes, previous Governments were very remiss in the way in which, and the cavalier attitude with which, they encouraged people to spend. At no point did I hear anyone say, “We are going to give extra money now, as things are going relatively well, but we encourage you to be prudent”. Quite the opposite. The attitude was that the party was still going on and there would be a soft landing. There are plenty of backsides in this country that have bruises on them from landing on a hard floor.

One last absurd situation which occurred in benchmarking was the fact that public service pensions were also benchmarked. Benchmarking was meant to relate to extra productivity. How could one look for productivity from someone who was retired? It does not make sense.

The Bill is based on career earnings rather than what a person is earning on retirement so savings will be made in this regard, which is good. In addition, for the likes of myself, the pension age will be increased to 68 years of age — if I manage to reach that point — which will contribute to further savings. The Bill could and should be extended even further, and should apply to existing workers who are not yet retired. This is the situation in the UK but, apparently, the Croke Park Agreement does not allow such a situation to occur. I will ask one simple question to anyone who is working today and contributing towards a pension: is it better to know you will receive slightly less than you are currently being promised, but you are certain of your money, than to be promised a lot of money and be told at a later date that it is not deliverable? There is a value in certainty. People can plan if they have certainty and know the pensions they will get are realistic and solid.

The public service pension scheme is unfunded and the pension reserve funds, as we know, are virtually gone. It is important we have a discussion regarding current pensions. This should

be entered into now, in a sensible fashion, rather than waiting to deal with it in a reactionary fashion when problems arise.

We have seen recently how the pension industry acted in a cavalier fashion. The fund managers in charge of these pensions gambled with other people's money, and they lost. It is important to maintain confidence in the pension industry because, as we speak, there is no confidence in the private pension market, where the industry has acted in a cavalier fashion and run the funds into deficit.

The management fees of these pensions are too high and totally unacceptable. People ask whether putting money into a fund is only helping to liquify an almost insolvent situation. The only reason to put money into a pension fund at present is to obtain tax relief but, if tax relief reduces, it becomes a very unattractive option. What sounds very attractive is to pay one's tax and put one's money on deposit where up to 5% can be guaranteed and the funds are solid. Current plans to reduce the tax relief from 41% in 2011 to 20% in 2014 may have to be reconsidered in the light of the loss of confidence in the pension fund industry. In the context of a possible increase in the tax relief for lower earners, we might see an increase in the pension funds available, allowing management charges to be lower as high volumes are needed to ensure low charges.

The Government is anxious to encourage people to invest in their future and it is serious about dealing with the private pension industry. It is important, as we are addressing public service pensions, not to forget private sector pensions. It is wrong to create a divide between the two sectors as such a divide will not benefit either.

In conclusion, I welcome the Bill, which brings a sense of reality to the level of pensions to be paid in the future. It addresses the fact we need to be able to pay for the pensions we promise. It is but another trademark of how the Government approaches its business and is avoiding the potential calamity where, one day, due to changing demographics, public service pensions may become unaffordable. Nobody wants to see a situation, at retirement age, where there is uncertainty over pensions. This would lead to the anxiety and fear among older people of not being able to manage in one's latter years, a time when people should be able to enjoy the fruits of their labour, knowing their contributions to this country are recognised and valued by all.

Deputy Dara Calleary: I wish to share time with Deputy Timmy Dooley.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Dara Calleary: I welcome the chance to speak on this legislation which, for the information of Members who may not have been in the House at the time, was announced in the previous budget by our late colleague, the former Minister, Mr. Brian Lenihan. It was introduced in response to the need to reform considerably Ireland's pension infrastructure at public and private levels. It certainly contains some difficult decisions and presents some difficult scenarios for people. However, the system of public service pension provision in Ireland has reached a point at which there are hundreds of tiers of pensioners, many of whom work in the same establishment. Earlier today I heard one Deputy criticise this legislation because it would introduce tiers of pensioners. Had she chosen to consider the membership of this House, it is evident that tiers of pensioners exist. Having taken a quick look around the Chamber, I note two Members have one pension arrangement, while others have different pension arrangements, even though they all do the same job.

Deputy Jerry Buttimer: There also are different retirement ages.

Deputy Dara Calleary: As Deputy Buttimer observed, the retirement age for those elected since 2004 has increased to 66, while the retirement age and conditions for those elected before then are considerably different. I make this point not to be smart but because a glance around this Chamber reveals how different it is when compared with this time last year. I do not refer to the make-up of the parties but to the individuals involved. Much attention was given to packages given to some, but no attention was given to the fact that many people who were elected for the first time in 2002 or 2007 are now unemployed, do not have other incomes to which they can return and in some cases will not have the advantage of any pension provision for 30 years. The criticism Members receive from the usual quarters, as well as from some within this Chamber, about the specific arrangements for public representatives should be considered in this context. Moreover, the turnover in this House from election to election is getting more significant. If Members wish to attract younger people into this profession and if they have any respect for it, this issue and what they are doing about it must then be considered.

On the general legislation, I welcome the change whereby career average earnings will now be considered, rather than a person's final salary. It has become apparent in recent years that the current practice of basing pensions on final salaries has cost the State some fine civil and public servants. Fearing potential attacks on their lump sums or that their pensions will be reduced next February, such people have left, even though they have many years to give. Moreover, they have taken with them much experience and many contacts which the State could do with. This is very apparent in the Garda Síochána, among teachers and nurses and right across the public service. However, because this deadline has been placed on people and because of the manner in which pensions are measured based on their final salary, they have left rather than face a lower pension after next February. A system of using career average earnings is far more effective economically but I share Deputy Donohoe's concerns regarding section 19(1)(a), which is a matter of the Government must address before Committee Stage.

On the subject of public sector reform in general, obviously it is an area in which I have an interest. I compliment the Government on the appointment of Mr. Paul Reid as the programme director for the new reform and delivery office within the Department of Public Expenditure and Reform. The design specification of the reform and delivery office is incredibly important but while I do not criticise the appointment, I am critical of the fact it was not publicly advertised. A point must be reached at which all jobs at this level in the public service are advertised publicly. A range of Secretaries General will retire in the coming weeks and each such Secretary General post should be fully advertised nationally and internationally. If one is to begin to change the culture at the top levels of the Civil Service, which are resistant to change, outside thinking must be introduced.

I reiterate that the design and proposed specification of the reform and delivery office will be incredibly important. The manner in which the public service is designed into silos at present, whereby all Departments and organisations operate strictly independently of one another and God forbid that one might exchange information or trends, constitutes one of the greatest barriers to achieving transformation of the service. If this new office within the Department of Public Expenditure and Reform can break down these silos and has the power and mandate to so do, which will require the power of the Minister behind the office, then there finally may be some progress on shared services, common recruitment policies and pension policies. The pension policies under discussion differ in some instances from agency to agency and from Department to Department, even though everyone effectively works for the same Civil Service. If Mr. Reid and his unit can achieve this alone and can break down these silos, they will set themselves on a path towards delivery of the transformation programme.

Senior management within the civil and public service is not engaging at an appropriate or an energetic level with the transformation agenda. Seven months after the establishment of the

new Department, there still is little evidence of this agenda, despite the work of the Minister and his new Secretary General. Those on the coalface have the best ideas in respect of transformation. Those who man accident and emergency units in hospitals and who must deal with greatly reduced budgets know where savings may be achieved without affecting patient care. Those in the schools who are in the same position with regard to budgets know where savings can be achieved without affecting education. However, a system still has not been devised to involve such people formally in decision-making and to pay due attention to their ideas and proposals. Were a single consultancy contract within the transformation agenda within the public service to be cancelled and were the money saved then put into a pot for ideas from those on the coalface, savings would be achieved for the Exchequer and far better ideas and greater efficiencies, which everyone seeks, would be forthcoming without ruining the level of service.

There are some signs of hope. I welcomed the establishment of the Department of Public Expenditure and Reform when the establishing legislation came before the House last June. I welcome that public service transformation was linked to public expenditure. However, the next six weeks will test this Department and will test whether these two parts of the equation are equal. I have no doubt but that senior management people within all Departments are trying to be seen to dance to the tune of the Department of Public Expenditure and Reform as they engage in the ritual of budget negotiations. Moreover, all senior Ministers will fight for their turf. However, the Minister, Deputy Howlin, must fight back for that turf by asking what those involved are bringing to the equation in respect of public service transformation. He must ask what is being brought into the equation in this budget discussion regarding the reformation of the relevant Department, more effective delivery and the delivery of services to people on the ground with much smaller budgets. When Members are presented with the budget or with whatever sequence of announcements is to be made, presumably starting after the by-election, it would be great were a delivery mechanism to be associated with each expenditure announcement, showing where a transformation will take place with regard to services in each Department and agency. If that could be seen or even if signs of that happening were discernible, I would then believe the Department is working and that public expenditure and public service reform constitute even parts of the equation.

I do not doubt the personal commitment of the Minister, Deputy Howlin, to reform but when I served as Minister of State with responsibility for this sector, I made a point I now reiterate, namely, as far as the senior management in the civil and public services is concerned, public service transformation is someone else's business. It is an "any other business" item and such people have no heed or respect for it unless it is attached to the budget. It will be down to the Minister or Mr. Robert Watt or officials within that Department in the coming days and weeks to put it directly to them that their budgets for 2012 to 2016 will depend on what they will do to transform their organisations. They must understand that failure to transform their organisations will have budgetary consequences and one must be this direct and specific in this regard.

A set of Secretaries General is due to retire, as are sets of senior officials in Departments and agencies. I welcome the reforms the Minister has initiated in respect of the top level appointments committee, TLAC. However, this will not be enough unless such job vacancies are advertised, unless information about them is circulated internationally and unless an international pool of talent is encouraged to work within the Irish civil and public services to bring different ideas, including thoughts and ideas from the private sector, and to bring an entirely new *raison d'être* to that service. A golden opportunity to do this will arise in the coming weeks and the Government must ensure all these posts are advertised.

Deputy Timmy Dooley: I welcome the opportunity to contribute to this Bill and like my colleague, I acknowledge that this Bill was initiated by our late colleague, the former Minister, Mr. Brian Lenihan, who had a clear picture of where the reform agenda needed to go in recognising that what one might call the excesses that exist within the public services were not sustainable in the present economic climate. While the pension levy was the first iteration of a process that set about reform, clearly the passage of this Bill is a culmination of that debate, putting in place a platform for a sustainable level of pension payments that can be met from within the capacity of the State as we deal with this economic crisis.

Some on the other side of the House have sought to apportion blame for the way in which our spending on pensions had got out of kilter when now viewed against the current economic situation. There was certainly a disparity between what was available by way of private pensions and what was available to those public servants who had the benefits of a defined benefit scheme and were able to retire in a particular fashion. There was an effort by some who sought to apportion that blame to certain civil servants who resigned in recent months, which was entirely inappropriate. That the system was no longer in parallel with where the economy was should not be blamed on any one individual.

The Bill seeks to provide a pension on the basis of average career earnings, which is much more justifiable and will be more sustainable for the State in future. We must recognise, however, that many people who worked in the public sector have done an excellent job on behalf of the State, have worked hard and to a certain extent have put aside their capacity to have earned much greater amounts of money in the private sector. They have given their service to the State and it is right that they would be rewarded in an appropriate manner, but clearly change is needed and we welcome that.

One of the previous speakers suggested that this reduction should be applied to existing public sector workers, which would be a retrograde step. While I accept we are going through some difficulties in the economy at the moment, doing that would set a new precedent which would not be welcome in the long run. When it is applied to new entrants, everyone knows from the start where they stand and what ultimate pension will apply to them.

The necessity to increase the pension age is fraught with difficulty but it must be done recognising that people are living much healthier lives and living longer. There is a requirement for people to participate in a working environment for as long as possible and those limits are now established in this legislation. We need to be careful to ensure that when a person suffers ill health, we have the appropriate mechanism to allow people to retire early on bona fide health grounds. Such caveats should be addressed at an early stage.

The general pension situation was addressed in a recent RTE programme which sought to give some insight into how private pension funds are administered. The Government needs to act in that area, recognising that very considerable fees are deducted from pension funds which are clearly not justified in the current, or any, economic climate. I hope the Government moves quickly to address what has now become a crisis in that area.

On a number of occasions I have spoken about the private pension levy the Government introduced as part of its jobs initiative. When we are talking about pensions, it would be wrong not to address that. It has not worked and I never thought it would work. It was introduced as a stimulus initiative to create some activity in the tourism sector. That sector was already going through a period of recovery. Tourism activity is measured against an exceptionally low level last year, largely as a result of the ash cloud from the Icelandic volcanic eruptions. To suggest that the tourism improvement can be attributed to the VAT reduction is farcical. I understand the IMF and EU advised the Government at the time that it had problems with the introduction of such a levy, but clearly that was not heeded. The pension advisory board also advised the

Government that it was not without problems from its perspective. We now see, following the introduction of the pension levy, that pension funds are becoming further indebted and some of them are on the verge of being no longer viable, which is very serious. While I understand the VAT reduction is supposed to be for a three or four-year period based on the application of the levy on private pensions, I appeal to the Government to address it as part of the budget. It should put up its hand and accept it was a mistake and move away from it. If the Government continues to raid those private pension funds in the way it has set out, it will lead to much greater problems down the road.

The Bill represents part of a reform programme the Government intends to initiate across the public sector. My colleague spoke about the reforms needed in certain areas. The Government needs to address the McLoughlin report without delay. The sooner it addresses the inefficiencies in local authorities, the better. I understand the McLoughlin report identified approximately €500 million in cost savings to be achieved there. We frequently hear Ministers say that most of the low-hanging fruit has already been reaped by those on this side of the House when we were in government, but that is not true. We took some really tough decisions, including the introduction of the universal social charge, the introduction of the public service pension levy and the reduction in levels of pay to public and civil servants, which were not low-hanging fruit. There is still low-hanging fruit according to the report produced by Pat McLoughlin, which clearly sets out how the Government should restructure certain sectors of local authorities through shared services and various other measures. I appeal to the Government to make that report an integral part of its budgetary process because real savings can be made in that area. It is not just about the financial savings. The structural approach to the management of those services can only have a beneficial impact on the customers of our local authorities. As part of any reform process we must move to put the citizen in the position of being the customer or consumer. Sadly that culture does not exist and some of the Government's approaches fail to change that culture or set that change in train.

I am glad to see the Labour Party Minister of State, Deputy Kelly, in the House. The Minister for Health has indicated in recent days that his idea of reform is to have a private management company run hospitals in the mid-west and west. Quite apart from the ideological component of that debate, which must cause rancour for Labour Party Members, it certainly does nothing for the morale of the 110,000 people who work in that sector. While there is a need for culture change, it must be led from within and from the ground up, drawing upon the skill set and knowledge across the entire organisation. It will be interesting to see how the high-handed approach of putting external consultants into a hospital environment, regardless of how good they might have been in the private sector, works. It does nothing for the morale of people who work in the public sector. If this is the start of a path to privatisation in the delivery of health care, workers across the public and civil service must be wondering where they stand. Will health and nursing care now be delivered by agency staff? Will we see a privatisation of the health service by stealth, block by block? Perhaps there is nothing in it, but we need a greater flow of information from the Government. It does nothing to boost morale.

Making significant changes to individuals' personal finances, whether it be through pension, pay reduction or otherwise, needs significant buy-in. People need to feel part of the process and need to know they are part of a plan that is going somewhere and has some capacity to achieve. We need a more holistic approach to the area of reform and rather than just considering the impact of the financial component on the State's fiscal position, we must see it in terms of the overall delivery of the service.

Deputy Jerry Buttimer: I am sharing time with Deputy Dara Murphy.

[Deputy Jerry Buttimer.]

I did not come in here to pick a fight with Deputy Dooley, but I remind him that the Minister for the Environment, Community and Local Government has pioneered the movement towards sharing resources and reform of the structure and cost of local government. When I hear the Deputy talk about the whole issue of cultural change, privatisation of the health service and agency nurses, I close my eyes and I wonder where I was for the past 14 years because this is what was happening when his party was on this side of the House. I do not want to fight with him, but that is the reality.

I agree with Deputy Calleary's points on public sector reform. As somebody who has been a public servant in the classroom for around 20 years, I could not disagree with anything he said about the issue. I hope the Minister will engage constructively with the public service; not just with the unions, but with an *gná muintir* in the public sector, the ordinary person who has much to offer. I made that point to the Minister. We need a forum on public service reform.

If we are to talk about public service reform and renewal, it must be in a transparent way, and in a way that will produce tangible benefits. One of the biggest catastrophes to hit this country was benchmarking. It was used as a political weapon by the former Taoiseach, Mr. Bertie Ahern, to buy votes, but we could not afford it. We all benefitted from it. I could not understand why we had to change what was happening on the ground in the public service.

I welcome the comments of the director general of RTE in a speech given in DCU recently on the cost and provision of salaries in that organisation. He is right. There are exorbitant salaries being paid in RTE at the high end and these need to be trimmed. RTE is beholden to the State and to the licence payer. I know that it is exempt from the Bill because it is a commercial entity. Perhaps we should also look at those other companies exempt from the Bill, but that is a different story. There is sufficient talent within RTE that deserves to be nurtured and promoted, and I hope RTE does this. Some of its very good programmes are indigenous programmes produced by people who do a very good job.

This morning the Minister outlined in his speech that the current model is no longer tenable, and he is right. The cost of providing public sector pensions is increasing and needs to be tackled. This debate should have taken place a long time ago. I appreciate that the last Government had begun that process. However, it was playing catch up. There are six people working for every pensioner today. In years to come, that ratio is expected to be 2:1.

The Bill before us is an example of a government planning for an anticipated problem and an example of a government of renewal, reform and transformation. If the same energy had been exhibited by past administrations, then our economic woes would not be as serious as they are today, and we would not be presented with the difficulties that are before us now. The Bill is critical to public service renewal. It is important that we allay the fears of existing public service members, in that it has no implication for their pensions.

I love the phrase "financial emergency". The late Minister for Finance, Mr. Brian Lenihan, brought it in as a Bill and that is what this is. We are in the midst of a financial emergency. This Government has to legislate and put in place what is best for the public interest. I challenge the Members in the technical group and Sinn Féin to engage properly in this financial emergency.

I welcome the Minister's speech this morning. He admitted that he is considering minor amendments. It needs to be more open ended than that. This is a very complex and wide-ranging issue which many people do not understand, due to the language used by vested interests and commentators. We must communicate to the people in simple language. We must plan for tomorrow. I agree with Deputy Calleary's concerns about early retirement in February. The volume of phone calls, e-mails and representations from existing public servants across the

spectrum has been extraordinary. I hope we do not lose that large body of expertise and wisdom in February. Language is important because it is critical we engage and consult and do not scare people.

This Bill can be linked to the whole issue of transformation and renewal of the public service. It is not just an Exchequer exercise in reducing costs, although that is part of it. Those who watched the RTE programme on Monday night will recognise that there needs to be an in-depth debate across the political divide on the provision of pensions and how to plan for the retirement and longer lives of our citizens. No responsible parliamentarian criticises people for living longer. We welcome that, but it has a consequence and we must plan for it.

This Bill is about the future. The decisions we make now will have repercussions in the future. I know it has a 2050 approach, but by bringing in a single, transparent scheme, we are providing a good service to the people. The three important changes are in respect of the career average, the later retirement age and the decreases to pension payments. These changes are to be welcomed because they create a level playing field in the public service. When I was teaching, there were different pension requirements and different PRSI contributions made. As a Member of this House, I am aware that there are different pension schemes open to Ministers. Irrespective of the position of a public servant, there will be a single transparent pension payable to that individual, which is welcome.

It is important that we recognise the immeasurable contributions being made by public servants across the country. They do a great day's work. They are providing a service. They are the intermediary for many people under pressure, for students in classrooms and in the health service. I very much regret that there has been a demonisation of public servants in certain media quarters. That is done for cheap political gain and for headlines. It pits private workers against public workers, which is wrong. Some people opt to work in the public service, while others choose to work in the private sector. That is the way society evolves.

We must have policy change. There is a challenge for politicians and for the Government. As the Minister has said, we must make that change, because if we do not, we will pay the consequences in time. We live in extraordinary times, and that is what we have to confront. That is why it is important that we forget about actuarial terms and different configurations and calculations. This Bill is a continuation of the changes being made within the public service, including the integrated State pension in 1995, fixing the retirement age at 65 for new entrants in 2005, and introducing the pension levy in 2009. We have a compendium of change and this Bill is a continuation of that.

I welcome the Bill, although I have reservations about certain parts of the legislation. I hope the Minister will address my reservations on Committee and Report Stages. I welcome the fact the Government is trying to stimulate job creation activity and I hope we will have a good debate both on Committee and Report Stages.

Deputy Dara Murphy: Like previous speakers on both sides of the House, I welcome the introduction of this Bill and compliment the Minister on it. I acknowledge that much work had been done on it by the previous Minister, the late Brian Lenihan. Fianna Fáil colleagues have now left the Chamber, but they were keen to point out that this was their work, while criticising its elements that came from the current Government. It is worth mentioning therefore that the work done in this regard by the last Fianna Fáil Government came 13 years too late. Much of what is being done now, not just in this Bill but in every Department by every member of the Government, is putting out the many fires that were left burning by the previous Fianna Fáil Administration.

[Deputy Dara Murphy.]

Every western country with demographic changes in its population ratios is being forced to make changes. As is so often the case, the difference in Ireland is that our correction has to be far more severe and significant. It is entirely wrong to say that all the changes are demographically based, however. In recent years, we have unquestionably put the State into a position where it was paying far too much in pensions and retirement packages. Other developed countries managed to hold their growth levels at around 3% and have also managed to cap pension increases to achieve sustainability. They understand the important reality that the younger generation of every state is obliged to pay for the retired population. Every society is judged by how it looks after the elderly. In this regard, the Bill shows the Government's strong commitment to those who will retire from the public service. There is no dilution of that ambition. In fact, the purpose of the legislation is to ensure the State will strike a fair balance between those who work and those who benefit from retirement packages.

It is important to focus on the ratios that are being discussed. We will move from a position where there are six people at work for every retired person, to one where there will be two workers for every retiree. We must therefore continue to work towards having sufficient employment growth so the latter ratio may not become a reality. In different ways, many other countries have managed, with low birthrates, to keep that ratio from moving to such a disadvantageous position as two to one.

The Government has been criticised for the recent pension levy, with the Opposition saying that it did not provide the required stimulus. That levy has been in place for only a few months, so it is nonsensical to suggest we should see immediate benefits from it. In all its actions, the former Government sought only to deliver an immediate solution for an instant soundbite of publicity. It did not have the foresight to help citizens.

The Government is trying to secure new employment. The more damaging element of our public finances, however, is that the ratio of people eligible for work to retirees is potentially moving from 6:1 to 2:1. In addition, with unemployment levels of 14% we clearly need to work extremely hard to secure future employment. Ultimately that is how a developed and well functioning society will work when people are paying their taxes, thus allowing workers to retire at a reasonable age.

We have managed to arrive at a point where life expectancy has increased significantly, which should be welcomed by society. While it creates clear problems for the provision of pensions, it also means that extending the retirement age is entirely reasonable. If the retirement age was to stay as it is, a significant majority would be spending more of their adult life in retirement than at work. In purely economic terms, that is an unsustainable position.

As the economy continues on its current upward path, we should examine schemes that would allow people approaching retirement age to move into job-sharing schemes, thus permitting a smoother transition from employment to retirement. There is huge potential in that regard.

I commend the Bill and acknowledge that there is support for it from Fianna Fáil. In this instance, they were required by the troika to put it in place. I hope they will endeavour in some small way to be more objective about the good work being done by the Government, and not just focus on the work the previous Government rather tardily brought before us.

Deputy Finian McGrath: I thank the Leas-Cheann Comhairle for the opportunity to speak on this Bill. Before going into the details of the legislation, I commend and thank the vast majority of public servants and public sector workers generally who have served this State well.

They always did their best for the country. I endorse what was said earlier by Deputy Buttimer on this issue.

In the current climate, it appears trendy to bash or attack public servants generally, but I will challenge that approach during this debate on pensions. I am sick to the teeth of some of the so-called commentators and some politicians having a go at decent hardworking bin-men, teachers and nurses. Most of the people throwing this abuse about would not last a minute in a bin lorry, an accident and emergency department or a classroom in a disadvantaged school. We have heard enough of this guff, so let us make our public service better and let us serve the public better. As a former public sector worker myself, that is something I know about. Let us also ensure that we look after our pensioners, although unfortunately this is not what the Bill is about.

It is a bad mistake to have a mass exodus of teachers leaving classrooms in February 2012 in the middle of the school year. It is bad planning and lacks commonsense. Imagine the hassle and trauma such an exodus will cause for parents and pupils just after Christmas. I urge the Minister and the Government to reconsider this matter. We cannot disrupt the flow of an academic year, particularly pupils who are studying for the junior and leaving certificate examinations. The Bill's principal purpose is to provide for a new single pensions scheme for all new entrants to the public service. The new scheme is the subject of a commitment in the EU-IMF programme of financial support for Ireland.

The Bill includes in Part 3 the necessary legislative amendments required to facilitate a reduction in pay rates for certain public servants and officeholders, including members of the Government and new members of the Judiciary, whose pay rates are determined in legislation. This is the essence of the Bill and what this debate ought to be about. That said, we must be very sensible and logical in dealing with the issue of pensions. I call for an independent professional evaluation of the figures of the Comptroller and Auditor General before the Bill is passed. It is wrong to make law on the basis of incorrect information. I will expand on this point.

Section 10 of the legislation deals with the single scheme pension for public servants which will reduce retirement income. The Trident report commissioned by the three teachers' unions shows many new teachers will pay more in than they will get out. Every Member of the House should have received a copy of this report from the INTO and it needs to be studied very carefully. It is independent and authoritative, and its author, Mr. John O'Connell, is one of the country's leading actuaries.

The single scheme proposals are based on flawed evidence. The Minister for Public Expenditure and Reform, Deputy Howlin, told the Dáil on 11 October: "To appreciate how the single scheme will continue to provide valuable pensions for teachers, it is instructive to look at the 2009 report of the Comptroller and Auditor General on public service pensions which estimated the annual pension cost to the State for teachers [...] to be 22.4% of pay". The Minister is wrong on three counts. First, the Comptroller and Auditor General's figure of 22.4% is not the cost to the State. Second, the single scheme relates to new entrants, while the figure of 22.4% does not. The Comptroller and Auditor General's report is not instructive; the figures are clearly flawed, which is why I call for an independent assessment thereof.

The Minister took the figure of 22.4% from page 29 of the Comptroller and Auditor General's 2009 report. As I said, this is not the cost to the State. As the table clearly shows, it is the gross pension cost to the State for teachers as a percentage of pay. Directly beside the figure of 22.4% in the table is the net pension cost, 9.6%, which is the true cost to the State of pensions for teachers.

With regard to new entrant costs, the proposed single scheme that the Minister has defended is for new entrants only. The figure of 22.4% takes account of teachers with different pension

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conditions. The cost of pension terms was reduced substantially by changes in 1995 and 2004. Any meaningful comparison with the report of the Comptroller and Auditor General requires the Minister to turn to page 30, on which Figure 2.10 sets out clearly new entrant contribution rates. The net cost in respect of a primary teacher is 7.2%. This is the Comptroller and Auditor General's figure for the cost to the State of a pension for a teacher under the conditions that obtained in 2004. The Comptroller and Auditor General's report is not instructive. It is widely accepted that the Comptroller and Auditor General has overstated the cost of public service pensions by using outdated assumptions. The most serious of his assumptions is that pay will increase every year by the rate of inflation plus 1.75%. The more realistic calculation used in the Trident report is that it will increase by the rate of inflation plus 1%. This indicates a new entrant cost to the State under current pension terms as low as 3.4% of salary, which is a long way from the Minister's figure of 22.4%.

The pension levy is not a pension contribution. The Minister is critical of the Trident report for including the pension levy as a pension contribution, although that is exactly what the Comptroller and Auditor General did in his report. While the levy is not legally a pension contribution, it is a pension-related deduction confined to public servants and is related to public service pension terms. It is a pension contribution in fact, if not in law. The Minister is critical of any presentation of it as anything other than temporary. The levy raised €944 million for the State in 2010. It is a matter of debate how soon it will forgo this income.

The Trident report commissioned by the three teachers' unions shows that, under the single scheme, many new teachers will pay more into their pension funds than they will get out of them. If the pension levy were to be cut in half, the cost to the State of teachers' pensions under the new scheme would be 1.5% of salary, or 4.9% if the levy were to be abolished immediately. Even a contribution of 4.9% is below the average private sector employer contribution where occupational pension schemes are still in place.

The Minister wants to discount the pension levy and cite the Comptroller and Auditor General's report but quotes as a pension cost to the State a percentage including teacher contributions, which is not the figure for new entrants and is based on flawed assumptions. The Minister states the teachers' unions do not reflect the true position. The calculation by Trident Consulting has not been undermined in any way in the debate on the single scheme. It would be more than regrettable if serious and long-term changes to pensions were based on inaccurate figures and flawed assumptions. That is why I call for an independent evaluation.

The INTO, of which I once had the honour of being a member, has called for a re-examination of pension costs to the State. This could be done quickly based on reworking the assumptions of the Comptroller and Auditor General. There might still be disagreement with the Government on policy, but major long-term decisions should not be based on wrong information.

There are other key points in the Trident report that I would like to address. Previous adjustments to the teachers' superannuation scheme and the public service schemes generally — for example, those in 1995 and 2004 — have reduced benefits and increased the proportion of retirement benefits funded by employees. With the pension levy established in March 2009, any new member joining the current scheme at the age of 21 years requires a salary contribution of only 3.4% from the State, as the employer, to help fund pension costs. A new teacher starting today at the age of 25 years requires an employer contribution of 5.7%, which is still less than the private sector average.

The proposed new scheme from 2011 — moving to career average, later retirement and CPI linkage — marks a drastic disimprovement in retirement benefits for new teachers and public

servants generally. The value of teachers' contributions under the proposed new scheme will exceed the value of benefits, a set of circumstances that may be open to legal challenge, especially since membership is compulsory. The new scheme will be less generous than all private sector schemes and actuarially less valuable than having no pension provision whatsoever.

If the pension levy were to be cut in half or abolished from 2011, the employer contribution then required would be just 1.5% or 4.9%, respectively. The new scheme will result in a total pension of 44% of final salary after working for 43 years, compared to a 50% pension after working 40 years, as is the case at present. The lump sum will fall from 150% to 129%.

With changes in recent years, including 1995 and 2004, the existing pension terms for teachers are sustainable. Alternative approaches to cutting costs and especially to curbing the gains through final salary linkage for high earners on retirement are available. These include setting a maximum public service pension or a hybrid pension where final salary applies up to a certain threshold. A single pension scheme for all public servants will be complex to administer, especially where pay-roll facilities remain decentralised.

The assumptions used in the report are standard ones, with a conservative approach adopted to salary growth. The results are sensitive to the salary growth trend. If salary growth were to be significantly ahead of inflation, the new scheme would compare even more unfavourably to the current terms. The value of promotion, especially in later career, will be reduced substantially in pension terms under the new scheme. Among categories of teacher who would pay more in than they would get out of the new scheme are: aged 21 joiner, no promotion, unbroken service; aged 21 joiner, special duties posts at age 40, unbroken service; aged 25 joiner, no promotion, unbroken service; and aged 25 joiner, no promotion, five-year career break. All this material is from the Trident Consulting website and was posted yesterday. I raise these issues because they are an important part of the debate.

Section 13 deals with normal retirement age. Naturally, I agree that people should work longer in their jobs where possible. This has been proved to be beneficial from a health point of view. It is good for the person, the country and the person's lifestyle. At the same time I encourage people to move on if the opportunity arises and they should consider changing careers or changing movement within their career.

I was the principal of a small inner-city school for 17 years. When running a school in a disadvantaged area one gives one's best for the first ten or 12 years. Then one begins to realise that it begins to get difficult and that is when it is time to bring in fresh faces, new bodies, new ideas and fresh staff. This is something with which many people agree, especially in difficult, disadvantaged areas. Such people should consider these ideas and should consider ways to deal with the public service because it would make the public service more efficient.

Section 20 deals with the Office of President and provides that every person who, having held the Office of President of Ireland, ceases to hold that office for any reason other than death shall be eligible to receive a pension and, as is the case currently, no vesting period applies to presidential pensions. Those in high office should consider the idea of cutting costs of salaries. I am pleased some of the presidential candidates have stated that they were prepared to take a cut and some have stated they would be prepared to live on the average industrial wage. I take the opportunity to commend TG4 on the debate last night, one of the best I have seen. There was respect for all the candidates, all the difficult questions were asked and the programme did a great service to public broadcasting in the State.

Section 25 deals with a member of An Garda Síochána in a position that requires retirement, or gives an entitlement to retire, on attaining 55 years of age; a member of the Permanent Defence Forces in a position that requires retirement, or gives an entitlement to retire, upon

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attaining 50 years of age; a prison officer in a position that requires retirement, or gives an entitlement to retire, upon attaining 55 years of age; and a specified fire brigade employee or a retained firefighter. These are important as well. I have concerns in this area because there are many quality people in the Garda Síochána and the Defence Forces and fire officers who are leaving the service. I hope we are not damaging the service or losing good quality, experienced people because of the situation in which we find ourselves.

When discussing pensioners it is important to deal with them, to look after them and to treat them with respect. Let us remind ourselves that these people worked hard and deserve a decent pension. They have paid into their pension and this should be respected. These people, whether gardaí, nurses, teachers, firefighters or bin workers, have served the State well and they should be given a decent lifestyle when they decide to retire in the end.

I welcome the debate and the opportunity to put forward my views and those of many teachers and public servants in particular. I urge the Minister to read the Trident report and to listen to the views and proposals put forward by the Irish National Teachers Organisation. They contain some logical, sensible proposals. I urge the Government, especially the Minister, Deputy Howlin, to examine this issue seriously.

Deputy Bernard J. Durkan: I am pleased to have the opportunity to speak on this Bill. This is an important issue with wide implications. Many issues have been touched on by other speakers. We have been informed about demographic changes for years and that by 2035 there will be a serious problem in the country. We did not realise there were other economic issues at the time which would impact on our ability to meet pension requirements in future.

One presumes people will have to work longer but it is easier for some people to work longer than it is for others. Some may find it difficult and this is why I make the qualification. As part of our ordinary constituency work we all know of people who might be the same age, some of whom may be perfectly capable of continuing to work but others who may not because of their physical or medical condition, and this should be borne in mind. The pensions of the future must cater for people in this category such as, for example, those who must take early retirement due to ill health. It will not necessarily mean that the obligations of the State or public or private pension funds will be able to opt out. They may have ongoing responsibilities with regard to payment in future.

There is considerable concern among the public, public servants and the private sector because thousands of people have lost their pension entitlements since their pension funds went down the drain. Such people have no pensions but will depend on the State pension at some stage in future. This is the case in the private sector. This is widespread and many such people were encouraged to take out private pensions or life assurance in conjunction with an endowment payment. They were encouraged to do so in business to qualify for various loan entitlements or whatever. That has all gone down the drain and such people have nothing, a situation of some concern. This affects many people in the private sector who we may not necessarily recognise as being vulnerable in this area. Some ten years ago, such people had reasonable prospects and a reasonable pension fund lined up, but now they may have nothing because the pension fund may be broke, like many other things. As a result, such people may be vulnerable and this is a concern from their point of view. We should be conscious of this group which has been affected negatively by the downturn in the economy and the financial collapse. The State must pick up the responsibility for them at some stage in future.

Let us consider those in the public sector. As previous speakers have stated, they are now the whipping boys for those who believe that they are the cause of all our ills and ailments. This is simply not true. A weakness in a society can be determined by the degree to which

society as a whole is prepared to share the burden of responsibility and everything that goes with it for any catastrophe that comes down the track. In other words, the last thing a society should do is to attempt to throw the blame onto someone else on the basis that one may feel better about it and one believes one has no responsibility and need not account for anything. That is a dangerous route to traverse. It has been tried by several people, for what purpose I am unsure, or rather I know why, as does everyone else. It is something about which we must be careful.

In the past there was a reasonable degree of certainty to which we could plan for the future and engage in forward planning. At the end of the working life of the average person, there would have been something upon which they could rely in more vulnerable years. It is important to reiterate this now because some people are scared at the moment. They may have had their private pension funds eroded dramatically or, in many cases, it may be gone altogether. Such people are looking at the prospect of depending on a State pension.

They may not qualify for a State pension and are worried by difficulties with qualifying for a medical card, the provision of services, local charges and so forth. Opposition Deputies will say this is appalling and awful without having due regard to the fact that certain things have been thrust upon us over which we do not have any control. We cannot simply opt out by arguing that these burdens have been imposed on us by the European institutions and International Monetary Fund. If this was a game of strip poker, some of those who are making suggestions which appear easy and attractive would have been down to their socks long ago. We know what problems lie ahead. We did not want to be in this place but we are in it and must plan our way out of it.

The age profile of the population is not as bad as is often argued and compares reasonably, and in some cases exceptionally, well with other European countries. We will have a substantial working population for some time. I hope our economic circumstances will change to the extent that we will be able to make adequate provision for the population on retirement.

Approximately 15 years ago, when I had responsibility of sorts, for pensions I proposed that a body similar to the National Treasury Management Agency should assume responsibility for managing pension funds on behalf of the State. Many people objected to my proposal at the time. If it had been adopted, we would have had a fall-back position in terms of resources when some of the recent events occurred.

As has been noted, we are reaching a point at which a universal charge for pension contributions will have to be applied as otherwise people will have to go through the process of means testing, which is not a cost-effective option. People would be horrified to learn of the overall cost of the various means tests. The simple approach is to require everyone to make a contribution and pay a pension which does not require a means test. I note some commentators have recently called for benefits to be means tested. We are in difficult times but if one introduces means tests for benefits, one creates a further cost to the State which would be outrageous. Every time an administrative intervention is made in the processing of claims, the process becomes less efficient and more costly and burdensome.

I indicated that people can and should work until a later age. This scenario is anticipated in legislation. Some people will find the option of working long after the normal retirement age beneficial, therapeutic and important. This option should be encouraged and people should not be penalised for availing of it. I am concerned, however, by some of the comments made from time to time on the benefits accruing to pensioners, notwithstanding that pensioners have paid contributions into the system, sometimes over a very long period. A previous speaker indicated that some people work for longer than others. It should be acknowledged that those who have made contributions over a long period did so on the understanding that they would receive a

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specific payment, commensurate with or related to the cost of living. Those of pension age and the generation that succeeds them require assurance in this regard. The current generation may not even consider the fact that they will rely on a pension in later years and it behoves it to concentrate on what lies ahead. The State must incorporate this aspect in its forward planning because the options available to us are not easy.

For the past three years, the House has regularly debated emerging financial issues which have had a critical impact on the well-being and quality of life of the population. Most of these developments have been negative and were brought about by various circumstances which I do not propose to discuss in detail. It is pointless proclaiming opposition to the steps that must be taken given that none of us likes doing what has to be done. No one welcomes a reduction in income but unfortunately we must all face that prospect. Deputies, Senators and all those we represent outside the House have been affected negatively by factors and circumstances which have not been always within their control. We must make clear to everyone that what we are doing is not by choice and it is being done on the basis of arrangements which have been entered into already. Anyone who suggests there is an easier or softer means of achieving the required outcome is deluding himself or herself as well as people outside the House.

Concerns about the future and present are linked because the decisions we make now, taken against the background of the developments that have taken place in recent years, are crucial. They must be well founded, costed and soundly based if we are to prevail. It is possible that other options are better but many are much worse and we must contend with the circumstances that present.

Since I entered the Dáil, which was not today or yesterday, we have, on more occasions than I care to remember, discussed State and private pensions, pensions funds and their management, use, viability and solvency. Sometimes I worry that we seem to prepare only for the immediate period ahead and are not aware of the various unforeseen scenarios that present from time to time.

One thing I cannot understand is that nobody was able to foresee the kind of collapse of confidence in the financial system and the rapidity with which this happened in the past four or five years, or as it is now possible to see, over the past 15 years.

I make this point in particular because the last comparable recession, or depression, depending on one's state of mind, was in the 1920s and 1930s. There were those who said these things could never happen again, that we were now much cleverer and smarter and would never make mistakes like those made then. What was forgotten, of course, was that modern technology made it much easier for people to make massive profits and, equally, massive losses in a shorter space of time than the blink of an eye. That is what happened in the meantime. There are advantages to modern technology which have benefited our society but there are serious issues in its regard too, which we must keep in mind for the future. The situation we now face, while bad, can become even worse. We must carefully consider and monitor issues as we proceed, especially in regard to investments and how they might affect our pension schemes, public or private, in the future, and we must make decisions that are in the interest of our economy and our people, with due regard for both.

An Leas-Cheann Comhairle: I call Deputy Seamus Healy who is sharing time with Deputy John Halligan.

Deputy Seamus Healy: I support the contribution of Deputy Finian McGrath on this issue. He made a very strong case in regard to this Bill, which is about grand theft. It is a discriminatory taxation scheme rather than a pension scheme. It is one of many attacks on public servants

who, as we all know, have been demonised in the media in recent years, and this continues almost daily. These public servants are the local county council road worker, the fireman, the ambulance driver, the hospital porter, the cleaner, the clerical officer, the nurse, the teacher or the garda. This Bill is part of the campaign against the public service. The previous Government initiated the Bill. Its Deputies were very glad to admit earlier today that it was drawn up initially by the Fianna Fáil-Green Party Government. It has now been adopted by the Fine Gael-Labour Party coalition.

The public service has been assessed by an OECD report. It is clear that the Irish public service is smaller, less costly and more effective than most public services and servants throughout the OECD countries. Very many public servants earn less than the average industrial wage and many apply for and are currently in receipt of the family income supplement, FIS. The public service has already had a number of wage cuts, in addition to the pension levy. Standards of living and income of public servants have been reduced considerably, in particular during the past two years. The House heard today of the very considerable and outrageous pensions and lump sums of very senior civil servants. Those situations are being used to attack normal public servants, very many of whom are earning less than the average industrial wage and may be in receipt of FIS.

I reiterate, these proposals are grand theft. This is the case because the scheme is compulsory and because very many, if not all, new entrants will get less from the scheme than they pay in. Actuaries have looked at the scheme and are satisfied that more will be paid in on a compulsory basis by public servants than they will get out of the scheme. That situation leaves this scheme and this Bill open to legal challenge.

Deputy Brendan Howlin: That is not true.

Deputy Seamus Healy: The Minister had his opportunity. I am entitled to my say.

Deputy Brendan Howlin: Keep to the facts.

Deputy Seamus Healy: It is a shame the Labour Party is involved in these attacks on public servants.

Deputy Brendan Howlin: Rubbish.

Deputy Seamus Healy: The fact remains that this scheme will be open to legal challenge——

Deputy Brendan Howlin: Rubbish.

Deputy Seamus Healy: ——on the basis that it is a rip-off. People will pay more into this scheme than they will get out of it and this is to be done on a compulsory basis. The next situation we will face will be claims that the existing scheme for existing public servants is too generous and should be reduced. In fact, this has already happened. I heard a Government party Member say as much.

Deputy Brendan Howlin: Rubbish again.

Deputy Seamus Healy: The Government and employers, IBEC and Government party Members will say this, and further down the road, existing public servants and the existing scheme of which they are members will be attacked. I reiterate I heard this stated today by Government party Members.

There is no effective employer contribution in this scheme.

Deputy Brendan Howlin: That is rubbish.

Deputy Seamus Healy: This would be illegal in the private sector.

Deputy Brendan Howlin: Rubbish.

Deputy Seamus Healy: As soon as this scheme is introduced, there will be further attacks on public servants.

Deputy Brendan Howlin: All untrue.

Deputy Seamus Healy: The scheme proposes a move to a career average assessment, later retirement and consumer price index linkage, which makes for a drastic disimprovement in retirement benefits for public servants. I reiterate this is an attack on public servants. The new scheme will be less generous than all private sector schemes.

Deputy Brendan Howlin: That is absolutely untrue.

Deputy Seamus Healy: These are figures produced by the Trident report and by actuaries.

Deputy Brendan Howlin: Have you read it?

Deputy Seamus Healy: The Minister is hiding behind his own figures and figures from——

Deputy Brendan Howlin: The Deputy is talking rubbish.

Deputy Seamus Healy: This scheme is quite clear. An independent report by actuaries has proved that this scheme is not a pension scheme at all but a rip off.

Deputy Brendan Howlin: It is a pity the Deputy did not read it.

Deputy Seamus Healy: The people in the scheme will pay more into the scheme——

Deputy Brendan Howlin: Did the Deputy read the Trident report?

An Leas-Cheann Comhairle: The Deputy has only two minutes.

Deputy Seamus Healy: ——than they will get out of it.

Deputy Brendan Howlin: The Deputy is talking through his hat, as usual.

Deputy Seamus Healy: It is despicable that a person who claims to derive his politics and policies from James Connolly would involve himself in this kind of carry on and this kind of attack on public servants.

Deputy Brendan Howlin: You are talking through your hat.

Deputy Seamus Healy: The scheme is part and parcel of a campaign which has demonised and continues to demonise public servants.

I refer to the increase in age proposed under this scheme. The scheme is part of various proposals and implementations to increase retirement age from 60 to 65 and thence to 66, 67 and 68, on a compulsory basis. I have no difficulty with public servants who want to work until they are 65, 66, 67 or 68, provided they can do so on an optional basis. They must be allowed to continue to work on an optional basis and should not, as is the case with the Bill, be forced to do so on a compulsory basis. Allowing people in the public service to remain in work

into their mid-60s will have a knock-on effect in respect of employment. Fewer employment opportunities will arise if more people remain in the service.

Yesterday, in reply to a point made by the leader of Fianna Fáil, the Taoiseach stated that excessive “administration charges imposed by pension funds can absorb the vast majority of the temporary pension levy”. The levy to which the Taoiseach referred amounts to 0.6% and he stated yesterday that the administration charges imposed by pension funds could cover the costs relating to it. I tabled amendments to the relevant legislation which dealt precisely with this matter. Those amendments were designed to ensure that neither contributors to pension schemes nor those who are already on pensions would be affected by the levy. One of the amendments to which I refer proposed that the administration charges relating to the schemes should be used to absorb the levy. Unfortunately, that proposal was voted down by the Government. I am asking that a amendment of that nature be tabled by the Government in respect of the Bill before the House to ensure the pension levy will not be used — as is the case at present — to increase contributions from members or to reduce the pension payments of those who have already retired. The Taoiseach has accepted the point I made in respect of the levy and I ask that he take action to ensure a suitable amendment be introduced.

Deputy John Halligan: I welcome particular aspects of the Bill. I accept that certain reforms to public service pensions are crucial if those pensions are to be made sustainable and affordable in the long term and if there is to be fairness for public servants and taxpayers. Such reforms must be framed in light of the fiscal challenges ahead. It must be acknowledged that public servants have already made a substantial contribution to the necessary reduction in public expenditure at a time when their numbers have been reduced as a result of the moratorium on recruitment, an incentivised early retirement scheme and career breaks.

Deputy Brendan Howlin: That is true.

Deputy John Halligan: From my reading of it, the Bill does not make provision in respect of high earners such as politicians, the President, members of the Judiciary or the Attorney General.

Deputy Brendan Howlin: They are all included.

Deputy John Halligan: Those to whom I refer enjoy an accelerated accrual of pension rights and if they are contemplated within the provisions of the Bill, I would be delighted.

I am disappointed the Government opted not to meet representatives from the teachers’ unions in order to hear their legitimate concerns.

Deputy Brendan Howlin: I met representatives from all three unions.

Deputy John Halligan: The Minister did not meet them before he attempted to legitimise this Bill——

Deputy Brendan Howlin: Of course I did.

Deputy John Halligan: ——or prior to the completion of the report.

Deputy Brendan Howlin: I went through the report with them.

Deputy John Halligan: Were they all happy with it?

Deputy Brendan Howlin: I did not say they were happy with it.

Deputy John Halligan: Exactly. Despite a pre-election promise, I am aware that Fine Gael Members — of whom there are none present in the Chamber — did not meet representatives of the teachers' unions. Perhaps the Minister, Deputy Howlin, did meet them.

Deputy Brendan Howlin: I did meet them.

Deputy John Halligan: If he did, I apologise for doubting him. I met some of the union representatives and I am aware that their concerns relate to the measures which could give rise to teachers contributing more to their pension schemes than they will obtain in return.

Deputy Brendan Howlin: I explained the position in this regard earlier.

Deputy John Halligan: The concerns of the teachers' unions are genuine and they should be examined.

Another concern of the teachers' unions relates to young teachers who, on entering the profession, spend several years engaging in part-time and substitute work. When they finally obtain a permanent post, they are obliged to enter onto a long, incremental pay scale. This is despite the fact that they must pay the massive costs relating to the existing pension scheme. In reality, these teachers will only reap the benefits of the new scheme. I am of the view that this is extremely unfair, particularly as these individuals either have been or are on the incremental pay scale to which I refer.

Why is it the case that, under the legislation, new recruits will not be allowed to opt out of the new scheme and make provision for their own pensions on the same basis as private sector workers?

Deputy Brendan Howlin: One would not be able to buy a scheme as good as that on offer.

Deputy John Halligan: Consideration should be given to putting in place an opt-out clause because it is not as hare-brained a proposal as some might think. Some economists have stated that the possibility of introducing such a clause should be examined.

The unions are standing over the findings of the independent Trident report, which states that a teacher entering the new scheme at the beginning of his or her career would pay more into the pension than he or she would ever receive in return. Many teachers will end up not only fully funding their pensions but there is also the possibility that they could over-subscribe to them. That would be nonsensical. Surely the Government can, even at this late stage, see the merit in consulting the unions in respect of this issue.

I wish to draw the House's attention to the urgent need to restore the balance between public and private sector pension provision. While pension benefits in the public sector are in need of reform, they are nonetheless protected. The same is not the position with regard to private sector workers who in my view will be obliged to pay even higher taxes after the forthcoming budget while tax relief will be stripped away from their pensions. Between the confiscation of pension savings by the Government and the poor returns from so many badly managed funds, increasing numbers of people in the private sector are asking why they should bother making pension contributions in the first instance. If the Government is committed to encouraging people to plan for retirement in a realistic way, it must reconsider the decision to reduce the pension contribution tax relief without delay.

Deputy Durkan referred to how great it is that people can work until they are 65, 68 or even older. Did he consider the position of farmers, labourers or hotel workers in that regard? If one asks these people whether they want to continue to work until they reach the age of 68 or 70, they will state that they most certainly do not wish to do so. Do we want to work people

to death? That is certainly what the Government is proposing to do in the Bill before us. I have not met one person who is involved in shift work or who works hard in his or her job as a hotel employee or a farm labourer who has informed me that he or she would be prepared to work until the age of 68 or 70. What is being proposed is despicable. People should have the choice to work to a later age if they so wish. However, forcing them to work until they reach 68 or 70 years of age is nothing other than promoting a system of slave labour.

Deputy Éamon Ó Cuív: I welcome the opportunity to contribute to the debate on the Bill but also to comment on the wider issue of pensions. When the old age pension was first introduced in Germany, the average life expectancy was 65. As a result, the German authorities set 65 as the age at which people could retire. It was not expected that many people would draw down their pensions for very long and it was quite easy to make proper pension provision. In the past 20 years, the average life expectancy has increased by ten years to 75. The difference between 65 and 75 does not appear that great. However, if the retirement age is 65, this represents a doubling of the pensions bill. That is where the pensions time-bomb lies.

We must all learn one of the fundamental lessons of mathematics, namely, that it is not possible, over the long term, to pay out more than is taken in. There are those in the House who continually state that there can be no change in respect of the pay out. However, they also resist any changes in respect of what is paid in. If these people ever got into government, I am sure they would take a more sensible approach. If we follow their line of reasoning, it is obvious that a major gap exists. Who do they suggest should fill that gap in the long term? Therefore, we face challenges. Our own success is a challenge as people are living much longer than they did in the past.

I was very surprised to hear Deputy Halligan talking about adjustments in pension reliefs. The initial proposal for pension relief was to standardise all pension relief at 33%, and that is still where I would like to go. I know there are commitments in the four-year plan but if the fiscal position improves, a 33% rate would be a balanced proposal. I have heard people quite rightly complaining in the past that those on the highest income got the biggest tax relief on pension contributions while those on the 20% tax band got little relief or no relief if they were outside the tax net. The idea behind a rate of 33% across the board was to encourage young people to start paying into pensions when they were on low incomes. As economic conditions improve, we should aspire to that approach.

There are constant warnings on the television about share values, with pensions going up and down depending on the international financial markets. We know many pension funds have lost money and I ask the Minister for Public Expenditure and Reform to examine the sovereign bond issue. There is a potential for a double gain, which I have returned to time and again. There is a gain from the State not having to borrow abroad and instead borrowing from its own people, and on the other hand there is a much better return for the pension funds. The only guarantee to be given is that the country will not renege on sovereign bonds. The idea is well worthy of consideration. For example, €20 billion of Irish pension funds are in French or, in the main, German bonds. If that money was in our Exchequer, it would reduce the requirement to borrow from abroad quite considerably. Furthermore, the German bonds give low returns but if that money was put into Irish bonds, it would bring more money into the coffers.

There seems to be two ways of thinking with regard to the public service pensions bill. I have heard people saying time and again that top people in the public service get lump sums and pensions which are too big. This Bill addresses the issue. A person starting as a clerical officer may move to being an executive officer, higher executive officer, assistant principal and principal officer before eventually working up the greasy pole to become a Secretary General for five years. The person's pension would forever reflect that last few years and not total years

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in the service. The person who never got beyond becoming a higher executive officer in the public service would have the pension reflect that level, leaving a major difference between the two pensions.

It has been clearly proven that in the new system the biggest saving will be made from the person at the top, with the next biggest saving from the person one step from the top and so on. The savings made from the people on the bottom would be relatively modest as the figure comes from career average. There are many people who started in the public service recently who have fantastic qualifications such as masters degrees. They may start as clerical officers and move to being executive officers. They may spend five years as a clerical officer, ten years as an executive officer, as well as some time as a higher executive officer. Those people would have a pension based on the average of the number of years at each level, and if a person got stuck on a level, the pension would reflect the number of years spent there. In the current system, if a person manages to get to the top, the pension will be much higher. As we are living longer, it is more difficult to fund this, so a career average approach is a good reform.

There is also an issue of private sector versus public sector. In recent years I have never seen so many people, with a significant number quite comfortably off, looking at a neighbour's field and thinking the grass is greener. Everybody in this society, whether public or private, always seems to think the other guy has a handy number. The Minister is correct in that it would be difficult to buy the type of public service pension that is currently guaranteed. In the public service pensions system, there cannot be a big loss that occurs owing to the vagaries of stock markets. That is the big attraction of a public service pension: a person is guaranteed a sum at the end which is known the day the person starts paying into it. One of the objections to making radical changes to public service pension levels is that this principle should not be radically changed and there should be a fixed rate of return for what comes from the pension at the end. That is important.

It is also important to point out that comparing private and public pensions is like comparing apples with oranges. I am sure the Minister will correct me if I am wrong but my understanding is that public service pensions have always been funded in this State with a pay as you go system. The taxpayer in general is not paying the public service pension. In 2011, the contributions of civil and public servants for that year are paying for the pensions. Am I correct in that assumption?

Deputy Brendan Howlin: I will get the exact figures for the Deputy.

Deputy Éamon Ó Cuív: On a pay as you go basis, the Minister will be able to tell me that the money paying for pensions is not coming from general taxation but rather from payments on a current year basis, as is the case for PRSI.

Deputy Brendan Howlin: The Department would not like the Deputy to put it like that. It regards all contributions to the Central Fund as being under the ambit of the Department.

Deputy John Browne: The public does not think so.

Deputy Éamon Ó Cuív: The public might not believe that but it could be wrong. The basic system was working but the problem was a projection into the future. With a rate of 6% contributions and with the pension scheme we had, over time there would be a bigger slice taken from tax funding to make up for the fact that the amount of money being paid in would not cover all the pensioners because their numbers would increase and they would live much longer. Something had to give, with the choice being to take more from general taxation or look to curtail the bill by making the current reforms.

I do not agree with opt-out systems because if they were in place, we would all have opted out when we were young. Those of pension age would all want to opt in again. I do not know if the Minister, Deputy Howlin, hopes to still be the Minister in 35 or 40 years.

Deputy Brendan Howlin: It is unlikely.

Deputy Éamon Ó Cuív: The Minister of the day——

Deputy John Browne: The Minister is there a while already.

Deputy Brendan Howlin: The Deputy could be the Minister.

Deputy Éamon Ó Cuív: One never knows with the new technology available. The Minister would find many people knocking on the door, with Johnny or Mary having opted out when they were 25, 26 or 27, leaving them with an underfunded pension and entitlements coming up short. They would be looking to pay in a lump sum or something else. The idea of an opt-out would be very wrong and I am sure the Minister would not put such temptation in the way of younger people who may come into the public service. It is important they provide for themselves in old age.

Deputy Barry Cowen: I acknowledge the fine work done by the former Deputy, the late Brian Lenihan, who created the Public Service Pensions (Single Scheme) and Remuneration Bill. Not only is this Bill in accordance with the EU-IMF programme of financial support for Ireland, it also has accounted for a sustainable plan that will be able to carry on into the future. When this Bill was previously discussed, many members of the current Government argued that it failed to address the issue of retrospectively affecting those in office. I am glad to see that as the Bill is before us, they acknowledge that this action is neither legally possible or plausible.

That said, it is important to note that the Bill aims to bring public service pension terms more into line with those which apply in the private sector, to link pension benefits more closely to average career earnings, to improve the efficiency of pension administration within the public service and to manage the growth of public expenditure on public service pensions over the longer term. Terms included in the Bill are a new minimum public service pension age of 66 years which will be linked henceforth to increases in the State pension age, a maximum retirement age of 70, and pension benefits to be based on career average earnings rather than on final salary. There will be a change in the overall rate of pension contributions from staff. The contributions will remain broadly as apply at present but will be higher for certain fast accrual occupations., modifying the earnings linking of pensions and the reduction but not the elimination of fast accrual terms. The new scheme acknowledges the special circumstances for the President, Oireachtas Members, the Judiciary, the Attorney General and others who earn accelerated pension benefits at present by providing for a doubled rate of accrual together with a doubled rate of contribution for all new entrants to the offices.

Apart from the special cases mentioned above, the terms of the new single scheme apply equally to all public servants. There are no special terms of any kind for new entrants appointed to senior positions in the Civil Service or public service. The career average system applies in the same way no matter what the grade. New entrants under the scheme will be subject to the pension levy.

As the Minister, Deputy Howlin, lauded the Bill as placing this country at the forefront of public service pension reform in Europe, his Government simultaneously began raiding pension funds in Ireland against the advice of officials. The pension levy is discriminatory, inequitable and socially divisive. Older people are hit hardest. The IMF has expressed reservations about

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the behavioural impact of the levy. There are fears it will not be temporary. The levy bears no relation to ability to pay. Some pension schemes may opt to locate offshore, leading to a flight of assets. The Government has not properly engaged with the pensions industry, nor has it published its impact assessment. The Minister for Finance had no communication whatsoever with the Pensions Board before making the decision.

A question was put to the Taoiseach some weeks ago by Deputy McDonald of Sinn Féin. She commented on the fact that the Taoiseach had signed off on substantial severance pay and conditions for a retiring senior civil servant. The Taoiseach reminded the House that the same conditions of severance pay applied during the previous Administration. However, when he was asked later in the day about the appointment of a replacement, he did not give the same answer. The same pay and conditions and severance agreement applied to the new appointee as to the one who had just left. He said he was hamstrung by the fact that an agreement was in place since 1987 over which he had no jurisdiction and there was nothing he could do about it. It was strange that he could not give that answer earlier in the day. I wonder why that was the case. Was it because the Press Gallery was full at that time and it was not later in the day? It is only right and proper that I ask the Minister, Deputy Howlin, representing the Government, that the inaccuracy be corrected either by him on behalf of the Government or by the Taoiseach. It is only right, proper and fair that the distinction is made and the fallacy is put to rest. It may have been the populist thing to say at the time but to think that the Taoiseach came back to the House a few hours later and had something completely different to say to the same question beggars belief.

Deputy John Browne: I will be brief. The pension debate is exercising the minds of many at present. Despite what Deputy Ó Cuív said, the ordinary Joe and Mary Public are very annoyed at the Judiciary, Secretaries General, county managers and retiring Ministers all retiring on huge pensions and also with a large golden handshake. As the Minister, Deputy Howlin, is aware, most people outside of the public sector will retire with probably only the State pension and they are expected to survive on that. From talking to older people, they are concerned that because of the state of the country's finances, the State pension may be reduced in this year's budget or in the years to come. I hope that will not happen. I expect the Minister, Deputy Howlin, as a member of the Labour Party and with his hands on the wheel will ensure that will not happen.

The Bill was first introduced by the late Mr. Brian Lenihan. It is an essential part of the strategy to put the public finances on a sound and sustainable footing and to tackle the burden of pensions in the future. The Minister, Deputy Howlin, and others saw fit to introduce the levy on private pension funds, about which many are concerned. At the time the Taoiseach pointed out that its main purpose was for investment in jobs, which is important considering that we have such a huge number on the unemployment register. When replying, the Minister might explain the amount of money taken in to date through the levy, the amount that has been invested in job creation and the number of jobs created in recent months.

It has been said continually that there would be no change to the Croke Park agreement for pre-existing pension schemes, but there is still a concern among certain sections of the public service. Like the Minister, Deputy Howlin, I visit the County Hall in Wexford and other parts of the public sector where I hear expressions of concern from time to time to the effect that the Croke Park agreement is not as sacrosanct as it could or should be. In his reply I invite the Minister to outline the situation.

The Public Service Pensions (Single Scheme) and Remuneration Bill was first introduced by the late Mr. Brian Lenihan. At the time the Opposition was somewhat critical of some sections

of the Bill but the parties now seem to have embraced it. That is a good thing in itself. It will close the gap between public sector and private sector pensions. The levy is an area of concern. The Bill amends existing legislation to provide for a single pension scheme and pension age for all new entrants to the public service. The new scheme is a commitment under the EU-IMF programme of financial support for this country. The troika has been present in recent days. Has the Minister and his colleagues continued discussions on pensions or is this the final version of the Bill? Will there be changes to it on Committee Stage or is the troika happy with the Bill before us? Perhaps the Minister will provide an overview in that regard.

The scheme will apply to new entrants from the operation date. It will link pension benefits more closely to average career earnings. As Deputy Ó Cuív pointed out, the link with average career earnings is a good way to proceed in future but the pensions of Deputies such as the Minister, Deputy Howlin, and I who have been Members for a long time will be affected by the career averaging system when our pension is due in a number of years. I hope we will be present for some time to come. I do not complain. I understand that retiring Ministers and Deputies were not affected but I believe we will be. I have no problem with that. We all have to share the pain.

I welcome the Bill. I ask the Minister, Deputy Howlin, to explain how much has been collected to date by the pension levy and whether the Croke Park agreement will be affected in the future.

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): I thank all Deputies who have contributed to the debate, which has been useful. For the periods of time when I was not present in the House a careful note was made of all the comments, suggestions and observations. I look forward to a more detailed engagement on the issues during the remaining Stages, in particular Committee Stage, when we will be able to deal with the Bill line by line, and also when it goes to the other House.

The Bill is important, reforming legislation. Deputy Browne is correct that its gestation was in the previous Administration, although it was crafted by us and was not approved by the Government until last month. It has also been approved by the troika. The new pension scheme for the public service will cover approximately 300,000 people. The Houses must have the opportunity to consider, debate and make an input into framing this complex legislation and, in that spirit, I invite Deputies to bring forward amendments for me to consider fully on Committee Stage. As it is essential that the Bill clearly implements this important policy change, the Government has decided that we will be open on Committee Stage to the views of all Members of this House. Once the result of the referendum on the remuneration of judges is known, consideration will have to be given to the implications, if any, of this Bill. It will not be possible to bring forward the necessary amendments until the will of the people has been discerned.

I welcome this debate as an opportunity to begin the process of clarifying the issues arising. Deputies raised issues which will be considered in detail and I also want to address a number of principles which underlie the new scheme.

Deputy Fleming asked for clarification about what might happen to new scheme pensioners over the longer term if pay increases are greater than the CPI. He pointed out that inflation has risen in recent years, while salaries in the public service have decreased, and indicated that he may table amendments on Committee Stage to provide for a hybrid scheme that would offer a middle ground between these positions. The linking of pensions to average career earnings rather than final salary is at the heart of these new arrangements and is fundamentally fair. Under the new scheme, the pension received on retirement will be a fixed percentage of pensionable remuneration and is accrued each year. If pay increases are agreed for serving

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staff, they will be reflected in the pension benefits they accrue. Following retirement, the legislation makes clear that pension increases will be linked to changes in the consumer price index rather than the pay of the relevant serving officer. This measure will ensure the value of the pension in real terms, adjusted annually under the CPI, will be maintained. I do not see anything wrong with that approach. A pension should offer retirees a decent and inflation proof income. It should not necessarily be forever linked to the position a person once occupied.

In discussing the schedule of bodies excluded under the legislation, Deputy Fleming asked if nationalised banks or financial institutions will be included, presumably on the grounds that the staff of such organisations might be regarded as public servants. The Schedule to the Bill lists Anglo Irish Bank as an excluded body. This is being done because it is a nationalised financial institution.

Deputy McDonald raised the possibility that the new scheme might apply to serving staff and asked me to outline any legal or practical reason this should not be done. The Deputy is correct in saying that the introduction of the new scheme will mean that staff working in the same jobs at the same rates of pay will be members of different pension schemes. That is an unavoidable consequence of the introduction of a new scheme. I am advised that, in and of itself, having staff in two separate schemes will not create particular difficulties. In fact, this practice is becoming increasingly common in the private sector, where some companies have introduced significant changes to their pension terms for new staff. There should be no reason for confusion on anyone's part once this new scheme is introduced. The terms of the new pension scheme will be made clear to all new staff on recruitment and they will apply for their jobs in full awareness of the pension arrangements that will be available to them on retirement.

In regard to the legal and practical position on changing the pension terms of serving staff, the legal advice available to my Department makes it clear that changes to the accrued pension rights of serving staff would be very problematic. I do not intend to take that route because people have property rights over their existing pensions and in many cases they opted to stay in the public service rather than seek more lucrative alternatives in the private sector for the sake of their pension entitlements. It is important that the bargain is maintained.

Given the major changes that have been made in the Bill to the pay and pensions of serving staff, enough has been done. Deputies will recall that existing pensioners have experienced reductions in their pensions and from the end of February 2012 the grace period will end and pension benefits of retiring staff will be calculated on the basis of reduced pay rates. That will also apply to the Members of this House. Deputy Browne spoke about being part of the new pension scheme but all existing staff of the public service will be part of the existing scheme.

Deputy McDonald raised the issue of the top level appointments committee, TLAC, terms and the future pension arrangements applying to senior staff. Members on all sides of the House have serious difficulties with senior civil servants walking away with enormous pay packages at the end of their employment. The Bill does not offer any special arrangement for senior staff and all staff will be dealt with alike under the new scheme. It will apply to all new entrants at whatever level they join the public service. This was a deliberate decision on the part of the Government to give us the opportunity to consider properly the arrangements which should apply to staff at these grades within a legislative framework that applies equally to all new public servants.

I am reviewing the current TLAC arrangements. I confess that I did not know about them even though I have been a Member of this House for a very long time. I believed these particularly generous arrangements were only available to Secretaries General on retirement. The review of the arrangements is coming to a conclusion and I hope to bring the results to

the Government next week, but until the Government has discussed and decided the issue, I cannot provide details on it to the House. I assure Deputies that the new arrangements will take full account of Ireland's changed economic circumstances, will be introduced immediately and will apply to all new senior level appointments. As regards the concerns expressed by several Deputies that new Secretaries General would get the TLAC terms, the Government will address this issue at an early date and all new appointments will be subject to the new arrangements.

Looking beyond these immediate issues, the terms of the new scheme will apply equally to those on the lowest pay rates and those at the top of the scale. The pension benefits available to new entrants at senior levels will be those accrued under the scheme. There are no special benefits, added years or special severance packages. Prior to the commencement of the new public service single pension scheme, I intend to bring further proposals to the Government on the terms applying to senior level appointments in light of the changes the new scheme makes to pension and retirement ages for new entrants, as well as the decisions the Government will take on the existing TLAC terms.

Deputy Fleming asked about the estimates produced by the Oireachtas Library and Research Service in regard to the likely effect on various pensions. As the document was only published yesterday, my Department has not yet had an opportunity to examine the figures in detail. I can, however, confirm that the estimates of the likely effect of the new scheme on the pensions of lower paid staff are broadly in line with those prepared independently by my Department. Staff who are not promoted during their careers will receive approximately the same pensions under the new scheme as they do at present, ranging from 95% to 100% of the current pension. However, the estimates suggest that in respect of senior staff, such as Secretaries General, the new scheme will offer a pension of approximately 90% of the present remuneration. I am not sure how that figure was arrived at because my Department's estimate indicates that the pension available for senior grades under the new scheme will be approximately 50% of the pension typically available under the current arrangements. That is our calculation. We will clarify the position with the Library.

Deputy Éamon Ó Cuív: We will admit that we would say the Minister was right.

Deputy Brendan Howlin: All long-term estimates depend on the presumptions made about pay and pay increases. They should be regarded as typical rather than as definitive.

Deputy Seán Fleming asked how many in the public service were on salary rates of over €50,000. He raised that issue in the context of the effect of the new pension arrangements on pensions below that rate. Obviously, any figure I give is a snapshot of the current position which may be very different by the time people retire under the scheme. To answer the Deputy's question directly, my Department estimates that approximately 60% of public servants are on rates of pay of less than €50,000 and that over 75% of public servants are on rates of pay of less than €60,000. Less than 3% of public servants are on salaries of over €100,000.

The Deputy also asked for details of my general estimate that the new scheme will produce a saving of €1.8 billion, or approximately 35% of annual payments on public service pensions. We estimate that by the middle of this century the total cost will be approximately €5 billion. Not all of these savings arise from the introduction of the new career average system. In other words, pensions are not expected to be reduced by 35%. We estimate that the increase in the pension age will introduce a saving of approximately €300 million. The linking of pension payments with the consumer price index, rather than pay, will save a further €500 million of that total. It is not the case, therefore, that pensions are being reduced by 35%. The overall savings will be approximately 35%.

[Deputy Brendan Howlin.]

Deputies have also raised the question of the administrative arrangements which might begin to apply when the new scheme is introduced. I entirely agree that the new scheme gives us a major opportunity to improve pensions administration, reduce costs and improve efficiency. There is already a considerable degree of centralisation in the service. The education offices are in Athlone and the defence offices are in Galway. The Department of Public Expenditure and Reform provides pensions administration services for approximately 50% of retirements from the Civil Service. Deputy Seán Fleming made the point that the case for further centralisation, aimed at improving efficiency, was even stronger as a result of the introduction of a single pension scheme. We now have a chance to improve things significantly. I want to improve pensions administration as part of the general public service reform programme in my Department. It will be a question of building on these developments as more and more entrants are recruited into the public service and become members of the new scheme.

I pay tribute to the other Departments and offices which have helped to produce this legislation. Officials in the Office of the Attorney General and the Departments of Education and Skills; Social Protection; the Environment, Community and Local Government; Health; Justice and Equality; and Defence assisted the staff of the Department of Public Expenditure and Reform in developing the policy that underpins this important legislation. Staff in every public service body will have to work on the practical arrangements which will arise after this legislation has been enacted.

I thank Deputies for their contributions. The debate has brought to light the key issues relating to these far-reaching measures. We will have to consider a number of the more detailed technical points raised. I will reflect carefully on all the points made and look forward to detailed engagement with Deputies on Committee Stage.

Question put and agreed to.

Public Service Pensions (Single Scheme) and Remuneration Bill 2011: Referral to Select Committee

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): I move:

That the Bill be referred to the Select Sub-Committee on Public Expenditure and Reform under Standing Orders 82A(3)(a) and 82A(6)(a).

Question put and agreed to.

Message from Select Committee

Acting Chairman (Deputy Thomas P. Broughan): The Select Committee on Justice, Defence and Equality has completed its consideration of the Property Services (Regulation) Bill 2009 and has made amendments thereto.

Energy (Miscellaneous Provisions) Bill 2011: Order for Second Stage

Bill entitled an Act to provide for the pension entitlements of employees of Bord Gáis Éireann who transfer to Gaslink and of employees of the Electricity Supply Board who transfer to Eirgrid Plc and ESB Networks Ltd., to amend the Energy (Miscellaneous Provisions) Act 1995 and the Electricity Regulation Act 1999, to provide for the promotion of energy efficiency, to repeal certain provisions of Acts relating to gas or electricity and to provide for related matters.

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I move: “That Second Stage be taken now.”

Question put and agreed to.

Energy (Miscellaneous Provisions) Bill 2011: Second Stage

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

I am pleased to have an opportunity to present and commend for consideration by the Dáil the Energy (Miscellaneous Provisions) Bill 2011. The Bill has been designed to revise, consolidate and expand energy legislation in areas such as the theft of electricity and gas and the safety of liquefied petroleum gas in order to reflect the structure and needs of the energy sector. It is also proposed to restate energy efficiency and other provisions currently provided for in secondary legislation. The amendments proposed will result in more robust energy legislation. I would like to address energy policy issues before I speak about the proposals made in the Bill in detail.

The economic backdrop requires us to take stock of energy policy directions. Despite the current economic situation, the overriding objectives of energy policy remain security of supply, competitiveness and sustainability. The importance of a secure energy supply has become central as the geopolitical turmoil in the Middle East and north Africa has led to concerns about oil prices and security of supply. In the longer term the policy shift away from nuclear power in Japan and Germany suggests demand for gas will become even more acute. We are heavily dependent on a single source of gas supply. Our electricity interconnection is still limited. We are heavily reliant on gas for the generation of electricity. This reliance is set to remain for some time because gas is the fuel of choice while we build our renewable capacity.

The Government fully endorses the strategic national importance of investing in Ireland’s electricity transmission infrastructure. EirGrid’s national grid development strategy, Grid 25, is of key importance. The development of the high voltage electricity grid is critical to economic recovery, security of supply, competitiveness and the realisation of our renewable electricity targets. The country’s reliable and modern electricity and gas system is the result of extensive strategic investment by State-owned companies, notably the ESB and Bord Gáis Éireann. These investments were not funded by the taxpayer but by well run and highly profitable State companies.

I wish to speak about the sale of a minority stake in the ESB. Given the importance of the electricity sector to the economic and social functioning of the State, I am strongly of the view that the State must continue to have a strong and direct presence in generation, networks and supply. I am confident that the sale can be structured in a way that protects overall economic competitiveness and does not deter private sector involvement in generation and supply.

As Deputies are aware, a group co-chaired by my Department and the Department of Public Expenditure and Reform has been mandated by the Government to report by the end of November on the best approach to the proposed sale of a minority stake. The group in question will engage in appropriate consultation. Subject to a positive decision by the Government after its consideration of the report of the group, I envisage that the specific transaction will be progressed through 2012. The State will continue to have a strong majority shareholding in the ESB. The task of the group will be to assess the level of stake that might be offered, taking account of energy policy parameters, including regulation, and, of course, the objective of maximising yield. The overall objective is a transaction that produces a compatible minority partner for the ESB.

[Deputy Pat Rabbitte.]

An analysis of EUROSTAT data by the Sustainable Energy Authority of Ireland shows that at the end of 2010, Irish electricity and gas prices were competitive when compared with our European neighbours. In the two years to the end of 2010 the two predominant trends in Irish electricity and gas prices for domestic and business consumers were convergence with the EU average and falling prices. Energy efficiency is an area in which there is increasing investment and innovation in Ireland. Improving energy efficiency will pay dividends for the environment, energy security and competitiveness and contribute towards meeting our European target of 20% energy efficiency savings by 2020. Over 100,000 homes have now been grant-assisted to improve their energy efficiency, resulting in economic activity of over €280 million since the scheme's launch. The scheme is supporting almost 6,000 jobs this year alone.

In the business sector, the most significant cost-cutting and energy saving potential lies in improving the energy performance requirements of new and existing buildings, encouraging more businesses and public bodies to address actively their energy use and to use the most energy efficient plant, machinery and equipment. The accelerated capital allowances scheme allows companies to write off the full capital cost of registered energy efficient equipment in the year of purchase. The scheme has expanded and now includes more than 7,000 products on its register, representing 10% to 15% of the most efficient products in each class. It covers equipment accounting for at least 60% of the energy used by industry in Ireland.

SEAI's business and public sector programme supports energy efficiency retrofit measures to be installed at significantly reduced cost to businesses across the country. The dedicated SME support programme gives free energy management training, advice and support to any business that is willing to show a commitment to becoming more energy efficient. Over 1,600 businesses have already availed of the many support services under this programme, with 10% savings being routine in the first year.

As part of the jobs initiative announced in May by the Minister, Deputy Noonan, I launched Better Energy: the National Upgrade Programme, which is providing an additional €30 million for energy efficiency initiatives this year. This announcement marks an important milestone in the achievement of our national energy efficiency targets. The scheme will generate 2,000 additional jobs in the economy and should bring the total to just under 6,000 jobs in a full year, and a spend of €100 million this year.

The legislative proposals in this Bill are fully consistent with what has been agreed by Government under the Better Energy programme. The Bill sets out energy efficiency obligations for the energy sector that are already provided for in secondary legislation. It provides a legal framework for setting energy efficiency targets to be met by energy suppliers and distributors. This will be achieved through the provision and promotion to customers of energy services and energy efficiency improvement measures.

Better Energy is a major step forward as it brings all energy companies in as partners. Energy suppliers are being asked to participate through voluntary energy savings agreements. All sellers of energy over a minimum size will be involved, from energy suppliers to oil companies and solid fuel suppliers. These companies have been given targets to deliver energy efficiency upgrades, the size of their target being linked to their share of the market. The priority is to ensure energy saving agreements with energy suppliers are finalised quickly. However, we need to be more ambitious to drive the market growth and energy savings that our economy needs today. The proposed EU energy efficiency directive signals a target for energy suppliers of 1.5% savings per annum, and Better Energy is a necessary first step towards achieving the kind of savings we need in the long term.

The Bill proposes to provide for the establishment of an energy efficiency fund, which may be funded through contributions from energy suppliers, subject to an energy saving obligation. The fund's objectives will be to support the delivery of energy efficiency programmes and measures and to promote the development of a robust market for energy services. This will be an important element of future funding mechanisms as we make the transition from State supports to a pay-as-you-save framework, which is currently under development. I took the opportunity at Question Time today to expand on that.

A number of provisions of the Bill propose to further expand the functions of the Commission for Energy Regulation. Since its establishment in 1999 with responsibility for electricity regulation, the remit of the regulator has expanded considerably, which is partly a consequence of EU Internal Market legislation. We now have a strong, independent energy regulator. Most recently, the Petroleum (Exploration and Extraction) Safety Act 2010 gave the regulator responsibility for upstream gas safety. The enactment of the Energy (Miscellaneous Provisions) Act 2006 gave the regulator responsibility for downstream gas safety, for LPG safety and for electrical safety. The electrical and gas safety regime is now fully operational. However, it was found necessary to amend the 2006 Act to ensure that LPG provisions adequately addressed the safety regulation of LPG and did not result in duplication of Health and Safety Authority and regulatory functions.

A two-phase approach was undertaken. Amending legislation was enacted last year through the Energy (Biofuel Obligation and Miscellaneous Provisions) Act 2010, which provided for the extension of the natural gas safety framework to LPG installers. As of June 2011, it is an offence for anyone to carry out LPG works unless they are a registered installer. The LPG provisions in the Bill represent the second phase of LPG safety legislation. In summary, it is proposed to extend the regulator's safety function to the safety regulation of LPG undertakings and LPG pipelines, and to include provisions for the reporting of LPG incidents. The enforcement regime will include a safety licensing regime applicable to LPG importers and suppliers of LPG. The regulator will also have responsibility for promoting LPG safety. The overall objective is the achievement of first-rate safety standards for the LPG sector.

I now propose to outline the provisions of the Bill. For the convenience of the House, a detailed explanatory memorandum has been published and this provides a synopsis of the provisions of the Bill, which consists of 20 sections. Section 1 of the Bill contains standard provisions concerning Short Title and commencement. Section 2 provides for a number of definitions for ease of reference.

Sections 3 and 4 propose, following legal advice from the Attorney General, to restate in primary legislation superannuation provisions relating to certain employees of ESB and Bord Gáis Éireann who transferred to EirGrid, ESB Networks Limited and Gaslink Limited. The proposals do not go beyond provisions set out in four sets of ministerial regulations made since 2000. Section 3 proposes that an employee of the ESB whose employment was transferred to EirGrid plc, and who was immediately before the transfer a member of a superannuation scheme, can continue to have his or her superannuation benefits, and the contributions payable in respect of his or her superannuation scheme membership, paid out of, or into, the ESB fund into which that person was, before the transfer, paying superannuation contributions. An employee of ESB who transferred to ESB Networks Limited, and who was immediately before the transfer a member of an ESB superannuation scheme, may continue to be a member of that scheme. Section 4 proposes that former employees of Bord Gáis Éireann, who were members of a Bord Gáis Éireann superannuation scheme and who transferred to Gaslink Limited, may remain in the Bord Gáis Éireann superannuation scheme.

[Deputy Pat Rabbitte.]

Section 5 proposes to amend sections 15 and 16 of the Energy (Miscellaneous Provisions) Act 1995 by extending existing theft of electricity and gas provisions to independent suppliers and to the customers of those suppliers. Possibly the most familiar example of theft is interference with electricity and gas meters. This provision is required to reflect the current structure of the marketplace in which a number of independent suppliers are now operating in a competitive market. The section also includes a new provision in respect of deemed contracts of supply, subject to safeguards. The aim is to provide, subject to strict criteria, for the recovery of debts by energy suppliers from the owner or occupier of a premise that has been consuming gas in the absence of a contract to supply energy being in place.

Sections 6 to 8 of the Bill propose a number of amendments to the Electricity Regulation Act 1999. The objective is to strengthen the enforcement powers of the Commission for Energy Regulation in regard to electrical and gas safety. Section 6 proposes to give powers to the regulator to appoint electrical investigation officers who will have powers to investigate unregistered electrical contractors and to investigate designated electrical works from a safety perspective. Section 7 proposes to give powers to the regulator to require electricity undertakings to provide information on electrical safety to their customers and to the public. Section 8 proposes, for the avoidance of doubt, to clarify the investigative powers of gas safety officers in regard to the investigation of gas works carried out by gas installers.

Section 9 is a minor technical amendment relating to sections 9L, 9M and 9N of the 1999 Act. It restates sections 9L and 9M of the Act, which provide powers to the regulator to require energy undertakings to ensure that tariffs are energy efficient. The provision also obliges energy suppliers to provide clear, easily understandable and informative details in consumer bills. These obligations are currently set out in the European Communities (Energy End-use Efficiency and Energy Services) Regulations 2009. The provision does not go beyond the 2009 regulations. The section also includes a second minor technical amendment relating to section 9N and Part IIA of the same Act.

Sections 10 to 16 provide for the restatement in primary legislation of provisions also set out in the European Communities (Energy End-use Efficiency and Energy Services) Regulations 2009. The proposals concern Part 5 of the regulations, which relates to an energy efficiency obligation scheme for energy suppliers and distributors. As I stated earlier, the proposals provide a legal framework for setting energy efficiency targets to be met by energy suppliers and distributors. This will be achieved through the provision and promotion to customers of energy services and energy efficiency improvement measures. I have already referred to the proposed establishment of an energy efficiency fund, which will be managed by my Department or an agent of the Department.

Sections 17 to 19 of the Bill propose a number of amendments to the Electricity Regulation Act 1999 relating to liquefied petroleum gas, LPG, and natural gas safety. The proposals in this Bill aim to address remaining safety gaps in the LPG chain that are not already regulated by the Health and Safety Authority or any other agency. The LPG phase 2 proposals of the Bill extend the regulator's safety function to the safety regulation of LPG undertakings and LPG pipelines. As part of the enforcement regime, it is proposed to provide for a safety licensing regime, to be administered by the regulator, which will be applicable to LPG importers and suppliers. The regulator will have responsibility for promoting LPG safety. Gas emergency officers, appointed by LPG undertakings, will be provided with powers to investigate LPG leaks and defects to fittings.

Section 18 sets out enforcement provisions where a natural gas or an LPG undertaking is not operating in accordance with the safety framework or has contravened or failed to comply

with safety requirements. The approach is based on the model applying to upstream gas safety, as provided for in the Petroleum (Exploration and Extraction) Safety Act 2010. Where a natural gas or LPG undertaking is not operating in accordance with the regulator's safety framework, the regulator may issue directions to an LPG undertaking requiring it to submit improvement plans. Where more serious safety issues arise, the regulator may serve improvement notices and prohibition notices. Where the regulator deems the activities of an undertaking to be so serious as to involve risk to safety of life, of gas or LPG infrastructure or of property, the regulator may make an application to the High Court for an order prohibiting activities by the LPG or gas undertaking. It is also proposed that the regulator will be given powers to make regulations relating to the reporting and investigation of LPG incidents involving death or injury to persons or loss or damage to property resulting from the use, misuse, abuse, leakage, combustion or explosion of LPG. Section 19 proposes that the regulator may impose an annual levy on LPG undertakings for the purpose of meeting expenses incurred by it.

Finally, section 20 of the Bill provides for the correction of minor typographical errors in energy legislation. It also provides for the repeal of section 11 of the Electricity (Supply) Act 1927 and of section 17(2) of the Gas Act 1976. The latter repeals are proposed on the grounds that they are obsolete provisions that have been superseded by up-to-date provisions. I look forward to working constructively with Deputies and to an informed and meaningful debate. The input from Members from all sides of the House will help in advancing the measures provided for in the Bill.

I also ask Members to note that I intend to table a number of amendments on Committee Stage, primarily to clarify certain matters. Subject to final legal drafting, I hope to introduce amendments to make provision for the winding up of a number of non-trading statutory Bord Gáis Éireann subsidiaries and to facilitate co-operation and provision of information by oil companies in respect of oil contingency planning. I also propose to introduce amendments to the National Oil Reserves Agency Act 2007 in regard to the time limits set out in that Act in order to allow the agency to more effectively perform its functions with respect to bio-fuel certificates.

In conclusion, this Bill is an important measure in delivering on the Government's targets for energy efficiency. Furthermore, the safety provisions of the Bill will deliver benefits to consumers and to the public in general. I look forward to working closely with the regulator on ensuring the speedy implementation of the Bill's provisions following enactment and commend the Bill to the House.

Debate adjourned.

Private Members' Business

Debt Settlement and Mortgage Resolution Office Bill 2011: Second Stage (Resumed)

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

Deputy Shane Ross: I wish to share time with Deputies Catherine Murphy and Healy.

Acting Chairman (Deputy Thomas P. Broughan): Is that agreed? Agreed.

Deputy Shane Ross: I welcome the Bill, which represents a constructive effort by the Fianna Fáil Party to attack a problem that is very current and immediate. On this matter it is fair to say it is ahead of the curve and a long way ahead of the interdepartmental group on mortgage arrears which has been fiddling around with this problem while people have got into a great deal of difficulty in recent months and has only now come up with an *à la carte* list of solutions.

[Deputy Shane Ross.]

The principle that there should be no debt forgiveness is fairly laudable, but it is only laudable when one thinks about who should be forgiven. The phrase “debt forgiveness” is pejorative of the borrower but not of the lender. The balance in the Bill, which I welcome, has been shifted — perhaps not far enough — away from the prejudice that exists in the Department, the Government and the establishment towards the lender. It is a worldwide prejudice that the lender must always be paid back the full amount. That is the starting point and anything after that is a forgiveness of the borrower. In the particular case of mortgages, which are addressed in the Bill, there is on the one hand, a reckless borrower who made a mistake and, on the other hand, a bank or a building society which made several mistakes and which made reckless lending for a living. To redress that imbalance, establishing an office as provided for in the Bill is a welcome development and one that should have been done many years ago.

The Bill proposes to set up an office and if it is possible to get the agreement of creditors representing 60% of the value, the agreement will be imposed, which is certainly an advance. However, it still gives too much weight to the interest of the banker. In any case where bankers have lent recklessly why should creditors representing 60% of the net value of the cumulative loan be able to decide whether the lender is paid back? In other words 41% of them could decide to veto an arrangement. Despite the good ideas it contains, the Bill can be improved. In the case of personal debt where a verdict is handed down on a case-by-case basis, it should be mandatory for the banks and borrowers to adhere to that verdict.

It is imperative that the Bill should include a definition of independence. It should include an arrangement whereby there is proven independence for this body so it is not, as the inter-departmental group was, infiltrated by the bankers.

Deputy Catherine Murphy: The Law Reform Commission report on debt management and debt enforcement published last December included draft legislation. As, in effect, the Law Reform Commission did the work, a lack of parliamentary draftspeople cannot be used as an excuse for delay. Given the country’s level of indebtedness, it would seem obvious that some rational means of dealing with debt would be high on the agenda. I fully support a non-judicial approach to debt management. The last thing we want is to have hundreds and possibly thousands of people dragged through the courts if it can be dealt with in a less stressful and costly way. The programme for Government suggests converting the Money Advice and Budgeting Service into a strengthened personal debt management agency with strong powers. However, it is one thing talking about it and another thing actually delivering it.

I will have an opportunity to speak about the Keane report tomorrow. Page 17 of that report states:

The State currently has no infrastructure or resources in place to run a non-judicial debt settlement process. This is likely to be very complex and take time to implement.

The Minister for Finance’s response to the Keane report seems to indicate that a very conservative approach is being taken. The phrase that is continually used is that the can is being kicked down the road. All sorts of legislation has been rushed through the Dáil, often with inadequate scrutiny, and yet an issue as urgent as this has been left on the back burner. People generally act in their own interests and the contributors pulled together to produce the Keane report left out some vital ingredients, including professional organisations that deal directly with the issue, such as MABS. It also left out professionals who are dealing with the social consequences. Most importantly it left out people who had first-hand experience of the day-to-day consequences of drowning in debt. The product of the Keane report is flat and non-responsive. The only parties really included were banks and Departments.

Not long ago President Bill Clinton spoke about the need for us to deal with the debt problems. He did so after the tragic suicide of somebody he had come to know. While the Government is not opposing this legislation it has not made clear how it will proceed to Committee Stage and what amendments might be involved. We need to know the timeframe for dealing with the legislation and after that the timeframe for introducing the agency and what will be involved in doing so. Only when we get those components will we know there is a determined effort to deal with the problem. What is happening now is very damaging to a particular age group in our society, predominantly young people with families. It needs a much higher priority and we need some answers.

Deputy Seamus Healy: It is important to remember from where the mortgage debt problem came. Part of the problem was that every part of the establishment here — the banks, building societies, Government, auctioneers, developers and media — stressed how young people needed to get on the property ladder, that money was available and now was the time to get a house. Limitless money was available from banks and building societies. The media and the establishment behind the building and development boom forced young people to purchase houses and apartments at greatly inflated prices and now the chickens have come home to roost. Significant numbers of those people are not in a position to repay their mortgages and are in negative equity. Many of them have lost their jobs or had their wages and salaries reduced significantly. They are in a very difficult situation where they are in serious mortgage arrears, with many of them on the brink of losing their own homes. It is important that there is independent advocacy for people like that.

From dealing with people in mortgage arrears who come into my clinic daily, I know that the pressure on those people from the banks and building societies is absolutely enormous. They receive letters and telephone calls at all hours of the day and night. Huge pressure is being put on people by banks and building societies who gave out big mortgages, many of them for terms up to 40 years. It is important that there is an independent advocacy between these people and the various lenders.

Looking at mortgage debt alone is not enough. We need to look at total indebtedness because many people in mortgage debt are also in debt in other ways as well. The whole indebtedness problem needs to be examined. These properties should be revalued and mortgages on the basis of current valuations should be implemented. That is the way to go.

Deputy Robert Dowds: I agree with Deputy Catherine Murphy's remark on the Keane report. It is regrettable that people who were directly affected by the mortgage problems were not involved in producing the report. Having said that it is a worthy report and it gives a basis to get out of the problem, although it is not the final word on the subject.

I am very glad to have an opportunity to speak on this matter and I commend Deputy Michael McGrath for the spirit in which he has brought this Bill before the House. The issue dealt with in the Bill is very important. As everybody in this House knows, there are thousands of families in Ireland living in terror at the thought of losing their homes. People should not lose the roof over their heads. Many of these families got mortgages for overpriced houses which they cannot now afford to maintain, due to unemployment or reductions in their income, or the fact that the mortgage was too big in the first place. These are the true victims of the property bubble which crippled our economy.

It is essential we remove the anxiety and fear which has engulfed so many families, by reassuring them that they are just as entitled to assistance from the State in finding a solution to their problems as any bank which had the benefit of receiving money from the Exchequer in the last few years. It is my firm conviction that a strong message must go out to people who

[Deputy Robert Dowds.]

are struggling with mortgage repayments on their family home. That message is that the institutions of the State are firmly on their side, as long as they make a genuine effort at trying to meet their obligations to the best extent that they can. We must provide the people who are struggling with that level of reassurance.

Everybody can appreciate that as difficult as it is to lose one's job, it is an entirely different prospect to lose one's home. One of the reasons I am urging the Government to fast-track the personal insolvency Bill and measures for debt resolution is the potential for severe social strife if levels of repossessions start to increase over the coming years. It has been borne out in economic data that as a people we have a particular attachment to our own homes, sometimes to our detriment. There is nothing that would infuriate our citizens more than the sight of people being evicted from their houses by an order from banks which themselves would be bankrupt had it not been for the intervention of the taxpayer. They would be justified in being furious at such a development.

In the event that there is no option other than for mortgage holders to relinquish ownership of their homes under a leasing scheme, it would be much more appealing and correct for individuals to rent their homes from the local authority rather than from the bank. Several people who are in difficulty have told me of the fury which came over them when they heard of the proposal to rent the property from the bank. I believe that if this can be avoided, it should be.

It is essential that a person's entire debt is taken into account when he or she is being evaluated for debt resolution, rather than just a single large debt such as a mortgage. Deputy Healy mentioned this point. Those in difficulty with their mortgages are much more likely to have other debts which also need to be paid off. It is important that a person's entire debt is taken into account when deciding on the correct resolution.

I urge the Minister to ensure that groups such as the Free Legal Advice Centre and MABS are consulted before a final decision is made on the set of measures which will be taken to help people in distress. I look forward to seeing this in the personal insolvency Bill he is preparing.

While I support the concept behind the debt settlement and mortgage resolution office, I have some concerns about the enormous amount of power which such an office would have in considering the debt levels of citizens and I remain to be convinced that there would be adequate supervision of such power to ensure it was not open to abuse. While I appreciate and support the idea behind this office, the practicalities of such an office need to be ironed out.

Without wishing to be alarmist, I want to stress once again how important it is that the institutions of the State stand behind the people on this matter. My own personal political hero, Michael Davitt — his own portrait is by the front desk at the entrance hall — campaigned on an issue that was not unlike the issue which we have before us today. His deeds and actions should be remembered at a time like this, and he fought so that people could retain their homesteads instead of being thrown out on the street. We would do well to remember the thoughts and actions of Michael Davitt when deciding on the assistance to give to people in mortgage difficulty. Let us fast-track the Government legislation which will help people out of their debts. I hope that good progress will be made before Christmas.

The banks have been substantially recapitalised. Some of that must cover the proportion of mortgages which people cannot afford to repay.

Deputy Jim Daly: I welcome the opportunity to speak on this very important and relevant issue, one that will dog the lives of the people of my generation for many years. Many of us have been condemned to a life of mortgage debt as a result of what has happened in recent

times. Finding a solution to ease that problem falls to this Government in part. The banking system should have a much bigger role to play in finding a solution. I commend Deputy McGrath and the Fianna Fáil Party for bringing this Bill before the House. It is timely. It is well written, well presented and well constructed. I also welcome the Government's reaction to the Bill. People at home will feel supported when they see a broad consensus in the House on an issue that is so sensitive to them.

I watched an interview last Sunday morning on Al Jazeera TV with Michael Sandel, who is professor of philosophy at Harvard University. He claims the reason so many riots are taking place across the G20 countries this weekend and the reason for so much unease is the lack of justice to date in the bank bailout arrangement. To find a solution to the mortgage issue, we must go back as well as look forward. The bank bailout has caused envy, hurt and anger for so many people who feel so frustrated and cheated. It has been explained to us so many times why it was necessary, as well as the mechanisms necessary to bail out the banks. We understand that the system must be propped and if the system fails, so much more is at stake, but we have never debated the justice element of it. We must have that debate in this House. It must be full, open and honest so that we can address the issue for the people. We must do that before we can move on.

Another element of justice comes into this debate, which is the issue of negative equity and blanket debt write off. Negative equity in itself is not a problem and I do not see it as something we have to deal with here and now. The corollary of the argument about negative equity, that people should be compensated if they owe more than the value of their house, is that we should tax people when they enter positive equity. I know we have capital gains tax when one sells a house, but I am talking about a tax on positive equity. People who buy houses now will enjoy positive equity for years to come. Negative equity does not cost anybody anything while they can afford the repayments. We must focus on how much people can afford to pay. That brings the onus back on the banking system which must work constructively to re-engage with people and restructure their loans before problems arise, instead of talking to people when they are in arrears for six or nine months, and offering 12-month reviews which come around far too quickly. The banks could do so much to be more productive, proactive and constructive in dealing with restructuring. We must focus more of our debate on people's capacity to pay, as opposed to negative equity, which is a red herring when people can afford payments. Because house prices will rise again, equity will always ebb and flow.

As an example of people's capacity to pay, a person could be paying €500 per month on a car loan for €25,000. The same monthly sum would service a house loan for €150,000. We must focus on people's capacity to pay, which is the urgent issue.

Debt write-off must be considered when people are prepared to surrender their home and are proven beyond doubt to have unsustainable loans. That is a matter of fact that banks are refusing to deal with so far. They are not grasping the nettle when people are willing to walk away from their homes, trade down or move to a different set of circumstances and give it up. In the American system one can give back the keys and walk away. The banks will have to start grasping that nettle here and let people walk away. There is no point in trapping people in an indeterminate cycle of debt that can ruin health, families and individual lives.

Banks have taken massive capital hits on commercial loans. In the case of sustainable mortgages, in the long term these could be restructured with no capital loss to the banks. The banks should adjust the loan balance to an amount that is affordable on a monthly cash flow basis, and park an amount of capital that does not accrue interest until borrowers find themselves in a better situation, which in most cases will happen despite the current gloomy outlook.

[Deputy Jim Daly.]

Given the large amounts of money involved, this surely has to be a better option than write-offs for people who have, and will have, a limited amount of regular income. While I am on the side of the mortgage holder, there will be plenty waiting to abuse any measure that will be put in place to assist genuine cases. The risk of moral hazard and the justice issue will come into play if people receive mortgage write-offs.

We should examine the genesis of this problem and debate not just the logistics and mechanics, but also the moral merits of the bank bailout. That should be explained to the public in their own terms. The banks must engage immediately in active restructuring. In addition, the negative equity discussion should be replaced by a debate on people's ability to pay.

Deputy Dominic Hannigan: I thank other Deputies for sharing time with me and for providing me with an opportunity to speak on this legislation. Since the publication of the Keane report last week the Government has consistently said it is open to all ideas and comments from people to try to resolve the country's mortgage arrears problem. It is our role as legislators to provide solutions for the problems facing many of our constituents. Our debates on the Keane report and on this legislation show that we are doing just that — we are showing the people that we need to tackle this problem in a serious and considered way. While the focus of this debate has been on mortgage arrears, that is not the only debt problem we are facing, as Deputy Dowds said earlier. We also need to look at the overall issue of personal debt. As this Bill indicates, overall personal debt is a mounting problem for which we need to find a solution. There are many possible solutions to the debt problem.

Earlier today, I listened to the presentations made to the Committee on Finance, Public Expenditure and Reform from organisations such as FLAC, Threshold, New Beginning and others. They had many interesting ideas to share. In the coming months, we will meet with many other groups who have their own proposals on dealing with personal debt problems. I look forward to talking to these groups and listening to their ideas. It is important that we should hear as many proposals as possible so the Government can make an informed and coherent decision on the measures that need to be introduced.

I thank Fianna Fáil Deputies for proposing this Bill, which is their submission on how to deal with these issues. I support the principle of the Bill, that we must give people a structure to resolve their debts. We must focus our support on those who cannot pay their debts, due to unemployment, negative equity or substantially reduced household earnings. It is in the interests of future economic growth, and in the public interest, that people should not be saddled with debts they simply cannot repay. Creditors must also know that the money they are owed will come back to them either in part or in full. We must examine both sides of the issue so we can provide a solution that will be of benefit both to consumers and businesses. We should not forget the important role local businesses play in towns and villages across the country. Many such businesses are currently struggling, so personal debt resolution along with other measures such as the partial credit guarantee scheme will be of great help to them.

There are issues that the Bill does not address and they will have to be taken into account at some stage. For instance, there are no costings for the proposed debt resolution orders or mortgage arrears. When it comes to debt resolution orders, the Bill does not indicate who will pay for the unsettled debt after the 12-month period. Will the State pay these debts? Who will pay for the write-offs? This has not been accounted for. The Bill does not set out how the debt settlement and mortgage resolution office will work, how many staff will be required or how it will be funded. These issues need to be fleshed out in time. We need to be clear and careful in our calculations so we can show the public exactly what we propose to do. We are no longer in a position where we can overshoot budget targets and expect somebody to pick up the tab.

People need to know that we are working on the best solutions for their problems in as cost efficient a manner as possible.

People worried about their debts will be somewhat comforted by new rules announced by the Central Bank a few days ago concerning the number of times they can be contacted in any one month by a financial institution. That is just one small step but it is in the right direction. The Minister's commitment to publish the personal insolvency Bill by March 2012 is another positive step. I urge the Minister to prioritise this legislation so we can get an overall solution to the issue of household debt as soon as possible.

Deputy Jerry Buttimer: The issue of personal debt is one of gargantuan concern. The backdrop to this Bill concerns families in crisis, which has a profound impact on the personal lives of many of our fellow citizens and the community at large. It is fair to say that relationships are in trouble and people are struggling to survive. The issues of debt settlement and mortgage resolution require urgent joined-up thinking by the Government. I welcome this debate and the fact that we will not have a vote on this Private Members' Bill.

The Bill proposes mechanisms for tackling personal insolvency, some of which are welcome and worthy of further detailed consideration. If we are to provide non-judicial solutions to personal debt, these must be accompanied by simultaneous reform of the judicial options. While I welcome the Bill, as presented it fails to deal with the issue of bankruptcy.

Any proposal aiming to tackle debt issues must comprehensively address personal and mortgage debt. MABS has made the point that "it is counter-productive to address mortgage arrears without simultaneously seeking to manage the issue of personal debt". The reverse can be said of the proposal before us. It is pointless tackling personal debt without tackling both mortgage arrears and the entire bankruptcy regime.

The Minister for Justice and Equality has commenced reform of bankruptcy laws and has indicated he will introduce comprehensive proposals dealing with judicial and non-judicial solutions. It is important that we do not delay in rolling out a new personal insolvency regime that facilitates people in negotiating reasonable and practical settlements. That is why it is vital that our lending institutions be fair and work with and listen to people who are struggling. Agreed solutions must ensure that people with unsustainable debts can continue to participate fully in society. Irrespective of whether they bought a primary residence or a buy-to-let property, citizens could not have envisaged the economic devastation that has befallen us. Therefore, we have an obligation to work with them. How many people honestly anticipated the level of unemployment, the huge reductions to salaries, the mounting mortgage arrears of many citizens and the considerable decline into negative equity?

This Bill superficially recognises the difference between owner-occupiers and owners of buy-to-let properties in so far as the mortgage resolution order is only available for family homes. However, a comprehensive resolution must recognise the interplay between buy-to-let properties and the consequential impact these may have on family homes. As Deputy Dowds stated eloquently, it is important that we do not allow circumstances in which people are forced, under any guise, to leave their family homes. We must never, under any circumstances, go back to the days when people were left on the streets.

A negative aspect of the proposed mortgage protection order is that it has the potential to prevent those benefitting from it from continuing to run their own businesses. The Bill contains a blanket requirement to disclose the mortgage protection order to all those with whom one does business. Where borrowers actively engage with lenders on negotiating a rescheduling of their debts, this ought not to affect their ability to earn a living and carry on in business. The Minister of State, Deputy Perry, who is doing a sterling job as Minister of State responsible for

[Deputy Jerry Buttimer.]

small and medium size enterprises, is fully aware of the points I make. We must support people in trying to create jobs. We must support small enterprises and small businesses to help us trade our way out of our economic difficulties. We must help people face the hardships they are enduring with practical support and measured options. As the Minister said, we must recognise that losses are likely to accrue in financial institutions.

Where there is negotiated rescheduling, people should not be adversely affected in carrying on their duties and engaging in business. At the very least, their credit ratings should not be affected solely because of a negotiated rescheduling. Mortgage arrears and personal debt are complex problems that require careful cross-party consideration and support. There is no easy solution or silver bullet but we must seek a fair balance between the competing interests of the taxpayers and those with unsustainable debts.

Deputy Ciarán Lynch: I welcome the proposals put forward by Fianna Fáil. It cannot go without comment that in the autumn of 2009, I, on behalf of the Labour Party, introduced a Private Members' motion that indicated the crisis coming down the tracks and the necessity for a structure to deal with stressed mortgages. Regrettably, on that evening Fianna Fáil, which was then in government, talked down the extent of the problem. The response of the Government from then on was to wait to see what happened. Action was not taken as a result of the two reports the Government had commissioned at the time. I refer to the initial and final publications of the Cooney report. The Cooney report was published on the day the Dáil went into recess last summer and it was not debated in this House. The report's final recommendations were published in November last year. Those recommendations were not debated in the House either. I welcome the Government's affording to us an opportunity this evening to debate this issue extensively and to allow Members on both sides of the House to discuss the Keane report.

There are two opinions on the Keane report. These are informed by where one stands on the issue of blanket debt forgiveness. It is very obvious from commentaries on the Keane report over the past week or so that those who are in favour of blanket debt forgiveness are those who oppose the report. The report, in its essence, is not a finished document. It is prescriptive. It lays out a very comprehensive structure for dealing with the mortgage and personal debt crises. Underpinning this are a number of key principles, the first of which is that those who are honestly trying to meet their obligations to pay their debts will not be put out of their homes. This is enshrined in the document and will be what the report will achieve. Second, the report recognises that the affordability of meeting debt repayments is at the heart of the problem rather than negative equity. This means it is not the size of one's debts but one's ability to deal with debt sustainably that is at stake.

There have been some criticisms of the Keane report in the House and outside. I will deal with them on a case-by-case basis. It has been suggested that this matter was not dealt with inclusively; it should not be in the report. We saw today individuals from outside this House offering their views at a meeting of the Committee on Finance, Public Expenditure and Reform. The sequence of the process is correct. We are now allowing other agencies to enhance the Keane report rather than having a report whose recommendations would take five to ten months to implement.

Enhanced mortgage relief has been criticised. The principle behind it was that people who took on mortgages between 2002 and 2006 would receive an enhanced mortgage relief. The Keane report is emphatic this should not happen. It is right that it should not. Members of this House who criticise the Government for not implementing the measure need to come clean. Are they saying they are for or against the measure? The measure will cost €14 billion to

implement. Where is this money to be found? Do the Members believe this is the right approach? It is not because not everybody in negative equity is having difficulty meeting his debts. This must be realised.

The Keane report is very clear about where MABS stands in dealing with this difficulty. MABS is providing a service in the community but it is not comprehensive or operating at the same level across the country. The Keane report recommends that a personal debt service be structured such that it would enhance MABS and work alongside it. On occasion, the service will be based in MABS offices. Through the Keane report, we are enhancing the service of MABS. More specifically, we are bringing in professionals with expertise in this area who will rebalance the relationship between borrower and lender.

Some consideration must be given to the broader issue of mortgage interest relief. We must first ascertain why this was introduced in the first instance. It was introduced to assist people who had lost their jobs in the hope they would return to work in the short term. It was introduced in a period when houses were increasing in value. None of these conditions now obtains. The prospect of long-term unemployment faces citizens and house prices are continuing to fall.

We must acknowledge many measures that arise in conjunction with those alluded to in the Keane report. These are laid out in the report, which lists a comprehensive series of measures for those who cannot pay some of their loans and those who are in unsustainable circumstances. It deals extensively with them. It also sets out that we need to modernise bankruptcy and insolvency laws because the current ones are inadequate and antiquated. It sets out three specific proposals: a review of the judicial process, a non-judicial debt settlement approach, and the issuing of debt relief orders.

We must engage in a process of normalisation. We have seen that this week. The Central Bank issued a statement this morning on introducing more prudent lending practices such that people's mortgages would be related to their ability to afford to buy a house. We are witnessing a return to 20-year mortgage schedules and other measures that were put out the door during the bubble years created by Fianna Fáil. We will also see the creation of a house price database, the legislation for which is on Committee Stage. This is critical to normalise the housing market and for the introduction of affordability.

The principle of the approach taken by the Government is that resolving debt requires long-term affordability. The assessment of the debt is crucial and it must be dealt with on an ongoing basis. A professional service is required to do that. Ultimately, in the absence of not taking such an approach, people who are in current difficulties may move to more unsustainable positions and their problems will become worse over a period of time. I commend the Government on bringing forward the Keane report. I welcome what Deputy Michael McGrath has brought before the House. The Bill is not robust in several areas and, if I had more time, I would go into it but it does show that at last Fianna Fáil is moving in the right direction in resolving a difficulty of its making.

Deputy Willie O'Dea: With the permission of the House I wish to share time with Deputies Timmy Dooley, Brendan Smith and Michael Healy-Rae. I congratulate my colleague, Deputy Michael McGrath, on his initiative in bringing forward this urgent and necessary legislation and on the energy, time and effort he has undoubtedly put into it. In so far as I can I will approach the matter in a non-partisan way but I am bound to comment at the outset on the last sentence of Deputy Ciarán Lynch, who stated that the Bill was not sufficiently robust. This triggered something in my memory. That was precisely what those in the Government said about my Industrial Relations (Amendment) Bill before they put it into cold storage. I am concerned that this Bill will follow the same fate. The Government decided that since it could not argue logically against the Industrial Relations (Amendment) Bill, it would not oppose it.

[Deputy Willie O'Dea.]

Not opposing it did not mean the Government would advance it and I am concerned that this Bill will face the same fate. Whatever about the Industrial Relations (Amendment) Bill, this Bill is crucial and compellingly urgent. There are perhaps hundreds of thousands of ordinary men, women and families suffering. I thank God that I have never been in the situation where I could not pay my mortgage and no words of mine could do justice to the suffering and angst those who cannot pay must be going through.

Immediately after the election several of my constituents in difficulties with their mortgages approached me, some of whom were in considerable difficulty. Many admitted to me that they voted for the Government parties because they had specific proposals. Both election manifestos devoted a considerable amount of time and space to this matter and these people had voted for the Government parties on this basis. Perhaps because it is difficult to find Government Deputies in Limerick since the election, they approached me to ascertain what exactly was happening.

Month after month I raised the matter with the Taoiseach on the Order of Business. I made no political capital out of the Taoiseach's replies. When I asked him when he was going to do something for people in mortgage arrears, his replies ranged from "next session", "next month", "perhaps later this session", "this year", "next year", "I do not know" and "I will write to you". Eventually, the Minister for Finance was sitting beside him one day and he volunteered that he had the material and he would write to me. I must confess in fairness that he did so. Unfortunately, he wrote to me seven weeks after I raised the matter in the Dáil, indicative of the urgency with which the Government has approached the problem.

Let us consider the history. When the Government assumed office in March 2011, one in nine people in the country were in serious trouble with their mortgage, in other words they were more than 90 days in arrears. Now the number is down to one in eight people and all the anecdotal evidence is that the problem is growing rapidly. Both Government parties devoted a section of their election manifestos to the problem. Obviously, they thought deeply about the problem. They regarded it as urgent and as a top priority. As evidence of this the programme for Government, which runs to approximately 28 pages, contained one and a half pages of specific proposals on mortgage arrears. To the best of my knowledge not one of these has been honoured. In fact, they are being abandoned one after another as the pressure increases in the public domain. The Government took no notice of the Opposition but as people such as David McWilliams and other high profile economists began to write about the problem, the Government, in an effort to kick the can further down the road, decided on the time-honoured device of setting up a committee to advise them on how to do what it had specifically promised to do six months previously. This was a 22 man committee, rather a large committee to produce such an innocuous report. Most of the committee consisted of civil servants and bankers. I have no wish to guess how many of them are experiencing negative equity or difficulty paying their mortgages but I suspect few are.

I was able to reassure my constituents by informing them that the Government had set up a committee and would come up with specific proposals. I pointed out that the committee had two months to report and something would happen in two months and urged them to cling on, not buy this or that necessity and to keeping paying the mortgage or try to meet the arrears for two months and something would happen then.

Deputy Ciarán Lynch: What happened during the past 14 years?

Deputy Willie O'Dea: Lo and behold what happened last weekend? The Keane report was published. I contacted all the constituents who had been in touch with me. I have a large file

on the matter which is growing every week, the Government will be pleased to hear. I informed them about what was in the Keane report. Their reactions ranged from shock, dismay, disbelief and despair that eight months down the road we have a report that gives the banks an *à la carte* set of options. In other words, it suggests to the banks that since they are dealing with this problem all the time, it offers some other options if the banks are so minded to use them but, if they do not wish to use them, that is too bad. This is what the Keane report amounts to in essence. It took two months and 22 people to do something which a one-man committee could have done in two hours. There is not one suggestion in the Keane report that I have not read in the various commentaries on mortgage arrears written by academics journalists and so on. Some of the solutions were suggested to me in pubs in Limerick.

Deputy Kathleen Lynch: In between rounds no doubt.

Deputy Willie O’Dea: I do not understand the point of the Keane report but I know what the Government’s reaction will involve: the setting up of another committee to kick the can further down the road and make people suffer more. This time it will be a 165 person committee; I presume the Ceann Comhairle is excluded. Now, the 165 man committee consisting of the Dáil is supposed to examine the report and come up with recommendations on the recommendations. When this process has been concluded, the Central Bank must go through it. No doubt it will have more recommendations to put on top of the existing recommendations. Then, Laurel and Hardy — I apologise, the Minister for Finance and the Minister for Justice and Equality — will examine it with their civil servants, amounting to a committee by another name. I presume they will have suggestions to add to the existing suggestions.

Deputy Kathleen Lynch: Deputy O’Dea can make a decision at 3 a.m. just like that.

Deputy Willie O’Dea: There have been three reports after eight months. Deputy Lynch was a good person to stand up for the working class people who were struggling to pay their mortgages and to get by from week to week. She has forgotten her base. She went into Government like the rest of the Labour Party.

An Leas-Cheann Comhairle: The Deputy has three minutes remaining.

Deputy Willie O’Dea: One word I have heard Ministers use consistently with regard to this problem is “urgent”. The word “urgent” is defined in any dictionary as compelling or requiring immediate action or attention. Apparently, that is not in the Government’s dictionary. All one finds in the Government’s dictionary is “interdepartmental committee” or “no definitive timeline”. The Government’s dictionary appears to be rather small and it is probably the only dictionary in the world where cleanliness is next to godliness. Everyone from former US President, Bill Clinton, the Financial Regulator, Matthew Elderfield, and the Governor of the Central Bank, Patrick Honohan, agree that flushing this problem out of the system is the *sine qua non* for economic recovery in this country. This problem must be tackled sooner or later and we call on the Government to tackle it sooner. If the Government has no interest in people who are suffering and trying to pay their mortgages and it wishes to prolong the agony, let us think of what is required to restore the economy and let us begin to dig ourselves out of the pit, however we got into it.

Since these promises were made, partly on the basis of which the Government was elected last February, several people have lost their homes, but that does not tell the whole story. Other people have moved from one category into another, namely, from the “saveable” category into the “beyond rescue” category. Others have moved into the “rent to mortgage” category where they will be permanent cottiers of the banks.

Deputy John Perry: That is the legacy Fianna Fáil bequeathed us.

Deputy Willie O’Dea: Given that is clear the Government must act, why put hundreds of thousands of innocent men, women and children through unnecessary suffering? Even if Deputy McGrath’s Bill was accepted by the Government and passed immediately, it would require the establishment of major infrastructure, as would the enactment of a Government Bill. In that case and based on the Government’s timetable, it will be the end of 2013 by the time this mechanism kicks in.

Deputy Ciarán Lynch: The Deputy is dead right. It should have been done two years ago.

Deputy Willie O’Dea: If Deputy Lynch is so concerned about the urgency of addressing the issue, why does he not recommend to his colleagues in government that they accept the Bill in order that we can at least begin the process now, rather than in 12, 14 or 15 months?

Deputy Ciarán Lynch: The previous Government should have acted two years ago.

Deputy Willie O’Dea: Do two wrongs make a right? That is what the Deputy appears to be arguing. The Government does not have a case. It is standing naked before the people it promised to assist. I can show Government Deputies my constituency files which note people’s remarks to me during the general election campaign that they would not vote for me but would vote for Fine Gael or the Labour Party because those parties would help them with their mortgages. The voters have been sadly disappointed.

Deputy Kathleen Lynch: We told the truth.

Deputy Willie O’Dea: Unfortunately, all the indications are that people will remain disappointed and mortgages will not be the only issue they will be disappointed about in the next three or four years.

Deputy Timmy Dooley: I welcome the opportunity to contribute to this important debate. I too compliment my colleague, Deputy Michael McGrath, on the tremendous work he has done to produce this Bill to meet an urgent need in a relatively short period. To address the remark from across the floor that the mortgage problem dates back two years, while we all know the economic crisis started in late 2007 and 2008, the problem has only become this acute in the past six to eight months. The Law Reform Commission produced a significant body of work on this issue and its report has been helpful to Deputy McGrath in the preparation of the Bill. I remind Deputy Ciarán Lynch that the commission first reported in Christmas week of 2010. To suggest, therefore, that the issue could have been resolved or options were available two years ago is wide of the mark.

Deputy Ciarán Lynch: The Cooney report was not discussed in the House.

Deputy Michael McGrath: It was acted upon.

Deputy Timmy Dooley: If I am allowed to continue, I will explain the position to Deputy Lynch. The difficulty is that the Government has spoken at length about transparency and doing business differently in the House. It has produced an agenda for Dáil reform and arranged topical issue debates during which Deputies may put forward ideas. While it has technically accepted the Bill, this legislation will join other Bills in cold storage. Friday sittings have been arranged to discuss Private Members’ Bills which will be placed on a shelf. The Government Dáil reform agenda is a whitewash. It is not prepared to listen to good ideas emanating from the Opposition.

This is a good Bill. We recognise it does not provide all the answers but the Government could use it as a template and amend it accordingly. Deputy Ciarán Lynch indicated that if more time were available he would pick through its deficiencies. Let us continue to debate the legislation, pick through it and amend it where necessary. We do not demand that it be passed in its entirety. We recognise that it is a body of work that has been informed to a large extent by the work of the Law Reform Commission. It also has the benefit of Deputy Michael McGrath's considered judgment on this matter, following his work with various interest groups, agencies and individuals who have been affected by the mortgage and debt problems. The Deputy has done the best he can to produce comprehensive legislation. He is not so proud that he would refuse to accept amendments if the Government identifies deficiencies in the Bill.

Let us see real Dáil reform on an issue that is not the property of an individual political party. I do not suggest mortgage and personal debt problems must be resolved by the Fianna Fáil Party or that they are the Government's problem, which was the way things were done in the past.

Deputy Kathleen Lynch: Does Deputy Dooley accept that his party caused them?

Deputy Timmy Dooley: We often hear that my party was in power for 14 years. If one examines the record of the current Government parties while in opposition during that period, one finds they were large on criticism but light on detail and alternatives. We are providing the Government with an opportunity to accept this Bill as a platform for proceeding and amend it accordingly. This can be done by taking a collective and shared approach because, as I stated, no party, group or individual has complete ownership or control of the people affected. The Government should show people there is a reason to have faith in the Oireachtas and that it will do something it failed to do in opposition, namely, work with my party.

Deputy Ciarán Lynch: The Deputy's party failed to do it in government.

Deputy Timmy Dooley: I am disappointed the Government is not prepared to work with us.

We recognise the importance of taking a non-judicial and non-adversarial approach to debt settlement. This is the appropriate and sensible approach to the problem, as recognised in the Keane report. It is critical, however, that the solution adopted addresses personal debt and mortgage debt together because any attempt to deal with them in isolation would be a recipe for disaster. The proposals we have made provide a platform for addressing personal and mortgage debt. The debt settlement arrangement is important. The independent insolvency trustee we propose would have the authority to manage both aspects of the problem. Negotiating with creditors will not be an easy job because when creditors are not paid it impacts on the wider economy and those to whom the creditors owe money. We recognise, however, that if one continues to kick the can down the road by failing to address the issue, the economy will ultimately be the loser. The option of applying a five year restructuring term gives people the capacity to work through the immediate crisis, while giving the creditor some expectation that if the circumstances of the individual concerned improve, he or she will have the capacity to have their debt repaid. It also provides for an option of writing off or writing down the debt where it is clear that there is no hope that the individuals concerned will pay.

The Bill takes a balanced approach by providing that agreement would have to be reached with 60% of creditors in terms of value. This is a good solution. The debt settlement order provided for will bring finality and avoid a scenario in which the goalposts are continuously moved.

The proposal that individuals experiencing difficulty with their mortgage could apply to the new debt settlement and mortgage resolution office is a workable solution. The office would

[Deputy Timmy Dooley.]

then work with the bank and the mortgage holder would be taken out of the mix for the time being. It is also vital that a binding order be issued to ensure the banks also know where they stand.

The principal flaw in the Keane report is that it places banks at the front and centre of the entire process. The failure of the banks to face up to the problem of the speculative and commercial debt associated with the property boom necessitated the establishment of the National Asset Management Agency to unbundle this debt from the banks' balance sheets.

Deputy Ciarán Lynch: That is correct.

Deputy Timmy Dooley: Notwithstanding the widespread negative comment about NAMA at the time, its establishment had the effect of cleansing the banks' balance sheets. While it has not resolved the problem and NAMA has come at a significant cost, the agency has created greater transparency, unbundled debt and simplified the balance sheets of the banks. As a result of its transparent balance sheets, Bank of Ireland has been able to attract outside investment. We need a similar approach to be taken in respect of debt settlement and mortgage resolution. The Keane report is flawed to the extent that it proposes that the resolution of the problem be placed in the hands of the banks. Rather than address the problem, the banks will continue to believe it will be possible to retain the full value of their loans, which is an unworkable approach.

Deputy Michael McGrath has met people who are dealing with this issue on the coalface, including representatives of New Beginning, the free legal advice centres and other groups. He has also consulted Members of the House who are encountering these issues daily. The people he has met do not believe the Keane report provides a basis for resolving the problem.

Deputy Ciarán Lynch: Yes, they do. The Deputy is incorrect.

Deputy Timmy Dooley: The people to whom I and Deputy McGrath have spoken take a different view. If Deputy Lynch checks the blacks of today's meeting of the Joint Committee on Finance, Public Expenditure and Reform, he will find that the Money Advice and Budgeting Service, the free legal advice centres and other groups do not share his view. I would be pleased to debate the issue with him at another time.

The individuals affected by debt and mortgage problems need finality. As Deputy O'Dea noted, the fear of losing one's home is a phenomenal burden. The increase in the incidence of suicide is a clear indication of the fear in the minds of people who have a family. Losing one's home carries a stigma and people worry about where their children will sleep at night. There is an onus on all of us to bring a resolution to this.

I appeal to the Minister of State to accept this Bill, take an aggressive approach to its amendment and bring it through this House to finality. It should not be allowed to go off the radar, otherwise there will be no certainty for those people who are affected by this crisis. That uncertainty impacts on their livelihoods and, in many cases, on their lives.

There is also the enormous impact on the economy to be considered. The fear associated with the loss of a home or with not knowing where one stands in terms of one's debts impacts on the real economy. In order to resolve the entire crisis we need the real economy to become fluid again with transactions and movement. Sadly, that will not happen when all this pent-up debt is there, structured in a way that does not allow the real economy to progress as it should.

Deputy Brendan Smith: I am very glad to have an opportunity to make a short contribution in this very important Dáil debate. This Private Members' Bill makes a positive and important

contribution to the current discussions on the very serious mortgage debt problems. Although the Bill is not, and does not claim to be, a silver bullet for all the problems facing many thousands of people throughout the country, if it is acted upon in time it will substantially ease the difficulties facing many of those people.

With the publication of this important Bill we in Fianna Fáil demonstrate again that we are a positive and constructive Opposition that puts forward solutions and valid and positive proposals. This legislation, prepared and put before the Oireachtas by my colleague, Deputy Michael McGrath, proposes to establish an independent non-judicial debt settlement system which can deal with both personal debt and mortgage debt.

I compliment Deputy McGrath and other members of the parliamentary party on the enormous amount of work they have done in preparing these proposals. As Deputy Dooley remarked, they consulted widely. Organisations which have been helping people who struggle with personal debt and mortgage difficulties, the Free Legal Advice Centre, the Financial Regulator, Mr. Matthew Elderfield, the recent Keane report and the Cooney report of late 2010 have all outlined the need for such a system. Some days ago, the Governor of the Central Bank, Professor Patrick Honohan, spoke out clearly on the inaction of the banks and lending institutions, noting they had restructured relatively few mortgages. He stated, "Insufficient capital cannot be a reason for inaction".

This Government came into office with a strong line in rhetoric but a weak line in terms of policies that could be implemented. It promised it would put the interests of mortgage holders above those of the banks but where is the evidence of that? Contrary to what people were told before last February the banks have not been instructed to absorb the European Central Bank interest rate increases. In regard to mortgage interest relief the programme for Government contains a commitment to increase the relief to 30% for those who bought their homes in the period 2004-08. We were told the commitment was to be effective from last June but it is yet another broken commitment.

The programme for Government rightly devotes a page and a half to the crucial issues of distressed mortgages and housing. It contains some noble aspirations but is woefully short on specifics. One of its proposals was to expand MABS to become a debt management agency with quasi-judicial powers but this has hardly been mentioned in the eight months since the Government took office. This Bill deals with that issue but does a great deal more. It ensures that those who are in debt or have mortgage arrears will not be helpless or abandoned when they face the banks. The system we advocate in this Bill will assist people in a fair and consistent manner to get to a situation where they can realistically move to paying their debts and mortgages in a restructured manner.

I welcome the announcement by the Minister for Justice and Equality, Deputy Shatter, during the debate on the Keane report. He stated the Government would not oppose the Private Members' Bill introduced by my colleague, Deputy McGrath, but I am concerned that he linked this to the publication of the Government's personal solvency Bill as this Bill is not due to be published until March 2012. That timeline will not work. In spite of what Ministers say, this problem is getting worse. According to the Central Bank, the share of Irish private home loans in arrears or restructured rose to 12% in the three months to the end of June. As FLAC pointed out, one in ten mortgages was in trouble at the end of 2010. By March the figure was up to one in nine. Now we see that almost one in every eight mortgages is struggling.

This problem must be tackled now. This Bill, drafted by Deputy McGrath and based on the Law Reform Commission report and proposed legislation, is an important and necessary step in tackling the issue. Deputy McGrath stated yesterday:

[Deputy Brendan Smith.]

The Bill can form the basis of a radical overhaul of Ireland's personal insolvency regime and can allow thousands of distressed borrowers to see some light at the end of the tunnel. That is what lies at the heart of this legislation.

In implementing legislation we need to achieve the best possible system to deal with indebtedness which is such a problem for so many households. The time to move on is now.

Deputy Michael Healy-Rae: I thank the Fianna Fáil Party for allowing me time to speak. I compliment Deputy Michael McGrath for introducing this Bill to the House. In recent years many consumers who are buried under a mountain of debt and who face financial hardship have been unable to agree settlement negotiations with their lenders. This is due, in part, to the recent economic crisis. Some lenders are willing to accept settlements if they are convinced that full future payment is unlikely. However, the debt settlement practices and the laws that apply to unsecured debts, such as those on credit cards often do not apply with secured loans, such as those used for cars and home mortgages, which are based on collateral property. Often a lender will opt to repossess the automobile or foreclose upon the home rather than work out a settlement. This is totally unacceptable.

Mortgage debt settlement is more difficult to negotiate than standard debt settlement such as settling credit card debts. Given that a mortgage loan is a secured loan the home acts as collateral and if a person does not pay the full amount owed on the mortgage the bank has the option to take the home and sell it. However, if the property has fallen in value, as in the majority of situations, it is possible to end up owing more on a mortgage loan than the home is worth. The banks will be unable to recoup the amount they loaned if they foreclose to sell. When they know a person owes more than the house is worth, and consequently they will not get their money back through foreclosure, they may be willing to allow a mortgage debt settlement.

People and families facing problems paying mortgages who want to settle their debt need to consider which of the two major options for settling mortgage debt is best for them. Generally, in options such as renegotiating the terms of the mortgage a bank will try to get the person to repay the full amount owed but will either lower the interest rate or stretch out the repayment terms so that the monthly repayments become more affordable. For example, if one owed a bank €100,000 it might agree to let one pay back the full amount over 40 years instead of 30 years. One's monthly repayment would be more affordable but one would pay back a larger amount in the long term because of the extra ten years of interest payments. This is better for the bank but in some rare cases one may not want this and would prefer the bank to lower the total amount owed so that one's debt would be in line with the current value of the home.

Shortselling one's home is the best alternative for those who do not wish to keep their house — hardly a majority of cases. With a short sell one gets the bank to agree to let one sell the home for below the amount one owes. The bank then accepts the full proceeds of the sale as satisfaction of the debt, forgiving the remaining balance. Not many banks in Ireland are willing to do this at present.

Squeezed between high levels of unemployment in a weak economy on the one hand, and with reduced and in some cases still declining property values, many of us are in a very tough place, underwater on loans we can barely, if at all, pay. It is generally worse for people who bought their homes in recent years during high rising values when the belief was that the worst-case scenario was that one could always sell one's home and walk away free and clear from debt. Unfortunately, that is no longer an option and we need to examine other options, including various kinds of mortgage reorganisation. The classic way to consolidate debt is by combin-

ing it, that is, replacing two or more debts with a single loan. By doing this a homeowner might be able to refinance at a lower rate of interest or extend the time in which he or she must repay his or her loan. Both options would assist in reducing monthly repayments. In view of the fact that in taking out a new mortgage one would incur new origination fees, the decision on whether to proceed must be carefully weighed.

Another way to reorganise one's finances is by paying off a mortgage. This is sometimes done by taking out a new, lower payment loan in order to pay off the older, less desirable loan. It is similar to combining mortgages. On other occasions it can be done by ruthlessly combing through one's budget to find additional money each month and paying this off against the principal, one-off loan. This reduces the term of the loan because it is paid off faster. However, some loan agreements may include clauses which impose fees in the event of early repayment.

If a homeowner is in financial debt, he or she may be able to negotiate a deferral in paying his or her mortgage. This is where the lender allows the borrower to take a holiday on payments for a few weeks or months and is most appropriate when there is a short-term downturn in the borrower's finances. Unfortunately, this is now the position in the majority of cases.

The banks which we own have a vital role to play because they caused the majority of the problems with which we are dealing in the first instance. As stated in the debate on the report of the interdepartmental working group on mortgage arrears, they led people up the garden path and encouraged them to believe it was acceptable to borrow any amount of money because they would have no difficulty in paying it back. That, of course, has proved not to be the case. I compliment MABS and the citizens information centres, the staff of which have done an excellent job in dealing with this problem on a daily basis.

Minister of State at the Department of Justice and Equality (Deputy Kathleen Lynch): I compliment Deputy Michael McGrath on bringing forward this Bill, which shows he is being active in opposition.

Deputy Michael McGrath: I thank the Minister of State.

Deputy Kathleen Lynch: It is good to see Bills being introduced by Opposition Members. Some of us on these benches were engaged in that process for a long period.

The debates taking place in the House this week on this Bill and the Keane report give all Members an opportunity to contribute their views on the issue of personal insolvency and mortgage indebtedness. This is an important issue which requires thorough consideration by the House. The problem of personal over-indebtedness is one with which so many of us have become well acquainted in the course of our constituency work. Many of the Deputies who have contributed to the debate on the Bill have given some further insight into the levels of stress and difficulty faced by ordinary individuals as a result of their financial circumstances. For many, indebtedness has not arisen as a result of reckless spending but rather as a direct consequence of the economic downturn, whereby an income shock — through reduced income or job loss — has impacted seriously on their capacity to pay their debts. In my experience, the people concerned want to pay their debts but simply cannot manage to do so within their existing means. They worry constantly about the next bill or demand from a creditor. Many are threatened with the prospect of court action. This is a problem which must be addressed in order that we can adopt a more humane approach to the resolution of the issue of personal debt for those who genuinely cannot pay.

As the Minister for Justice and Equality, Deputy Shatter, stated, the Government will not be opposing the Bill on Second Stage. We very much value the contributions of all Members to this debate and the search for viable solutions. The Government is fully committed to the

[Deputy Kathleen Lynch.]

reform of insolvency law and practice. I welcome the fact that the Minister's proposals for a personal insolvency Bill are in the course of being finalised on the basis of intensive consultations with the relevant Departments and interest groups. I have no doubt that he will be in a position to produce a coherent and comprehensive Bill which will take account of all of the significant issues involved.

I am sure Members will agree that the Law Reform Commission has done valuable work which has been of great assistance in informing our debate. The Government will be taking into account the recommendations made by the commission in its December 2010 report on personal debt management and debt enforcement. However, it will also have the benefit of the findings of the Cooney and Keane reports on this issue.

As has been borne out by the discussions to date on Deputy Michael McGrath's Bill, reform of the personal insolvency regime is not a simple task. This is an extremely complex area of the law, in the context of which the consequences and implications of new policies must be carefully assessed. There is a delicate balance to be struck between the various legal rights of the parties involved. We must design a system which is fair to both creditors and debtors alike. Not to do so would make worse a situation that is already difficult for the parties concerned. The new debt resolution system must offer workable solutions to those who genuinely cannot pay their debts, while also building in appropriate mechanisms to deal with those who will not pay their debts. Any new debt resolution process must have at its core solutions which are appropriate to the level of the individual's indebtedness and which are based on his or her ability to make payments.

Much of the recent debate in the media and this House has been debtor focused and failed to mention the rights of creditors — particularly smaller unsecured creditors — in any debt resolution process. While the ideal situation for many would be to reach agreements with their creditors that would be acceptable to both sides, this may not be an option in some circumstances. It would leave court-based solutions as the only remedy. As everyone is aware, court based processes are costly and for most people are best avoided. The development and introduction of new workable, non-judicial debt resolution processes would offer additional solutions without costly legal fees. While it would be naive to suggest this will solve all debt problems in their entirety, it will provide a framework within which a mediated solution can be worked out if that is appropriate to the individual circumstances involved.

It is incumbent on us, as legislators, to ensure our response to the issue of personal indebtedness is not clouded by mortgage debt alone. While mortgage-related indebtedness is a significant problem, personal indebtedness has a wider context and any new personal insolvency system must address this. In itself, this presents a difficult challenge. In view of the complexity of the issue, the Government has agreed that Deputy Michael McGrath's Bill should not be opposed. However, as the Minister made clear, the Government will progress its own legislative plans in this area. This approach should allow Members on all sides to contribute to the best possible examination of a range of solutions to the problem of personal indebtedness and should ultimately result in the development of a better legislative framework.

I thank all the Deputies who have contributed to this extremely worthwhile debate.

Deputy Charlie McConalogue: I wish to share time with Deputy Seán Fleming.

An Leas-Cheann Comhairle: That is fine.

Deputy Charlie McConalogue: I thank the Minister of State for her contribution and acknowledge the fact that the Government is accepting this very constructive Bill which was

brought forward by Deputy Michael McGrath whom I commend for the Trojan work he has done in analysing the problems and developing constructive responses to the serious financial difficulties being experienced by many families.

In addressing this matter, Fianna Fáil's objective is to try to ensure family homes will be protected from repossession and that families will be in a position to remain in residences in which they have invested so much time, energy and money. To this end, we have already brought forward the Family Home Bill, to be introduced in the Seanad, which seeks to regulate the activities of debt management service providers. We also want to see full implementation of the recommendations brought forward last November by the expert group. These include the roll-out of the deferred interest scheme; reform of the mortgage interest supplement scheme; the introduction of a non-judicial debt settlement system; and the modernisation of the bankruptcy laws.

On 12 July Fianna Fáil launched a strategy on mortgages and personal debt. This came about on foot of the efforts of my party's working group on mortgages and personal debt which was ably led by Deputy Michael McGrath and Senators MacSharry and Thomas Byrne. These three men are members of the generation most affected by the problems under discussion and they are trying to address the current situation in a real way. They were capably assisted in their work by Deputy Ó Cuív. The package of measures brought forward by my party's working group includes the aforementioned Family Home Bill and the Regulation of Debt Management and Advisors Bill. We do not have to explain why this was necessary and we can just consider some facts relating to mortgages to make clear the scale of the problem facing us.

On 29 August the Central Bank published the latest data on mortgage arrears and repossession for the period ending June 2011. Those figures indicated that 7.2% of private residential mortgage accounts are in arrears for more than 90 days; that is from more than 777,000 private residential mortgages to a value of €115 billion. The recent ECB interest rate increases, coupled with the hikes in variable rates charged by banks, have put immense pressure on families who are trying to keep up with mortgage repayments and keep a family under a roof. Deputy McGrath's Bill is essential legislation that can be used to address the concerns of many people who may have lost their jobs and do not see themselves in a position to maintain mortgage repayments. The Bill is based on the Law Reform Commission's report on personal debt management and debt enforcement. I commend the commission for the effort put into the initial research.

Unfortunately, many people are in a position where they will have to resort to a mechanism like that outlined in the Bill. The Oireachtas and the new Government has been far too slow in responding to the problem and putting in place the type of structure needed to address the problem. The new Government is now nine months in office and was voted in because the public wanted to see some action and new ideas. Unfortunately, we have not seen it yet, although it is positive that the Government accepts this Bill. We must see immediate action.

If the Bill is accepted it will ensure that an independent body separate from the banks and courts will be put in place that can intervene and assess each case individually, ensuring that a system or structure can be put in place to allow people to stay in their homes. We face an evolving process and a first step must be ensuring that those who are unable to pay can avail of some structured process. I endorse this Bill and hope it will be considered promptly on Committee Stage, where all parties can agree on a structure to be put in place.

Deputy Sean Fleming: I welcome the opportunity to speak on the Debt Settlement and Mortgage Resolution Office Bill 2011. To give more acknowledgement to what is involved in the legislation I will mention the full title, which is a "Bill entitled an Act to reform the law on personal insolvency; to provide for a non-judicial debt settlement arrangement process concern-

[Deputy Sean Fleming.]

ing personal debt; to provide for a non-judicial mortgage resolution order concerning mortgages over family homes; to provide for a debt relief order for personal debt where a debt settlement arrangement or bankruptcy is not appropriate; to reform the law on the enforcement of personal debt, including individual enforcement mechanisms; to provide for the establishment of a debt enforcement office, which includes a debt settlement and mortgage resolution office; to provide for the licensing and regulation of personal insolvency trustees and debt collection undertakings; and to provide for related matters.” It is a comprehensive and extensive title which provides a good summary of what is involved.

I compliment my colleague, Deputy Michael McGrath, from Cork South-Central, on his outstanding work on the issue. It was not just a question of producing a simple Bill as he had to study the matter over months. This is not an issue which has cropped up in the past month or two but has bubbled under the surface for some time. We all know this from speaking with people in our own constituencies. Deputy McGrath has done tremendous work, which has culminated in today’s debate. There has been much effort behind the scenes studying all possible implications of the Bill and the Deputy has used his experiences as a constituency Deputy.

I compliment the Government for agreeing to take this Bill as it is too easy for it to find a technical reason to vote a Bill down. I hope people outside these Houses can at least see that the Dáil is working in unison to try to solve some of the problems facing the people who are most financially distressed. They will see that party politics are not being played in the Chamber, which is another good message for the people.

It has been explained to me that the legislation will be dealt with through the Department of Justice and Equality, which I found surprising. Matters involving insolvency and bankruptcy come under the ambit of that Department, although one may assume it would be a matter for the Department of Finance. That is a further example of the complexity of these matters, showing that debt resolution, mortgages, bankruptcy and insolvency traditionally tend to end up in the courts. As these are legal agreements, one can see why the Bill is a matter for the Department of Justice and Equality.

We are all familiar with the problems we are here to tackle, which are due to various causes. The first cause is over-lending by the banks, although there was also over-borrowing by people. Debtors ran into difficulties when incomes declined because of cuts in pay or unemployment and they were unable to meet all their liabilities. In some cases two people in a family may be unemployed. The scale of the over-lending shocked me when I first encountered it in my constituency clinic in Castletown a couple of years ago, as such instances did not just happen today or yesterday. People presented at my office some time ago and they tended to have sub-prime mortgages. I asked how much they got and the value of their houses and some of the people told how the cost of the house, a wedding reception and honeymoon, car loan and credit card and other debts were put on the mortgage. The sub-prime agency looked to consolidate the debt; instead of a person having six monthly payments it was wrapped up into one payment that was easier to manage, although the people involved would pay for it for 35 years at an exorbitant interest rate.

I can understand how an ordinary person would take that offer when it was presented rather than have many different bills. I spoke before not about 100% mortgages but 130% mortgages. Some people did not know there were 100% mortgages in existence but they did not know what was going on. I have dealt with cases of people with 130% mortgages, as the value of the house might be €200,000, with a mortgage value of €270,000 by the time other debts were included. The question is how the banks rationalised this process, and I believe they fiddled the books. They knew property values were increasing by 20% per year and within a year or two the mortgage book value would be less than 100% in comparison to the value of the house.

This was done by some of the main banks, as well as non-covered institutions and sub-prime lenders. We should not forget that local authorities are also wrapped up in this. In my experience, local authorities are the most inflexible; banks can take a pragmatic view when dealing with a client but local authorities cannot take action without a circular from the Department. A finance officer will not be able to act without such a circular. With shared ownership loans I have asked if people can move from variable to fixed rates or *vice versa* but this was not allowed. I put down parliamentary questions on the issue last year and this year. There is little flexibility in local authorities.

That is in the past and we must deal with the future. We had the Cooney report on mortgage arrears last November and the Keane report in the past week or so. The Law Reform Commission's report on personal debt management and debt enforcement was also published. This proposal takes the best of those reports and makes additions to make the process more effective for people. Each of those reports was good in its own right but none represented the full picture. Deputy McGrath has brought the best of all of those to ensure we have a non-judicial process in front of us for consideration. It is a complicated process. I will not go into too much detail. It involves a debt settlement arrangement, a new debt settlement and mortgage resolution office, a debt relief order as well, and in some cases we also have in the legislation a mortgage resolution order. It is very important for people to know that exists as well because people had shied away from it in some of the earlier reports.

It is important when we talk about mortgage resolution orders to look at what has happened. The majority of what the Central Bank terms restructured mortgages are not in fact restructured mortgages. Of the 69,000 mortgages that it said were dealt with by way of restructuring, 26,000 of those were restructure of interest only. Six months of a reduced interest rate is not really a restructure of a 30-year mortgage. It is only a temporary relief. The Central Bank's figures are exaggerated. It refers to 10,000 cases of reduced payment of mortgages greater than interest only. I do not call that a major restructuring because they are short-term. They are not restructuring the mortgage at all. The mortgage will continue for the same life. Approximately 9,000 term extensions and reduced payments were made and some arrears capitalisation. Arrears capitalisation is what I call restructuring. It is one of the few genuine cases of restructuring that has taken place in the marketplace. Some of the options provided for in the legislation deal with interest-only payments and mortgage extensions. That is restructuring, but I hate people taking a second generation mortgage. That is what happened in Japan. People were ending up with a 70 year mortgage, running to nearly three generations. Japan is still one of the most heavily indebted countries having had a property bubble and bust many years ahead of anywhere in Europe and it still has not got over it.

Reference has been made to a repayment holiday. The Minister for Finance indicated that it would be a possibility to allow people to catch up on all their other debts. What happens is that a bank is only interested in its debt, whereas if a person goes to the money advice and budgeting service, MABS, it looks at the full picture. Some people can have up to 30 or 40 bills in various shops and suppliers and in different areas.

An interest rate adjustment downwards is a restructuring. It is to be hoped, with negotiations at EU level and the funding that has gone into the European Central Bank, it will have provision in the next ten years to provide, not a six month or 12 month reduction in mortgage interest rates, but something that goes back over a five or ten-year period, if need be, and a deferred interest scheme or a mortgage-to-lease.

What we propose is a comprehensive set of proposals. I am pleased the Government has taken the legislation on board. The Minister for Justice and Equality has said he will bring forward his own legislation, which we welcome. Our spokesperson on justice will deal with that

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when it comes to Committee Stage but before it gets that far we will have extensive discussions on Second Stage following the report. Essentially, we can all agree that we are maxed out on reports. We have enough reports and we know the problems. It is time now for action.

Deputy Michael McGrath: Hear, hear.

Deputy Sean Fleming: I use the term “maxed out” because people are familiar with it from credit card use.

I compliment Deputy Michael McGrath on his outstanding work. It is good that the Opposition is being constructive. It is very easy for an Opposition party to come to the House and oppose for the sake of it. We want to provide more credible and sustainable opposition in order that people will see that genuine alternatives that will affect individuals are being proposed by the Opposition rather than opposition for opposition’s sake. I thank the Minister for agreeing to accept the principle, thrust and general approach of the Bill and allowing it to move on to Committee Stage.

Question put and agreed to.

Debt Settlement and Mortgage Resolution Office Bill 2011: Referral to Select Committee

Deputy Sean Fleming: I move:

That the Bill be referred to the Select Committee on Justice, Defence and Equality, in accordance with Standing Order 82A(3)(a) of the Orders of Reference of that committee.

Question put and agreed to.

The Dáil adjourned at 9.05 p.m. until 10.30 a.m. on Thursday, 20 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 8, inclusive, answered orally.

Electricity Generation

9. **Deputy David Stanton** asked the Minister for Communications, Energy and Natural Resources, further to Parliamentary Questions Nos. 29 and 34 of 5 April 2011, the further progress which has been made with regard to the ESB microgeneration programme and general supports for microgeneration; the number of customers currently signed up to the ESB tariff; and if he will make a statement on the matter. [30083/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): There are 387 customers on the ESB microgeneration tariff to date, representing a total connected generation capacity of just over 2 megawatts. The technologies being deployed are wind turbines, solar installations and small scale hydro turbines.

ESB Networks agreed in 2009 to provide the necessary import/export metering free of charge to the first four thousand domestic microgeneration customers. ESB Networks also provides a support payment of 10 cent per kilowatt hour for those eligible customers for the first 3000 kilowatt hours exported back to the grid annually for a period of five years. The take-up has been low despite an overall tariff rate of 19 cent per kilowatt hour being available. This compares to the wholesale electricity price, which is currently averaging around 7 cent per kilowatt hour.

Currently, ESB Customer Supply (now rebranded Electric Ireland) is the only electricity supplier in the market offering microgeneration tariffs to domestic customers who generate up to 11 kilowatts. The Commission for Energy Regulation wrote to the other electricity supply companies to see if they would consider introducing a microgeneration tariff but to date no other company has been prepared to introduce such a rate.

The Sustainable Energy Authority of Ireland (SEAI) is currently completing an 18-month microgeneration pilot scheme and is monitoring the performance of the 42 installations involved. Those participating in the pilot have been able to avail of the tariffs offered. The findings from the pilot will provide valuable data with regard to microgeneration, which will inform policy decisions on how best to stimulate the sector.

[Deputy Pat Rabbitte.]

In line with the Programme for Government commitment, I have asked my Department and SEAI to finalise their cost benefit analysis work on a feed in tariff programme for microgeneration. Any such programme must be fully cost effective and take into consideration the overall cost implications for all electricity consumers.

Question No. 10 answered with Question No. 8.

Telecommunications Services

11. **Deputy Denis Naughten** asked the Minister for Communications, Energy and Natural Resources his plans to develop fourth-generation broadband; and if he will make a statement on the matter. [29915/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): The telecommunications market in Ireland, including the provision of next generation broadband networks and services, has been fully liberalised since 1999 and, since then, has seen the steady growth and development of significant well-regulated competition in the provision of the full range of telecommunications products and services. The provision of broadband services, including next generation broadband, is therefore primarily a matter for the private sector telecommunications operators.

I do however, fully accept and am committed to policies that will promote the roll-out of broadband. In this regard the European Commission's Digital Agenda for Europe sets challenging targets for all member states in terms of incrementally increasing the availability of basic broadband by 2013 and the roll-out of higher broadband speeds over next generation broadband infrastructure by 2020. Next generation broadband can be delivered over various fixed and wireless platforms. The wireless technologies are often referred to as "4G" or fourth-generation wireless technologies.

The first of the Digital Agenda milestones is to have basic broadband services available to all EU citizens by 2013. I am happy to report that between the significant private sector investments that have taken place and the targeted Government intervention aimed at addressing market failure, such as the National Broadband Scheme and the Rural Broadband Scheme, Ireland will be in a position to meet this first milestone in advance of 2013.

While the National Broadband scheme has brought broadband to areas that were previously unserved, the Rural Broadband Scheme, which recently closed for applications, aims to identify remaining individual premises in rural Ireland that are unable to obtain a broadband service for reasons specific to the premises, even though broadband is generally available in the area.

The Digital Agenda for Europe also seeks to ensure that by 2020, (i) all Europeans have access to speeds of at least 30 Mbps and (ii) at least 50% of European households subscribe to connections of at least 100 Mbps. There is already significant progress being made in Ireland in the quality and delivery of broadband speeds within the competitive market. For example, broadband speeds of up to 100 megabits per second are already available to around 500,000 premises using coaxial cable. This will increase to over 700,000 premises by the end of next year.

Telephone lines now provide digital subscriber line broadband (DSL) offering speeds of up to 24 Mbps, depending on distance from exchanges. In addition to these improvements in fixed line services, developments in wireless technologies are also delivering higher speeds. Fixed wireless products are increasingly available, with advertised speeds of up to 10 Mbps, while mobile broadband speeds are also being increased. The speeds being provided through these technologies will be considerably enhanced with the availability of new spectrum as a con-

sequence of the switch to digital TV services. ComReg proposes to auction this valuable spectrum for the purposes of providing fourth generation high speed wireless broadband services.

Current statistics indicate that more than 80% of customers nationally have opted into broadband services in the range of 2 to 10 Mbps.

Under the NewERA proposals in the Programme for Government, there is a commitment to co-invest with the private sector and commercial semi-state sector to bring forward next generation broadband customer access to every home and business in the State. This commitment must be implemented in a manner compliant with the applicable EU state aid rules.

The next generation broadband task force (NGBT), which I chair, is currently considering how best to facilitate the roll-out of next generation broadband. The NGBT also comprises the Minister of State, Deputy Fergus O'Dowd, the CEOs of all of the major telecommunications companies currently operating in the Irish market and the CEOs of some Internet Service Provider companies. The purpose of the task force is to discuss the optimal policy environment required to facilitate the provision of high speed broadband across Ireland. The task force will also assist me to identify those areas of the country where commercial service providers are planning to invest and areas more appropriate to market intervention to ensure the Government commitment on next generation broadband access is delivered.

Exploration Licences

12. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources the number of oil, gas or other mineral explorations currently in progress on foot of licences issued in each of the past ten years and to date in 2011; the extent to which it is estimated that economic benefit will accrue from such explorations; if any particular locations have indicated more positive results; and if he will make a statement on the matter. [30087/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): There were 25 petroleum exploration licences granted since 2001; of these, 16 are still active. Oil and gas discoveries have been made in respect of four of these licences to date. Three of the discoveries were in the North Celtic Sea Basin and one in the Slyne Basin. None of the discoveries have been declared commercial to date. Applications for lease undertakings in respect of two of the discoveries in the Celtic Sea are under consideration by my Department at present.

With regard to non-petroleum minerals, 714 mineral prospecting licences were issued since 2001 and of these, 517 are still active. Details of these licences can be found in the six-monthly report to the Oireachtas, which I am obliged to lay before the Houses under the Minerals Development Acts 1940 to 1999. This report is also available on my Department's website.

While no new commercially viable deposits of non-petroleum minerals have been discovered in the past ten years, there have been some encouraging results, particularly in Counties Limerick and Clare. However, it is too early to determine whether these results will lead to identification of commercially viable deposits or to estimate the economic benefits that might accrue.

Fishing Licences

13. **Deputy Michael Colreavy** asked the Minister for Communications, Energy and Natural Resources the reason for the delay in granting licences for oyster fishing; and if he will make a statement on the matter. [27919/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Many bays and estuaries in Ireland are Special Areas of Conservation or Natura Scheme Areas. As a result, appropriate assessments have to be carried out before licences can be issued. My

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understanding is that IFI then proceeded to issue annual licences in accordance with the statute. I am not aware of any significant delays in the licensing process.

The purpose of restricting the number of licences is to avoid intensification of the fishery that would jeopardise its future sustainability and could also result in Ireland being found in breach of the EU Birds and Habitats Directives. Appropriate assessments are to be conducted on all such bays and estuaries by the Marine Institute for the Department of Agriculture, Food and the Marine, and the National Parks and Wildlife Service of the Department for Arts, Heritage and the Gaeltacht. In the event of a favourable assessment for continued future operation of the oyster fisheries, IFI will then be free to reconsider the issuing of additional licences as appropriate.

Question No. 14 answered with Question No. 8.

Renewable Energy

15. **Deputy Brendan Smith** asked the Minister for Communications, Energy and Natural Resources when it is expected that the European Commission will give State aid permission for the REFIT scheme; the reason for the delay in approving this scheme; and if he will make a statement on the matter. [30121/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): The Renewable Energy Feed-in-Tariff scheme known as REFIT was introduced in 2006 for certain categories of renewable energy, including onshore wind and hydro power. With the support of REFIT, the renewable energy sector has continued to grow strongly and there is now around 1,800MW of renewable generation capacity connected to the electricity grid. In addition to this there is a further 1,100 MW of renewable generation capacity with signed connection offers. This capacity will build out over the next few years.

The original REFIT scheme was designed with a view to delivering our 2010 renewable electricity target of 13.2% of electricity consumption from renewable technologies. It was successful in achieving that target and Ireland was one of only six Member States to achieve their 2010 target level.

Officials from my Department are currently finalising State Aid clearances with the European Commission to continue to offer REFIT. There are two State Aid clearance processes underway. One of these in respect of onshore wind, landfill gas and hydro technologies and a second one in respect of biomass. The Commission are currently finalising their assessments on both applications and I am confident that we will have a positive outcome shortly in both cases.

Once these clearances have been received from the European Commission the final proposed schemes will be brought before Government for its agreement before being opened for applications.

Electricity Generation

16. **Deputy Catherine Murphy** asked the Minister for Communications, Energy and Natural Resources the proportion of primary energy input into each of the State's fossil-fuel-powered electricity generation stations that is ultimately consumed by end users; the proportion lost in transmission through the electricity grid network; and if he will make a statement on the matter. [29913/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): The Single Electricity Market is an all island wholesale market for electricity. Electricity generators

sell their power into a central pool, from which it is then dispatched to consumers by EirGrid and SONI as the Transmission System Operators on the island.

Data on the amounts of fuel used by individual generating stations are commercially sensitive market information and are not disclosed.

There are a number of factors that influence the amount of electricity generated by any fossil fuel, or thermal, generating plant over the course of a year, including demand levels, wind levels and maintenance schedules. As a result, analysis of the mix of fuels used for thermal generation is done by fuel type rather than individual stations.

The Sustainable Energy Authority of Ireland (SEAI) prepares an annual report on Ireland's Energy Balance. This identifies the amounts of fossil fuels used in electricity generation and their share of the Total Primary Energy Requirement. The figures for 2009 show that gas fired electricity generation accounted for 64 percent of our total gas demand, while electricity generated from coal accounted for 70 percent of the total amount of coal used in Ireland. As regards oil and peat, electricity generated from these fuels accounted for 3 and 67 percent, respectively, of the total amounts of these fuels consumed in Ireland. I have asked the SEAI to provide the Deputy with additional technical information.

The breakdown of the fuel mix for electricity generation in 2010, as published by the Commission for Regulation in its annual Fuel Mix Disclosure, shows that natural gas was the predominant fuel for power generation, followed by coal, and renewable energy. In relation to losses on the transmission system, EirGrid advises that losses of electricity are estimated at 2 to 3 percent. One of the ways in which those losses are reduced during the bulk transportation of power nationally is through the use of higher voltage lines. Therefore, it is critical to maintain investment in our high voltage network.

Departmental Funding

17. **Deputy John McGuinness** asked the Minister for Communications, Energy and Natural Resources the level of new funding being provided for the NewERA scheme; the source of that funding; if he will provide the number of jobs to be created by the scheme; and if he will make a statement on the matter. [30113/11]

Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Fergus O'Dowd): The Government announced the establishment of the New Economy and Recovery Authority (NewERA), in line with the Programme for Government on 29 September last.

NewERA is being initially established on a non-statutory basis as a Shareholder Executive within the NTMA. NewERA will carry out the corporate governance function, from a shareholder perspective, of ESB, Bord Gáis, EirGrid, Bord na Móna and Coillte, reporting to the relevant Ministers. Its operation will be overseen by the Cabinet Committee on Economic Infrastructure. In this capacity, NewERA will have responsibility for reviewing capital investment plans of these commercial semi state companies from a shareholder perspective and will identify possible synergies between investment programmes of different State companies.

The establishment of NewERA and the Strategic Investment Fund under the NTMA are important elements in the Government's strategy to create jobs and promote economic growth.

Where requested by Government, it will also advise on, and if appropriate oversee, any restructuring of State companies and it will work with the Minister for Public Expenditure and Reform on the disposal of State assets.

NewERA will initially be established on a non-statutory basis as a Shareholder Executive within the NTMA. It will bring forward proposals for consideration by Government on options

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for moving towards a full holding company status which could own the shares in commercial semi-states.

NewERA will have the following functions:

- corporate governance from a shareholder perspective of the following Commercial Semi-State (CSS) companies: ESB, Bord Gáis, EirGrid, Bord na Mona, Coillte;
- working with Departments to develop and implement proposals for investment in line with NewERA Programme for Government commitments in Energy, Water and Next Generation Telecommunications;
- working with the National Pension Reserve Fund (NPRF) to bring forward proposals for investment of available resources in the NewERA initiative;
- developing a Strategic Investment Fund, drawing on NPRF resources, with the medium-term goal of establishing a Strategic Investment Bank;
- reviewing capital investment plans of these CSS companies from a shareholder perspective;
- identifying possible synergies between investment programmes of different CSS companies;
- where requested by Government, advising on, and if appropriate overseeing any restructuring of CSS company assets, and supporting the work of the Minister for Public Expenditure and Reform who has responsibility for the disposal of State assets;
- based on progress with the initial phase of its work, considering a model(s) for a holding company structure which could own the shares in CSS companies.

The Government has made clear its intention to ensure that State Companies play a full role in Ireland's economic recovery. The Energy State Companies are already engaged in significant programmes of infrastructure investment. We must ensure that all the investment programmes of the State Companies are cost effective, strategic and subject to rigorous shareholder scrutiny. NewERA will have a key role to play in this regard on behalf of the Government's shareholder interests in the State Companies, where appropriate regulatory oversight will also continue to be a fundamental requirement.

NewERA will work to develop and implement proposals for commercial investment in line with Programme for Government commitments in Energy, Water and Broadband.

NewERA will also work with the National Pensions Reserve Fund (NPRF) to bring forward proposals for investment of available resources, each such investment to be on a commercial basis. In this context, the Programme for Government commits to investment of €2bn from the sale of non-strategic assets to fund NewERA investment.

Now that the Authority has been formally established, I am confident that progress can be made on necessary investment under the aegis of New ERA with consequential positive direct and indirect jobs impact.

Electricity Generation

18. **Deputy Luke 'Ming' Flanagan** asked the Minister for Communications, Energy and Natural Resources if he will direct the ESB to consider the offer made by a person (details supplied) to have the proposed power line that is to cross their land buried underground instead of cutting down a 60-metre-wide avenue of mature trees through their land; if his attention has been drawn to the fact that the ESB has in recent years replaced overhead lines with under-

ground lines in some urban areas and that this approach should now be extended to rural areas; and if he will make a statement on the matter. [29911/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I have no statutory function regarding the construction of specific power lines or in relation to arrangements entered into with landowners by ESB Networks and EirGrid. The matter raised is an operational matter for the two State bodies with statutory responsibilities to deliver Ireland's transmission and distribution network infrastructure.

Alternative Energy Projects

19. **Deputy David Stanton** asked the Minister for Communications, Energy and Natural Resources the research conducted by him to support progress in wave and tidal energy and renewable energy from the marine environment; if he will provide details of any supports available for this sector; and if he will make a statement on the matter. [30084/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Wave and tidal energy, commonly known as ocean energy, is still at the research, development and demonstration stage globally. In 2008, the Ocean Energy Development Unit (OEDU) was established in the Sustainable Energy Authority of Ireland (SEAI) to take forward Ireland's ocean energy programme.

In 2006, my Department published a National Strategy for Ocean Energy in conjunction with SEAI and the Marine Institute. The strategy was aimed at advancing Ireland's research and development capabilities and at increasing the speed at which ocean energy technologies are deployed in Ireland. It outlined a strategy to capitalise on Ireland's marine energy resource to introduce ocean energy into the renewables portfolio in Ireland and to develop an ocean energy sector.

The current phase of the strategy, provides enhanced support to bring successful designs from the prototype stage to the construction of fully operational pre-commercial devices, which will supply power directly to the electricity network.

SEAI is implementing the programme through a number of actions:

The Prototype Development Fund supports the development of wave and tidal device prototypes and associated supporting technologies through a dedicated grant support scheme promoting the growth of an Ocean Energy industry and associated supply chain based in Ireland. The main focus of this action is on stimulating the development and deployment of Ocean Energy devices and systems. As such, the emphasis is on

- Industry-led projects to develop and test wave and tidal energy capture devices and systems;
- Independent monitoring of the projects/technologies;
- Industry-led R&D aimed at the integration of ocean energy into the electricity market and the national electricity grid (and network);
- Data monitoring, forecasting, communications and control of ocean energy systems.

With the objective of stimulating the development and deployment of ocean energy devices that can generate renewable electricity, the funding will enable the companies to take their proposals and prototypes to the next stage of development. A total of 31 projects have been funded to date. Of these 7 projects have been completed and 24 projects are in process. 13 of these 24 projects are due for completion by end of 2011.

[Deputy Pat Rabbitte.]

The intention is to eventually be able to test full scale grid connected pre-commercial wave energy prototypes. In order to achieve this goal, the Ocean Energy Development Unit in SEAI has been pursuing a strategy of developing a site where this testing could take place.

The proposed Atlantic Marine Energy Test Site (AMETS) project in Belmullet, County Mayo, is approaching a stage of development with a view to being ready to enter the full consenting process within the next few months subject to resource availability for 2012 and later years. The test site includes two offshore test areas at 50m and 100m water depths which would in turn be connected to a shore based electricity substation.

SEAI and the Marine Institute have also established an Ocean Energy Test Site for 1/4-scale prototypes of wave energy devices in Galway Bay. There are two berths for Wave Energy Converter devices at the test-site. This site was used earlier this year by Ocean Energy Ltd (a device developer from Cork) for a European funded project.

SEAI has also provided support for the enhancement of the wave research capabilities through upgrading the existing wave tank test facility at the Hydraulic and Maritime Research Centre UCC prior to its upgrade as the National Ocean Test Facility, a key component of the PRTL-funded Maritime and Energy Research Cluster (MERC).

The SEAI is currently overseeing a strategic environmental assessment (SEA) of the potential for offshore wind, wave and tidal development in Irish waters. The draft plan was placed on the SEAI and DCENR websites for public consultation earlier this year and following that process the plan is being finalised prior to full publication. More generally, SEAI and the Marine Institute work closely to ensure continuous development of the marine energy industry in Ireland.

Telecommunications Services

20. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources the extent to which he has examined the failure of programmes to provide high-speed broadband in all areas throughout the country regardless of geographic location over the past ten years; the degree to which other jurisdictions have surpassed this country's performance in that regard over the same period; the extent to which he can make strategic and corrective changes to ensure a substantial improvement in the provision of state-of-the-art technology, thereby giving the business sector a competitive advantage in the communications sector; and if he will make a statement on the matter. [30086/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): The telecommunications market in Ireland, including the provision of current and next generation broadband networks and services, has been fully liberalised since 1999 and, since then, has seen the steady growth and development of significant well-regulated competition in the provision of the full range of telecommunications products and services.

The Government is not a commercial operator in this market and can only intervene in cases of market failure. Such interventions are subject to State Aid clearance by the EU Commission. It is nevertheless a priority of the Government that there is broadband coverage across the entire country. Therefore, in cases of market failure to deliver quality services, the Government will continue to intervene, where it is appropriate and possible to do so.

International comparisons of retail broadband services are conducted periodically. The latest OECD broadband report up to June 2010 ranked Ireland 13th of 19 EU states surveyed for fixed line broadband penetration per 100 inhabitants and 3rd of 18 EU states surveyed for wireless broadband penetration. Such surveys are confined to markets retail services only; they

do not measure customised electronic services provided over leased lines or Ethernet services provided to businesses. A wider report on broadband services in 72 countries published in 2010 by the University of Oxford and the University of Oviedo, Spain, concluded that the broadband services currently available in Ireland are capable of meeting the requirements of today's broadband applications and overall, in terms of broadband quality and penetration, ranks Ireland 13th of the 72 countries studied.

Despite a slow start in investing in broadband, good strides have been made in more recent times both in relation to broadband penetration, speeds and competition. Commercial operators have been investing steadily of the order of €400 to €500m per annum in roll out of infrastructure and services. The State too has invested, where it has identified market failure. Initiatives such as the Metropolitan Area Networks, the National Broadband Scheme and major international interconnectivity projects are delivering important infrastructure and services to areas of Ireland which could not be served commercially.

As a result of the combined efforts of Government and the private sector, a basic broadband service will be available to all citizens across Ireland ahead of the EU target date of 2013.

In addition to basic broadband services, speeds of up to 100 megabits per second are already available to around 500,000 premises using coaxial cable. This will increase to over 700,000 premises by the end of next year. Telephone lines now provide digital subscriber line broadband (DSL) offering speeds of up to 24 Mbps, depending on distance from exchanges. Wireless technologies are also delivering higher speeds. The speeds being provided through wireless technologies will be considerably enhanced with the availability of new spectrum as a consequence of the switch to digital TV services. ComReg proposes to auction this valuable spectrum for the purposes of providing fourth generation high speed wireless broadband services.

A key Government priority now, is to accelerate the widespread availability of next generation, high speed broadband. Under the NewERA proposals in the Programme for Government there is a commitment to co-invest with the private sector and commercial Semi State sector to provide Next Generation Broadband customer access to every home and business in the State. The Next Generation Broadband Taskforce has an important role, in this regard. In June of this year I convened the Taskforce which I chair and which also comprises the Minister of State, Fergus O'Dowd, T.D., the CEOs of all of the major telecommunications companies currently operating in the Irish market, and CEOs of some Internet Service Provider companies.

The purpose of the Taskforce, which will conclude its deliberations by the end of this year, is to discuss the optimal policy environment required to facilitate the provision of high speed broadband across Ireland.

Television Licence Fee

21. **Deputy Niall Collins** asked the Minister for Communications, Energy and Natural Resources the cost to RTÉ of ending its practice of share dealing; if it will have an impact on the television licence fee; and if he will make a statement on the matter. [30095/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): As the Deputy will be aware, the Competition Authority was established under the Competition Act 2002 and is independent in the exercise of its functions in accordance with section 29(3) of that Act. In addition, RTÉ is also a statutory body, established under the Broadcasting Act 2009, and its independence is provided for under section 98 of that Act. As such, the details of any agreement reached between the Competition Authority and RTÉ in regard to the issues referred to in the question are matters for the two bodies concerned.

[Deputy Pat Rabbitte.]

That said, I am aware from press reports that RTÉ has entered into certain undertakings with the Competition Authority to address the concerns the Authority had expressed and that, as part of these, RTÉ is to put in place a new advertising trading system in mid-2012 to replace the system that currently operates.

The cost to RTÉ, if any, of implementing such a change of system is a matter for the company in accordance with the provisions of section 108(1) of the Broadcasting Act regarding the company's pursuance of its specific object in relation to the exploitation of commercial opportunities.

In regard to the question of any impact on the level of the TV Licence fee, it is important to understand that, in the case of RTÉ, the TV Licence fee is designed to support the achievement of the company's public service objects, as set out in section 114 of the Broadcasting Act 2009, and is not a mechanism for offsetting changes in commercial income.

Fuel Poverty

22. **Deputy Martin Ferris** asked the Minister for Communications, Energy and Natural Resources the progress that has been made on tackling fuel poverty as promised in the programme for Government; and if he will make a statement on the matter. [30085/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Energy Affordability is a cross-cutting policy issue and tackling the root causes requires action on a number of fronts across Government and across Agencies. Energy poverty is caused by interaction between energy prices, thermal inefficiency of the home and income. Action to mitigate energy poverty has traditionally focused on providing assistance through the fuel schemes operated by the Department of Social Protection.

However, enhancing the energy efficiency of low-income homes through permanent structural improvements is the most effective means of addressing energy affordability. To date, energy efficiency improvements in almost 76,000 homes have been made under Better Energy: Warmer Homes, which is administered by the Sustainable Energy Authority of Ireland (SEAI) on behalf of my Department. This year, to date, 14,543 homes, out of a target of 20,000, have been retrofitted.

Better Energy: Warmer Homes is primarily delivered by 28 community based organisations (CBOs). The CBOs work in partnership with their local network of poverty and community support organisations including public health nurses, MABS and the Society of St. Vincent de Paul to identify and address vulnerable homes. Private contractors are also engaged to address areas or technologies not covered by CBOs. The Department of Environment, Community and Local Government also operates a retrofit programme for social housing.

The Inter-Departmental/Agency Group on Affordable Energy, which is chaired by my Department and which represents all key Departments, Agencies and energy suppliers as well as the Energy Regulator and NGOs, finalised its own deliberations on the Affordable Energy Strategy over the summer months.

I am completing a further round of discussions with the Ministers for Social Protection and Environment, Community and Local Government, and it is my intention, with the approval of the Government to publish the Affordable Energy Strategy within the next few weeks.

The Affordable Energy Strategy will be the framework for building upon the many measures already in place to protect households at risk from the effects of energy poverty, which include

the thermal efficiency-based measures delivered through the Better Energy: Warmer Homes programme. Providing significant energy efficiency improvements to homes in, or at risk of, energy poverty, results in benefits to recipients in terms of energy affordability, tangible health improvements and overall well being.

Onshore Exploration

23. **Deputy Richard Boyd Barrett** asked the Minister for Communications, Energy and Natural Resources, in view of An Taisce's recent presentation to the Joint Committee on the Environment, Transport, Culture and the Gaeltacht, his views on its call for a moratorium on hydraulic fracturing; and if he will make a statement on the matter. [30089/11]

80. **Deputy Joan Collins** asked the Minister for Communications, Energy and Natural Resources his views on reports in the US that have found that hydraulic fracturing has caused environmental and societal damage; and if he will make a statement on the matter. [30234/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I propose to take Questions Nos. 23 and 80 together.

I am aware that concerns have been expressed, both locally and internationally about the potential impact of hydraulic fracturing on the environment and I take these concerns seriously. I would, however, like to make clear that my Department has not received applications for, nor licensed the use of hydraulic fracturing in the Irish onshore and accordingly the issue of a moratorium on this drilling technology does not arise at this time.

The presentation referred to by Deputy Boyd Barrett formed part of a series of presentations made to the Joint Committee on 20 September last. At that meeting Officials of my Department also made a presentation to the Committee providing detailed geological and geophysical information, detailed information in relation to aquifers and groundwater and detailed information on the regulation of petroleum exploration and production activities.

In February of this year, onshore Licensing Options were awarded to three companies over parts of the North West Carboniferous Basin and the Clare Basin. The Licensing Options are preliminary authorisations and are designed to allow the companies assess the natural gas potential of the acreage largely based on studies of existing data from previous exploration activity. This work is largely office/desktop based and does not involve exploration drilling or hydraulic fracturing.

By the end of the Option period in February 2013, the companies will have to decide whether to apply for a follow-on exploration licence or relinquish the acreage. I have made it clear that in the event any of the companies involved decide to apply for an exploration licence that proposed the use of hydraulic fracturing, the application would have to be set out in detail and be supported by an environmental impact statement. The application would then be the subject of an environmental impact assessment which would include a public consultation phase.

The environmental impact assessment would be broad and consider a range of potential impacts. My Department would also consult with other relevant statutory authorities such as the Environmental Protection Authority, the National Parks and Wildlife Service and local authorities before reaching any decision.

Work under these Licensing Options is at an early stage and it is too soon to conclude whether or not these authorisations will proceed to the exploration licence stage let alone anticipate a commercial discovery that could lead to a petroleum production project. Notwithstanding this, I have requested the Environmental Protection Agency (EPA) to conduct

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research and advise on the environmental implications of hydraulic fracturing as a means of extracting natural gas from underground reserves as I believe that such research could be helpful.

Energy Policy

24. **Deputy Denis Naughten** asked the Minister for Communications, Energy and Natural Resources his plans to reform the regulation of the energy market; and if he will make a statement on the matter. [29914/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Overall energy policy objectives, including the regulatory framework, aim to deliver a secure, sustainable and competitive energy supply for the economy and all consumers. In delivering these objectives, the regulatory framework must meet evolving energy policy challenges and also ensure compliance with the requirements of EU and national energy legislation.

The regulation of the electricity and gas market is the responsibility of the Commission for Energy Regulation (CER). The Electricity Regulation Act 1999 provided for the establishment of the CER as an independent statutory regulator. Since its establishment, there may have been a number of changes to the regulatory framework, and CER's functions, in line with the continually evolving energy policy landscape and partly as a result of EU obligations.

Initially, the Commission was responsible for the regulation and reform of the electricity market only. In 2002, under the Gas (Interim) (Regulation) Act, the Commission was additionally given statutory responsibility for the regulation of the natural gas market. Since then its remit has been further extended to include additional responsibilities, for example for security of supply, upstream petroleum and downstream gas safety and customer protection matters.

The Regulators North and South together with my Department, DETINI and EirGrid collectively developed the Single Electricity Market (SEM), which has been operating as an all-island wholesale electricity market since November 2007. It represents one of the first cross-jurisdictional energy markets in the world, as was recognised by the EU Energy Commissioner at the time of the launch of the SEM.

Building on the success of the SEM, work is underway to develop Common Arrangements for Gas (CAG) on the island, whereby all players in the gas market can buy, sell, transport and contribute to the development and planning of the natural gas market North and South on an all-island basis. The development of CAG is also aligned to the timeframe for implementation of EU obligations in relation to gas security of supply and the integration of gas markets.

The regulatory regime for the Irish electricity and gas market, including new consumer protection standards, is being progressively enhanced by implementation of the obligations under the EU's Third Energy Package.

An independent assessment of the efficiency of the Irish electricity and gas sectors, as required under the EU/IMF Programme of Financial Support for Ireland is being undertaken currently by the International Energy Agency (IEA) as part of its five yearly review of Ireland's Energy Policy. The IEA is assessing existing policy in relation to the energy regulatory framework and the need for further actions to ensure that the electricity and gas markets are efficient and competitive in line with EU requirements.

Informed by IEA's forthcoming assessment, my Department and the CER will determine what actions may require to be taken in order to strengthen the regulatory and market regime

in the energy markets in consultation with European Commission Services, as required under the EU/IMF Programme of Financial Support for Ireland.

It is also my intention that a new Energy Policy Framework 2012-2030 will be prepared and published next year. The new framework will take account of the very changed energy and economic landscape since 2007. The new Energy Policy Framework will also be informed by the outcome of the IEA's overall review of Energy Policy, including the assessment of the efficiency of the electricity and gas sectors.

Petroleum Extraction

25. **Deputy Michael Colreavy** asked the Minister for Communications, Energy and Natural Resources if he is concerned that an attempt to use hydraulic fracturing to extract gas in the area known as Lough Allen basin could have catastrophic consequences on the quality and reputation of our agrifood industry; and if he will make a statement on the matter. [27911/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I am aware that concerns have been expressed about the potential impact of hydraulic fracturing and I take these concerns seriously. I would like to make clear, however, that my Department has not received applications for, nor licensed the use of hydraulic fracturing in the Irish onshore at this time.

In February of this year, onshore Licensing Options were awarded to three companies over parts of the North West Carboniferous Basin and the Clare Basin. The Licensing Options are preliminary authorisations and are designed to allow the companies assess the natural gas potential of the acreage largely based on studies of existing data from previous exploration activity. This work is largely office/desktop based and does not involve exploration drilling or hydraulic fracturing.

By the end of the Option period in February 2013, the companies will have to decide whether to apply for a follow-on exploration licence or relinquish the acreage. I have made it clear that in the event any of the companies involved decide to apply for an exploration licence that proposed the use of hydraulic fracturing, the application would have to be set out in detail and be supported by an environmental impact statement. The application would then be the subject of an environmental impact assessment which would include a public consultation phase.

The environmental impact assessment would be broad and consider a range of potential impacts including an assessment of the potential impact of the proposed works on agriculture. My Department would also consult with other relevant statutory authorities such as the Environmental Protection Authority, the National Parks and Wildlife Service and local authorities before reaching any decision.

Work under these Licensing Options is at an early stage and it is too soon to conclude whether or not these authorisations will proceed to the exploration licence stage let alone anticipate a commercial discovery that could lead to a petroleum production project. Notwithstanding this, I have requested the Environmental Protection Agency (EPA) to conduct research and advise on the environmental implications of hydraulic fracturing as a means of extracting natural gas from underground reserves as I believe that such research could be helpful.

Inland Fisheries

26. **Deputy Derek Keating** asked the Minister for Communications, Energy and Natural Resources, further to the news that sea salmon have returned and are spawning in the River

[Deputy Derek Keating.]

Tolka, if there has been any similar research or result in the Liffey basin, particularly between Leixlip power station and the Lucan Weir; and if he will make a statement on the matter.

[29910/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I am advised that a recent review of fish stocks in the River Tolka in North Dublin by Inland Fisheries Ireland (IFI) has indeed indicated the presence of numbers of juvenile wild Atlantic salmon. IFI has also previously recorded the presence of salmon in both the River Liffey and the River Dodder and continues to monitor stocks on all rivers as part of the ongoing National Salmon Monitoring Programme. IFI's Standing Scientific Committee reports annually on the status of salmon stocks, which for the River Liffey in 2011 are estimated at approximately 19% of their conservation limit.

I understand that juvenile salmon are monitored under a catchment-wide electro-fishing programme, where 47 sites on the Liffey were monitored in 2010 and repeated in 2011. Other programmes that monitor fish in the River Liffey include the Celtic Sea Trout project, juvenile lamprey are monitored as part of the survey under the Habitats Directive and elver traps monitor eel stocks in accordance with the National Eel Management Plan.

IFI is also overseeing habitat rehabilitation projects on tributaries of the River Liffey, the Rye in Leixlip and the Morell in Johnstown, Co. Kildare. The presence of juvenile salmon, a species that only survives in clean water, reflects the hard work of the County and City Councils in reducing pollution levels in these largely urbanised rivers.

Up to the year 2000 Dublin and Reykjavik were the only two capital cities in Europe which had a wild Atlantic salmon stock in a river within city boundaries. Now Dublin can boast about having three salmon rivers within its boundaries — the Liffey, Dodder and now the Tolka. In environmental terms this is an important step forward.

Overseas Development Aid

27. **Deputy Anthony Lawlor** asked the Tánaiste and Minister for Foreign Affairs and Trade if he will provide specific details as to the frequency with which the evaluation and audit unit of his Department evaluates and audits recipients of funding through Irish Aid; if all non-government organisations are subjected to the same audit process to ensure consistency; if not, the reason for same; and if he will make a statement on the matter. [30281/11]

Minister of State at the Department of Foreign Affairs and Trade (Deputy Jan O'Sullivan): The Evaluation and Audit Unit of the Department of Foreign Affairs and Trade carries out an annual programme of strategic evaluations such as the evaluation of our Country Programmes, thematic evaluations such as our support to combating HIV and AIDS, and evaluations of major NGOs. In addition, all of Irish Aid's major partners, including UN agencies and Global Funds, have well established evaluation functions and they make available to Irish Aid their evaluation reports, thus complementing the evaluation work of Irish Aid itself.

In keeping with our evaluation policy, all evaluations undertaken by the Evaluation and Audit Unit, such as our soon to be published evaluation of funding to four major Irish NGOs, are posted on the Irish Aid website. The Evaluation and Audit Unit's approach to audit takes account of the different types of partners in receipt of funding and the nature and frequency of audits is determined accordingly. The audit approach to Irish Aid funding combines audit work carried out directly by the Evaluation and Audit Unit, audits commissioned by Irish Aid, and reliance on external audit reports received from partner organisations.

Funds are provided to a range of NGOs from large scale NGOs in receipt of very significant funding to more modest funding provided to smaller NGOs for individual projects. Funding provided to NGOs is audited in various ways and depends on a number of factors, including the size of the grant and the nature of the programme involved.

For smaller grants, there is a contractual requirement that audited accounts are provided. For larger grants, in addition to an annual audit of accounts, it is routine that we undertake specialised audits. For example in relation to the Multi-Annual Programme Scheme, which is the most significant funding scheme in terms of the volume of funding available to Irish NGOs, it is our audit practice to subject each NGO partner to an in-depth audit at least once in the 5 year programming period.

Departmental Funding

28. **Deputy Pádraig Mac Lochlainn** asked the Tánaiste and Minister for Foreign Affairs and Trade the support he will offer to the Irish Cultural Centre, Hammersmith, London in their efforts to secure the building that houses the centre; and if he will make a statement on the matter. [30326/11]

Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore): Since 2006, the Irish Government, through the Department of Foreign Affairs and Trade's Emigrant Support Programme, has been a key funder of the Irish Cultural Centre, Hammersmith. In that period, the Centre has received over £1 million in grants in support of a range of its education, cultural, seniors and youth activities. I understand that following the decision of the Hammersmith and Fulham Council to sell the Centre's building, the Council advised the Centre on 16 August that they would accept £1.5 million for the building.

The Centre has now undertaken a fund raising programme to purchase the building. I met with the Centre's Board during my recent visit to London and I reiterated the Government support for the Centre as evidenced by the £205,650 grant which I approved earlier this year. I also indicated fund-raising must be led by the Centre and the local community and that any Government support for the purchase of the building would have to supplement funds raised by the Centre and the wider Irish Community in London and Britain. Our Embassy in London remains in regular contact with the Centre and I have asked the Ambassador and his team to provide all appropriate support to the fund raising campaign.

Tax Yield

29. **Deputy Gerry Adams** asked the Minister for Finance the income to the State that was received last year from the income levy. [30191/11]

Minister for Finance (Deputy Michael Noonan): I am informed by the Revenue Commissioners that in 2010, total receipts from the income levy amounted to €1,446 million.

Tax Code

30. **Deputy Jim Daly** asked the Minister for Finance if he will investigate the tax affairs of a person (details supplied); and if he will make a statement on the matter. [30233/11]

Minister for Finance (Deputy Michael Noonan): I am informed by the Revenue Commissioners that the person concerned has written to the Revenue Commissioners seeking an internal review of his tax affairs. Revenue's Internal Review Unit will ensure that the review is completed as soon as possible.

31. **Deputy Pearse Doherty** asked the Minister for Finance the cost to the Exchequer of taking all those earning below €15,000 out of the universal social charge. [30265/11]

32. **Deputy Pearse Doherty** asked the Minister for Finance the cost to the Exchequer of taking all those earning below €20,000 out of the universal social charge. [30266/11]

33. **Deputy Pearse Doherty** asked the Minister for Finance the cost to the Exchequer of taking all those earning below €25,000 out of the universal social charge. [30267/11]

34. **Deputy Pearse Doherty** asked the Minister for Finance the cost to the Exchequer of taking all those earning below €30,000 out of the universal social charge. [30268/11]

Minister for Finance (Deputy Michael Noonan): I propose to take Questions Nos. 31 to 34, inclusive, together.

I am advised by the Revenue Commissioners that the estimated full year costs to the Exchequer, estimated by reference to 2012 incomes, of increasing the existing exemption threshold of €4,004 for the universal social charge to €15,000, €20,000, €25,000 and €30,000 would be €120 million, €185 million, €465 million and €730 million respectively .

These figures are estimates from the Revenue tax-forecasting model using actual data for the year 2009 adjusted as necessary for income and employment trends for the year 2012. They are therefore provisional and may be revised.

National Asset Management Agency

35. **Deputy Joanna Tuffy** asked the Minister for Finance if he will provide details of the National Asset Management Agency's progress to date in its efforts to recover from developers and debtors repayments of their full original loan amounts; if the agency is attempting to get the full original loan amount from assets which may have been transferred to spouses or members of their family or assets which may have been transferred to offshore accounts; and if he will make a statement on the matter. [30283/11]

Minister for Finance (Deputy Michael Noonan): At a recent meeting of the Joint Committee on Finance, Public Expenditure and Reform, the Chairman of NAMA stated that NAMA remains as focused as ever on pursuing each developer for the full amount owed. He also explained that NAMA's *minimum* target is to recover what it has paid for the loans, plus any other moneys advanced as working capital or for development, plus interest on these moneys. This does not mean, however, that NAMA will stop at that threshold. Under Section 10(2) of the National Asset Management Agency Act, NAMA is required to operate so that it obtains the best achievable financial return for the State and that means pursuing all debts to the greatest extent feasible. It is important also to point out that the agency's targets are based on the existing state of the property market. Overall, NAMA's best estimate at present is that it will, at the very least, recover the consideration it has paid for loans, plus any additional funding it advances to preserve or enhance asset values. It aims to recover significantly more than that and the extent to which it can do so will depend largely on the performance of the Irish and UK economies over the next five to seven years. If the outlook for property improves as a result of economic growth, NAMA's expectations for the realised value of the portfolio as a whole and for individual debtors will increase.

At the same meeting of the Joint Committee, the Chief Executive of NAMA pointed out that, having been through the business plans of debtors which account for close to 75% of NAMA debt, he does not consider that there is a 'huge pot of gold' that can be recovered through legal proceedings to reverse asset transfers by NAMA debtors. I am informed by

NAMA, however, that most of the debtors who engaged in such transfers are co-operating with it as regards a voluntary reversal of asset transfers. As negotiations are ongoing with many debtors and assets are being re-valued at current prices, it is not yet possible to determine the final valuation of reversed asset transfers. In a number of cases where debtors are refusing to co-operate, it has been necessary for NAMA to adopt an alternative approach, with the strategy varying by reference to the legal advice received in each particular case. This may involve the pursuit of personal guarantees through the courts and, in some cases, will require litigation to reverse asset transfers where the original intention appears to have been to place the assets concerned beyond the reach of NAMA, including transfers to offshore accounts.

Betting Regulation

36. **Deputy Aodhán Ó Ríordáin** asked the Minister for Finance his views on proposals put forward by the Irish Bookmakers Association to extend the opening hours of betting shops during the winter months; the amount of extra tax revenue this would generate for the Exchequer; and if he will make a statement on the matter. [30327/11]

Minister for Finance (Deputy Michael Noonan): The proposed Betting (Amendment) Bill, which is being drafted at present, will amend the 1931 Betting Act to *inter alia* establish the regulatory framework for the licensing of remote bookmakers and betting exchanges, including measures to enforce the regulatory framework. The extension of the opening hours of retail betting shops over the winter period is being considered in that context. An estimate of the potential tax revenue the extension of the opening hours would generate is not possible to predict as it would depend on a number of factors not least the number of betting shops that would avail of the new opening hours. I note that the representative body of bookmakers has estimated potential additional revenue of around €5 million which would include betting duty, PAYE, PRSI etc.

National Asset Management Agency

37. **Deputy Mary Mitchell O'Connor** asked the Minister for Finance the status of lands known as the Ashcastle site on the border between Dún Laoghaire-Rathdown County Council and Dublin City Council, which lands are bordered by the Booterstown Marsh and Nature Reserve, the Rock Road and the DART line and are in the ownership of the National Asset Management Agency; if said lands are for sale; if said lands have been sold recently; if there is a tender process in existence for purchase of the lands; the estimated value of the lands; and if he will make a statement on the matter. [30333/11]

Minister for Finance (Deputy Michael Noonan): The property concerned is listed on the NAMA website among the properties enforced. I understand from NAMA that the property has been offered for sale by a receiver appointed by NAMA. I also understand that the receiver has received offers from potential purchasers and that additional expressions of interest can be directed towards the receiver, RSM Farrell Grant Sparks, at namaproperties@rsmfgs.ie. Any offers to the receiver will be submitted by the receiver to NAMA for the final decision as to which offer should be accepted. NAMA informs me that within the context of its commercial remit, it is at all times open to considering proposals aimed at contributing to broader social and economic objectives. The NAMA Board has committed to giving first option to State bodies on the purchase of property which may be suitable for their purposes where these bodies have requirements such as schools, hospitals, parks, and so on. In the context of this policy and in view of the land's proximity to the Booterstown Marsh and Nature Reserve, I expect that NAMA will consider any offers which may be submitted by the relevant public bodies before making its final decision.

Tax Code

38. **Deputy Jack Wall** asked the Minister for Finance his views regarding a submission (details supplied); his plans to address the stated problems; if there is any aspect of the submission that the applicants can or should review in regard to their taxation issues; whether the matter as stated in regard to the European Convention on Human Rights is an issue in regard to the determination of the applicants' tax position or whether they have they a right to be considered under any other category because of it; and if he will make a statement on the matter. [30355/11]

Minister for Finance (Deputy Michael Noonan): The basis for the current tax treatment of married couples derives from the Supreme Court decision in *Murphy vs. the Attorney General* (1980), which held that it was contrary to the Constitution for a married couple, both of whom are working, to pay more tax than two single people living together and having the same income. Where a couple is cohabiting rather than married or in a civil partnership they are treated as separate and unconnected individuals for the purpose of income tax. Each partner is a separate entity for tax purposes and, accordingly, credits, tax bands and reliefs cannot be transferred from one partner to the other.

It should be noted that a cohabiting couple where both partners are working get, in total, the same tax credits as a married couple or couple in a civil partnership (i.e. €3,300). In addition, the same amount of income is subject to tax at the 20% rate (i.e. €32,800 each). This equates to the €65,600 threshold in the case of a married couple or couple in a civil partnership.

If both cohabitants earn in excess of the standard rate band (i.e. €32,800), then they both pay tax at 41% on any income in excess of €32,800. Married couples or couples in a civil partnership, where both work, get the same treatment.

The difference between the two groups is the ability of married couples or civil partners to transfer tax credits and tax bands between the individuals, and this is of benefit where one of the individuals earns less than the 20% tax threshold of €32,800.

Section 462 of the Taxes Consolidation Act 1997 allows for the granting of a one-parent family tax credit of €1,650 to an individual who has a qualifying child. However, the legislation specifically excludes married persons, civil partners and cohabitants from claiming this credit. In other words, any couple, married, in a civil partnership, or cohabiting has no entitlement to this credit.

In addition, an individual's gross income is subject to Universal Social Charge (USC) at progressive rates as income increases. The applicable rates are 2% on the first €10,036, 4% on the next €5,980 and 7% on any balance thereafter. The USC is a charge specific to the income of each individual separately. There is no joint assessment provision.

My understanding is that the current taxation treatment of married couples, civil partners and cohabiting couples is not in conflict with the Charter of Fundamental Rights of the European Union.

Information and Communications Technology

39. **Deputy Bernard J. Durkan** asked the Minister for Education and Skills the degree to which modern IT available to the educational sector is on a par with the best available worldwide; and if he will make a statement on the matter. [30434/11]

Minister for Education and Skills (Deputy Ruairí Quinn): In relation to primary and post-primary schools, my Department pursues the integration of ICT into teaching and learning

and the development of pupils' digital literacy through the ICT in Schools Programme. This Programme focuses on four key areas:

- The provision of essential ICT infrastructure within schools (including in particular an investment of €92m over 2009 and 2010)
- The provision of access to broadband connectivity to schools
- Continuous professional development for teachers in ICT
- Integrating ICT within the curriculum and providing curriculum-relevant digital content and software.

The Programme has been developed and implemented in consultation with all stakeholders and is currently guided by two key collaborative reports:

- The ICT Strategy Group report “Investing Effectively in Information and Communications Technology in Schools, 2008-2013” (July 2008)
- The “Smart Schools = Smart Economy” report (November 2009)

As I am sure the Deputy will be aware, the manner in which ICT is integrated into teaching and learning varies from country to country, in accordance with local priorities, educational structures and resources. There is no one benchmark model or single reference statistic against which an integrated and multifaceted programme of this nature can be measured. The collaborative approach taken in the Irish context has been helpful in ensuring that the Programme is informed by a proper understanding of the potential for ICT to enhance teaching and learning in general within the Irish education system, and of the kinds of skills needed for effective participation in 21st Century knowledge economies. I believe the Irish Programme to be very much in line with best practice in advanced economies globally.

For a detailed international analysis, the Deputy may be interested in the research report published on 23rd June this year by Eurydice, under the title “Key Data on Learning and Innovation through ICT at school in Europe”. This report gives some insight into the range of themes in this area. In particular, it indicates that the ratio of 15-year-old pupils per computer in Irish schools (2.08) compares favourably with the EU median value (2.15). I understand that the pupil-to-computer statistics are based on information collected before the recent investment of €92m in schools ICT infrastructure, which has led to further substantial improvements in the Irish position over the last two years.

School Accommodation

40. **Deputy Thomas Pringle** asked the Minister for Education and Skills the grants for improvement works and extra classrooms that have been received by a school (details supplied) in County Donegal in the past two years. [30195/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The school to which the Deputy refers was sanctioned funding in November 2010 on a devolved basis to provide a 1 classroom Special Needs/Autistic Spectrum Disorder Unit. A once-off set up grant for this Unit was also approved.

The school authorities advised my Department in April 2011 that it expected the project to be completed within approximately six months of the project's commencement in June 2011. However, to date no funding has been drawn down for this project.

Contingency funding in the amount of €5,309 was approved in September 2010 in respect of pest control. This funding has been drawn down in full.

School Curriculum

41. **Deputy Robert Dowds** asked the Minister for Education and Skills his views on making provision for an Irish sign language curriculum for use in general schooling, for example during transition year; and if he will make a statement on the matter. [30271/11]

Minister for Education and Skills (Deputy Ruairí Quinn): There are no plans at present to include Irish sign language as a specific subject within the national curriculum in primary and post-primary schools in the Junior Certificate, or established Leaving Certificate programmes. Irish Sign Language is one of the optional modules available within the Leaving Certificate Applied programme, and schools also have the flexibility to provide this as an option within Transition Year if they wish to do so.

Irish sign language (ISL) has formal recognition in the Education Act 1998. Under that Act, it is a function of the Minister for Education and Science (Skills) to ensure, subject to the provisions of the Act, that there is made available to each person resident in the State, including a person with a disability or who has other special educational needs, support services and a level and quality of education appropriate to meeting the needs and abilities of that person. This includes provision for students learning through ISL.

A number of initiatives which seek to promote, develop and implement ISL in order that it will achieve greater recognition and use in the education system are currently in place:

- Special schools for the deaf have been encouraged in relation to the use of sign language in class.
- Funding for an ISL weekly home tuition service whereby deaf tutors visit the homes of deaf pre-school children and deaf school-going pupils to provide training in ISL for the deaf children, pupils, their siblings and parents.
- Funding is also made available through the Special Education Support Service (SESS) to enable individual teachers and whole school staff to undertake courses in Irish Sign Language which are available throughout the country through a variety of providers.

Special Educational Needs

42. **Deputy Jerry Buttimer** asked the Minister for Education and Skills the administrative savings made by the National Council for Special Education over each of the past three years; and if he will make a statement on the matter. [30277/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The National Council for Special Education (NCSE) declared the following savings and excesses to my Department since 2008.

Financial Year 2008

Pay Allocation: saving of €2,482,000

Non-pay Allocation: saving of €134,000

Financial Year 2009

Pay Allocation: saving of €1,724,000

Non-pay Allocation: no savings or excess

Financial Year 2010

Pay Allocation: saving of €1,068,000

Non-pay Allocation: excess of €69,000

The savings over the past three years relate to the non-filling of posts by the NCSE and the delay in the implementation of the full terms of the Education for Persons with Special Educational Needs Act, 2004.

Teaching Qualifications

43. **Deputy Brendan Griffin** asked the Minister for Education and Skills his views on a matter (details supplied) regarding part-time tutors; and if he will make a statement on the matter. [30278/11]

Minister for Education and Skills (Deputy Ruairí Quinn): Each person appointed to a recognised teaching post should be registered with the Teaching Council, and have qualifications appropriate to the sector and suitable to the post for which s/he is to be employed. However, from the information supplied, it appears that the individual referred to by the Deputy may not be employed in such a teaching post.

The Teaching Council's regulations are set out on its website and currently require a person who wishes to register as a post primary teacher in the VEC sector to have a minimum standard of a degree or its equivalent. From 1 April 2013, a person applying to be entered on the register as a teacher in a VEC school will also need a qualification in post primary teacher education as set out in Regulation Four. With effect from the same date, a person applying to be entered on the register as a teacher in the further education sector must have attained a Council approved further education teacher education qualification in accordance with Regulation Five.

The recognition of teacher qualifications in this State is now a matter for the Teaching Council, the body with statutory responsibility for establishing and maintaining standards in the teaching profession. Accordingly, it would not be appropriate for me to intervene in individual cases. The matter should be taken up directly with the Council.

Special Educational Needs

44. **Deputy Gerry Adams** asked the Minister for Education and Skills if he will initiate a review of the allocation of special needs assistants to a school (details supplied) in County Louth in view of the fact that the number of SNAs at the school has been cut from 3 to 1.75 without any reduction in the number of children attending the school. [30285/11]

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 school referred to by the Deputy has an allocation of 1.75 SNA posts and 30 Resource Teaching Hours.

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.

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.

[Deputy Ruairí Quinn.]

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 NCSE will advise schools early in the near future 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.

Third Level Admissions

45. **Deputy Paudie Coffey** asked the Minister for Education and Skills if he will review the CAO regulations with a view to making a special case due to the unique circumstances of a person (details supplied) who wishes to transfer from a college course to another course in a different college; and if he will make a statement on the matter. [30287/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The higher education institutions have delegated to the CAO the task of processing applications to their undergraduate courses. However, the participating institutions retain the function of making decisions on admissions. Neither my Department nor the Higher Education Authority has any role in relation to the operation of the CAO or the admissions policies of third level institutions.

Special Educational Needs

46. **Deputy Mattie McGrath** asked the Minister for Education and Skills if he will make changes to the administration of the July education programme in the future to ensure that applicants will be given sufficient notice and time to complete their application forms prior to the commencement of the scheme; his views on whether ten days is an acceptable timeframe for parents to obtain the necessary consultants' reports and other necessary information required for the application, particularly during the summer period; if he will extend the notice for future programmes; and if he will make a statement on the matter. [30294/11]

Minister for Education and Skills (Deputy Ruairí Quinn): The Deputy will be aware that the July Education Programme is available to all special schools and mainstream primary schools with special classes catering for children with autism who choose to extend their education services through the month of July. My Department also provides for a July Programme for pupils with a severe/profound general learning disability. Where school-based provision is not feasible, home based provision may be grant aided. The Deputy may also be aware that the scheme is currently under review. Future improvements to the administration of the scheme will be considered in the context of this review.

FÁS Training Programmes

47. **Deputy Simon Harris** asked the Minister for Education and Skills the reason FÁS has not progressed a person (details supplied) beyond level 5 of their plumbing apprenticeship,

despite their being eligible for advancement and having served over 200 weeks of their apprenticeship; and if he will make a statement on the matter. [30338/11]

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon): My Department contacted FÁS about the apprenticeship status of the person in question. FÁS advised that the FÁS system had not identified this person as an Apprentice that required a FÁS intervention. FÁS informed my Department that the person finished his Phase 4 training on 18th March, 2011, but that he remained identified on the FÁS apprenticeship system as employed. When an apprentice is made redundant the apprentice or employer must notify FÁS immediately.

Had the FÁS system indicated that the person was redundant he would have been referred by the FÁS South East Region for processing under the Redundant Apprentice Placement Scheme (RAPS).

FÁS advises that the person should contact FÁS Training Centre (Mr. Brendan Kennedy), Baldoyle Industrial Estate, Baldoyle, Dublin 13, Phone 01 8167400, to confirm that he is redundant and to have his status updated on the system. I understand that FÁS may have a placement for him with a local authority.

University Expenditure

48. **Deputy Michael McCarthy** asked the Minister for Education and Skills if he will outline, in respect of each of the country's seven universities, the cost incurred in 2009 and 2010 in providing accommodation for visiting lecturers; the names of these lecturers, location, duration of stay and the total amount paid each year in tabular form; and if he will make a statement on the matter. [30340/11]

49. **Deputy Michael McCarthy** asked the Minister for Education and Skills, in respect of each of the seven universities, the amount of expenses incurred by visiting lecturers in each of the years 2009 and 2010; specifically, the total amount paid per university each year, and the number of lecturers concerned in each university per year in tabular form; and if he will make a statement on the matter. [30342/11]

52. **Deputy Michael McCarthy** asked the Minister for Education and Skills if he will outline, in respect of each of the heads of the seven universities, the expenses incurred by each individual in 2009 and 2010; if he will confirm the income paid to each university head in these years; and if he will make a statement on the matter. [30347/11]

Minister for Education and Skills (Deputy Ruairí Quinn): I propose to take Questions Nos. 48, 49 and 52 together.

All of the information sought by the Deputy is not readily available in the University sector; however, the Higher Education Authority has contacted them seeking an early reply and I will forward the available data to you as soon as possible.

School Books

50. **Deputy Brendan Smith** asked the Minister for Education and Skills the school book publishing companies that were represented at the recent meeting with him; the progress achieved at the meeting; and if he will make a statement on the matter. [30345/11]

Minister for Education and Skills (Deputy Ruairí Quinn): I have held meetings with educational book publishers, representatives of parents' organisations and the Society of St. Vincent de Paul regarding the cost of school textbooks. The following publishers were rep-

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resented at the meeting with me on 10 October 2011: C J Fallon, Forum Publications, Educational Company of Ireland, Gill and McMillan, Mentor Books, Educate.ie, An Gúm and Folens. All of the publishers present stated that they were committed to the code of practice where publishers undertook not to publish new or revised editions of textbooks for six years, except in the context of significant change to the curriculum or examinations. Publishers also said they were willing to make minor updates available on-line in the future. The publishers stated that they would allow discount rates for bulk buying to schools which would typically range between 10% and 17.5%, which would support the introduction of book rental or loan schemes in schools. I requested the publishers not to print workbook style material within textbooks as this rendered loan or rental schemes impracticable. The publishers undertook to bear my concerns in mind in the development of any new publications.

In relation to Junior Cycle reform, I indicated that reform was in the process of being finalised. I stated that I intended to communicate clearly with publishers on the implementation of the reform and to provide adequate notice of curricular changes. The publishers welcomed my intention to treat them as important stakeholders in discussions of implementation of reform.

I recognise that educational publishers are independent commercial companies who compete in an open market for the sale of their textbooks. I recognise that I cannot interfere in the matter of price setting but have sought assurances from publishers they will facilitate schools that wish to purchase bulk stock for the operation of rental schemes. I am pleased to have received this assurance.

I am very satisfied with the progress made in my two meetings with publishers and I welcome their positive and proactive approach to co-operating with me in reducing the cost of textbooks to students and families. My Department is undertaking a survey of schools to establish the current situation regarding school book rental and loan schemes so that I can consider how I might incentivise the introduction of book loan or rental schemes. I have invited the National Parents Councils at primary and post-primary levels to provide me with examples of good practice of book rental schemes. My Department is currently preparing guidelines for schools on best practice in the operation of such schemes.

Teaching Qualifications

51. **Deputy Brendan Smith** asked the Minister for Education and Skills if an application (details supplied) will be processed and finalised at an early date; and if he will make a statement on the matter. [30346/11]

Minister for Education and Skills (Deputy Ruairí Quinn): As the Deputy may be aware, the recognition of teacher qualifications in this State is now a matter for the Teaching Council, the body with statutory responsibility for establishing and maintaining standards in the teaching profession. While it would not be appropriate for me to intervene in individual cases, I have forwarded the Deputy's correspondence on to the Teaching Council for a direct reply.

Question No. 52 answered with Question No. 48.

Special Educational Needs

53. **Deputy Finian McGrath** asked the Minister for Education and Skills the position regarding the provision of special needs assistants, speech and language therapists and occupational therapists in respect of a person (details supplied). [30423/11]

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 attended by the pupil 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 15 SNA posts.

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 shortly 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.

I wish to advise the Deputy that the Health Service Executive is responsible for the provision of health supports including Speech and Language Therapy and Occupational Therapy to children. The Deputy may wish to contact my colleague, the Minister for Health and Children or the HSE directly relating to his query in this regard.

Job Protection

54. **Deputy Bernard J. Durkan** asked the Minister for Jobs, Enterprise and Innovation the extent to which he continues to monitor the reasons for relocation to more competitive economies by various manufacturers or service providers in the communications sector over the past five years and to date in 2011; the extent to which positive intervention will be made to address any issues arising; and if he will make a statement on the matter. [30435/11]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): 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 locations and utilisation strategies to address matters such as accessing new markets, moving production nearer to customers, meeting firm or market specific customer relationship issues, in addition to business takeovers and consolidations.

Recent jobs losses which have occurred in the FDI sector in Ireland are largely the result of the continuing restructuring process that is ongoing in Ireland and other developed economies,

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driven by competitive pressures and technological change. This results in jobs at the lower end of the value added scale being either phased out completely or relocated to lower cost locations.

An analysis of closures in the IDA portfolio of companies over the period 2005-2010 shows that the majority of the closures were in areas such as Metals and Engineering, Print and Packaging, Textiles, and Plastics and Rubber. The remainder of closures were spread across more vulnerable parts of sub sectors that are growing overall, such as ICT, International services, and Chemicals. In many instances, it is not possible to distinguish between jobs that are made redundant as a result of technological change and those that relocate to lower cost locations.

IDA's strategy "*Horizon 2020*" is focussed on winning as many new jobs as possible each year and giving equal priority to maintaining existing jobs. On a daily basis, the IDA is working with its clients, making every effort to retain their operations in Ireland and minimising job losses. The IDA continues to play a key role in both encouraging and assisting its client companies to move up the value chain in terms of carrying out higher skilled operations and expanding their presence in Ireland. The IDA's aim is to retain existing clients, improve the quality of employment opportunities in Ireland and increase the positive economic impact.

The IDA actively encourages its clients to engage in transformation initiatives, and is assisting them in programmes to :-

- improve company-wide competitiveness
- enhance the use of new technologies
- grow the skills of the business
- engage in Research, Development and Innovation
- develop new business process, and make company operations more energy efficient.

For much of the last decade, company relocation has been positive overall for Ireland. The IDA 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 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.

IDA's focus will continue to be on high end manufacturing, global services and RD&I across a wide range of sectors. In particular ICT, Digital Media, International Financial Services, Internationally Traded Services, Life Sciences and Clean Tech are poised for further growth.

Appointments to State Boards

55. **Deputy Sean Fleming** asked the Minister for Jobs, Enterprise and Innovation the number of appointments he has made to State boards since March 9 2011; and if he will list the names of each of these appointments and the boards to which they were appointed. [30208/11]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): The information sought by the Deputy was provided in response to Question No. 72 of 13 October 2011.

Industrial Development

56. **Deputy Joan Collins** asked the Minister for Jobs, Enterprise and Innovation if his attention has been drawn to the fact that the president of a foreign company (details supplied)

signed a memorandum of agreement with an Irish company in County Sligo in July 2010 in respect of its decision to establish its main European manufacturing base there with the creation of 100 jobs over the next three years, with the new factory to commence operating in October 2010; if his further attention has been drawn to the fact that the proposed factory has not been established; if he has been in communication with this foreign company; when the proposed factory will commence operations; and if he will make a statement on the matter. [30239/11]

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): IDA Ireland has met with GLED on a number of occasions both in Ireland and in Taiwan. Earlier this year the company advised IDA that it planned to establish a manufacturing operation, which would serve the Irish market and have contracts with County Councils, Public Bodies etc. and the company planned to tender for projects in the Irish market to supply LED lighting.

Due to the fact that the company would purely be serving the domestic market, they would not be eligible for financial assistance from IDA. However, IDA will work with the company in the future as they expand their services out of Ireland into export markets.

Redundancy Payments

57. **Deputy Clare Daly** asked the Minister for Social Protection if there is a requirement for employees to obtain a liquidator's stamp on their EIP 1 forms when claiming redundancy payments from her in scenarios in which the erstwhile company is utterly insolvent and unable to pay redundancy; if this is the case, how employees in these scenarios have their redundancies processed by her under the Protection of Employees (Employers' Insolvency) Acts 1984-2004 when no liquidator has been appointed. [30215/11]

Minister for Social Protection (Deputy Joan Burton): Claims under the Insolvency Payments Scheme may be processed if the company is insolvent within the definition of the Protection of Employees (Employers' Insolvency) Act 1984 and a "relevant officer" — normally, a receiver or liquidator — has been appointed and certifies the claims. It is usually the case that the liquidator collates all employee claims and submits them on behalf of the employees. From October, all such claims are being submitted online to my Department.

In the case referred to, it appears unlikely that a liquidator will be appointed based on the information provided to date. The Department is currently examining this situation and has been in direct contact with the individual concerned, to assess the available options.

Community Employment Schemes

58. **Deputy Richard Boyd Barrett** asked the Minister for Social Protection if her attention has been drawn to the fact that the planned changes to FÁS mean that the Gateway community project in the north inner city, which offers FETAC-certified courses to young women recovering from drug addiction, will no longer be able to continue offering these courses in view of the fact that FÁS is no longer a registered provider with FETAC and FETAC will not accept new providers; and if she will recommend an alternative provider for this particular course. [30221/11]

Minister for Social Protection (Deputy Joan Burton): As part of the reorganisation of functions and services in support of people who are unemployed, the community and employment support services of FÁS are being transferred to the Department of Social Protection. The legislative changes to give effect to these changes have been put in place and FÁS staff will complete the transfer to my Department in January 2012. As a consequence of these changes, the current practice whereby the Training Standards Quality Assurance System of FÁS pro-

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cesses FETAC certificate requests on behalf of a small number of education and training providers, such as the Gateway project, will be discontinued on 5 December 2011.

The Gateway project has been advised of the changes and of the opportunities to source alternative arrangements for the processing of FETAC applications. My understanding is that Gateway is currently linking with other providers with a view to accessing FETAC certificates. FÁS is also actively engaged so as to ensure that the matter is resolved in a satisfactory manner.

Social Welfare Appeals

59. **Deputy Ciarán Lynch** asked the Minister for Social Protection when an appeal regarding illness benefit payment will be decided in respect of a person (details supplied) in County Cork; and if she will make a statement on the matter. [30189/11]

Minister for Social Protection (Deputy Joan Burton): Payment of illness benefit to the person concerned was disallowed by a Deciding Officer following an examination by a Medical Assessor of the Department who expressed the opinion that he was capable of work. I am advised by the Social Welfare Appeals Office that, in accordance with statutory requirements, the Department was asked for the relevant documentation in the case and the Deciding Officer's comments on the grounds of the appeal. In that context, an examination by another Medical Assessor will be carried out on 10 November 2011. 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.

60. **Deputy Tom Hayes** asked the Minister for Social Protection when a decision on a disablement benefit appeal will issue to a person (details supplied) in County Tipperary; and if she will make a statement on the matter. [30225/11]

Minister for Social Protection (Deputy Joan Burton): The Social Welfare Appeals Office has advised me that the appeal from the person concerned was referred to an Appeals Officer who proposes to hold an oral hearing in this case. There has been a very significant increase in the number of appeals received by the Social Welfare Appeals Office since 2007 when the intake was 14,070 to 2010 when the intake rose to 32,432. This has significantly impacted on the processing time for appeals which require oral hearings and, in order to be fair to all appellants, they are dealt with in strict chronological order. In the context of dealing with the considerable number of appeals now on hand, the Department made 9 additional appointments to the office earlier this year. While every effort is being made to deal with the large numbers awaiting oral hearing as quickly as possible, it is not possible to give a date when the person's oral hearing will be heard, but s/he will be informed when arrangements have been made. The Social Welfare Appeals Office functions independently of the Minister for Social Protection and of the Department and is responsible for determining appeals against decisions on social welfare entitlements.

Social Welfare Benefits

61. **Deputy Aodhán Ó Ríordáin** asked the Minister for Social Protection the amount she spent in 2010 on the back to school clothing and footwear allowance; the amount spent on children aged between two and three years of age; the amount she expects to spend this year on the back to school clothing and footwear allowance and the amount that will be spent on children aged between two and three years of age in 2011; and if she will make a statement on the matter. [30228/11]

Minister for Social Protection (Deputy Joan Burton): The Back to School Clothing and Footwear Allowance (BSCFA) scheme provides a one-off payment to eligible families to assist with the extra costs when their children start school each autumn. The allowance is not intended to meet the full cost of school clothing and footwear but only to provide assistance towards these costs.

The provision for the 2011 scheme is €82m. In light of the number of payments made this year, some 183,000 to date, this figure will be exceeded. The number of children who will benefit under the scheme this year and the costs will be available when all claims are processed.

Social Welfare Appeals

62. **Deputy Ciarán Lynch** asked the Minister for Social Protection when a decision will issue on an appeal for invalidity pension in respect of a person (details supplied) in County Cork. [30230/11]

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 30 September 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

63. **Deputy Ciarán Lynch** asked the Minister for Social Protection when an application for supplementary welfare payment will be decided while the person concerned (details supplied) in County Cork is awaiting jobseeker's allowance; and if she will make a statement on the matter. [30238/11]

Minister for Social Protection (Deputy Joan Burton): The community welfare service (CWS), and the community welfare officers providing it, formally transferred to the Department of Social Protection (DSP) from 1 October 2011. The service and the staff are now part of the DSP. Departmental records show that the person concerned is currently in receipt of a weekly supplementary welfare allowance payment.

Social Welfare Code

64. **Deputy Robert Dowds** asked the Minister for Social Protection her plans to phase out the qualified adult designation in social welfare payments in favour of making independent payments to both persons in a marriage or civil partnership on the basis of their respective employment records and needs; and if she will make a statement on the matter. [30269/11]

Minister for Social Protection (Deputy Joan Burton): Full individualisation of personal payments within the social welfare system would involve separate and independent treatment of persons in relation to means and other conditions of entitlement and separate payments to each. There are no plans to introduce full such payments in relation to means tested or social insurance payments.

However, over the years my Department has introduced various measures to make payments directly to qualified adults, regardless of marital status. For example, separate payments are made in cases of domestic difficulty where a qualified adult might otherwise have no other

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form of income. Also, for certain categories of State pension (non-contributory), where the couple are both aged 66 or over, payment is made individually to each partner. In October 2002, my Department introduced administrative arrangements to provide an option to have the qualified adult increase paid directly to the qualified adult for all new applicants to State Pension (Transition), (formerly known a retirement Pension) and State Pension (Contributory), (formerly known as Old Age (Contributory) Pension). Since 2007, the increase for a qualified adult is paid directly to a qualified adult or to a person nominated by them.

65. **Deputy Robert Dowds** asked the Minister for Social Protection her views on reducing the number of hours per week a person must work in order to qualify for family income supplement, in order to eliminate a potential poverty trap; and if she will make a statement on the matter. [30270/11]

Minister for Social Protection (Deputy Joan Burton): The family income supplement (FIS) is designed to provide income for employees on low earnings with families. This preserves the incentive to remain in employment in circumstances where the employee might only be marginally better off than if he or she were unemployed and claiming other social welfare payments.

To qualify for payment of FIS, a person must be engaged in full-time insurable employment which is expected to last for at least 3 months and be working for a minimum of 38 hours per fortnight or 19 hours per week. A couple may combine their hours of employment to meet the qualification criteria. The applicant must also have at least one qualified child who normally resides with him/her or is supported by him/her. Furthermore, the average family income must be below a specified amount which varies according to the number of qualified children in the family.

The “hours worked” requirement has been reduced significantly since the introduction of the scheme in 1984. The requirement was initially set at 30 hours per week but was progressively reduced to 19 hours per week in 1996. Further reducing the “hours worked” requirement could have expenditure implications and could only be decided on in a budgetary context. For low income workers (or potential workers) with less than the minimum hours of employment or who are working on a casual basis, unemployment payments provide for daily disregards and tapered withdrawal of payment which address the loss of social welfare benefits through taking up employment.

While there are no immediate plans to make any significant changes to the qualifying criteria for FIS, the Deputy should note that family and child income supports are currently being examined by the Advisory Group on Tax and Social Welfare, which I established last June. The Group has been tasked with recommending cost-effective solutions as to how employment disincentives can be improved and better poverty outcomes achieved, particularly child poverty outcomes.

Social Welfare Appeals

66. **Deputy Dan Neville** asked the Minister for Social Protection when a jobseeker’s allowance claim which has been referred to the appeals office will be dealt with in respect of a person (details supplied) in County Limerick; and if an oral hearing will be allowed. [30275/11]

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 6 August 2011. It is a statutory requirement of the appeals process that the relevant Departmental papers and comments by or on behalf of the Deciding Officer on the grounds of appeal be sought.

These papers were received in the Social Welfare Appeals Office on 17 August 2011 and the appeal has been referred to an Appeals Officer, who will decide whether the case can be decided on a summary basis or whether to list it for oral hearing.

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

67. **Deputy Pat Breen** asked the Minister for Social Protection the reason a person (details supplied) in County Clare cannot be facilitated while applications are pending; and if she will make a statement on the matter. [30286/11]

Minister for Social Protection (Deputy Joan Burton): The community welfare service (CWS), and the community welfare officers providing it, formally transferred to the Department of Social Protection (DSP) from 1 October 2011. The service and the staff are now part of the DSP. Departmental records show that the person concerned is currently in receipt of a weekly supplementary welfare allowance payment at the rate appropriate to his family circumstances pending a decision regarding his entitlements to a primary payment.

Social Welfare Appeals

68. **Deputy Paul J. Connaughton** asked the Minister for Social Protection when a decision will issue on a disability allowance appeal in respect of a person (details supplied) in County Galway; and if she will make a statement on the matter. [30291/11]

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 5 October 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 Code

69. **Deputy Mattie McGrath** asked the Minister for Social Protection if she will consider making amendments to the eligibility criteria for schemes such as TUS, FÁS training courses, the community employment scheme and so on to ensure that applicants who are not in receipt of jobseeker's allowance payment due to the income of their spouse, partner or parents are not prevented from participating in skills programmes; her views on this matter; how she proposes that such persons improve their skills to increase their chances of gaining employment; and if she will make a statement on the matter. [30292/11]

Minister for Social Protection (Deputy Joan Burton): I have already indicated to this House that I wish to review and consider improvements to the operation of a number of programmes and initiatives funded by the Department of Social Protection to support people who are unemployed to get back into work, further training and/or education. Matters relating to extending the current eligibility criteria to those that are not in receipt of a social protection payment can only be considered in the context of a wider ranging review.

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Eligibility for training courses provided by FÁS is a matter for my colleague the Minister for Education and Skills.

Social Welfare Benefits

70. **Deputy Clare Daly** asked the Minister for Social Protection her plans for the future of the mortgage interest supplement scheme in view of the fact that legislative changes in relation to mortgage arrears are currently being considered. [30297/11]

Minister for Social Protection (Deputy Joan Burton): At the end of December 2010 there were 17,974 people in receipt of mortgage interest supplement, an increase of 337% over the 2007 figure. There are currently over 18,500 households benefiting from the scheme for which €77.2m has been allocated for 2011.

The Department's review of the administrative, policy and legal aspects of the mortgage interest supplement scheme was published in July 2010 in conjunction with the interim report of the Mortgage Arrears and Personal Debt Review Group. The final report of the Mortgage Arrears and Personal Debt Review Group was published in November 2010. These reports set out a number of recommendations. These recommendations are centred on the delivery of customer service improvement by ensuring that State support for those unable to deal with mortgage arrears is better targeted, consistent and easily understood. Allied with the focus on customer service improvements are recommendations that seek to ensure that lending institutions, borrowers and the Exchequer share responsibilities and commitments in a balanced way.

The recommendations set out in the Mortgage and Personal Debt Review Group's final report were considered by the Inter-Departmental Mortgage Arrears Working Group whose report to the Government's Economic Management Council was published on the 12th October 2011.

My Department's officials are currently examining this report and considering the implications of the recommendations.

Employment Support Services

71. **Deputy Seán Kyne** asked the Minister for Social Protection if a waiver will be introduced for the three-month waiting period for application for social welfare schemes after the conclusion of the leaving certificate exams for school-leavers who wish to participate in the work placement programme, as the current situation excludes such persons from the WPP until six months, at the earliest, have elapsed since the leaving certificate exams, owing to the stipulation that a person must be unemployed for three months and in receipt of a social welfare payment before being eligible for the WPP. [30304/11]

Minister for Social Protection (Deputy Joan Burton): Anyone who is unemployed is eligible to apply for the work placement programme. There is no necessity to be in receipt of a payment from the Department of Social Protection.

72. **Deputy Aodhán Ó Ríordáin** asked the Minister for Social Protection how a person availing of the graduate work placement programme can transfer to the JobBridge programme; and if she will make a statement on the matter. [30325/11]

Minister for Social Protection (Deputy Joan Burton): The closing date for transferring work placement programme participant placements to the JobBridge programme was 31 August 2011. Applications received after this date will not be accepted.

73. **Deputy Aengus Ó Snodaigh** asked the Minister for Social Protection if a company (details supplied) has or has had any interns through JobBridge; and if so, the number of same. [30335/11]

Minister for Social Protection (Deputy Joan Burton): At present the company referred to has a total of eight internships under the JobBridge scheme.

Social Welfare Code

74. **Deputy Mattie McGrath** asked the Minister for Social Protection the logic behind the changes made in April 2011 to the age limit for a qualified child for the one parent family payment; the reason 14 years was chosen as a cut-off age; the position regarding parents who are in receipt of this payment after their youngest child turns 14 when they are not in a position to work; if there are any circumstances where the payment for new applicants can be extended beyond the age of 14; the options available to those who will be left without any payment as a result of these changes; and if she will make a statement on the matter. [30349/11]

Minister for Social Protection (Deputy Joan Burton): Legislative changes were introduced to the One-Parent Family Payment (OFP) in the Social Welfare (Miscellaneous Provisions) Act, 2010. These came into effect on 27 April, 2011. The former OFP scheme provided long-term income support to lone parents until their youngest child was aged 18, or 22 if in full-time education, without any requirement for them to engage in education, training or employment. Such long-term welfare dependency and passive income support to individuals of working age are not considered to be in the best interests of the recipient, their children or society.

The reform of the OFP scheme puts in place a model that:

- prevents long-term dependence on social welfare support and facilitates independence among parents;
- recognises parental choice with regard to the care of young children, but with the expectation that parents will not remain outside of the labour force indefinitely, and
- includes an expectation of participation in education, training and employment initiatives, with the appropriate social welfare supports provided in this regard.

The changes made to the scheme also bring Ireland's support for lone parents more in line with international provisions — where there is a general movement away from long-term and passive income support.

Under the reformed scheme, for new customers:

- payment is made until the youngest child reaches the age of 14;
- there is a special provision to allow for the continuation of the payment for lone parents who are in receipt of the Domiciliary Care Allowance, payable until the child reaches the age of 16, and
- there is a special provision for those who are recently bereaved (married, cohabiting, in a civil partnership), with no children under the age of 14, to claim the OFP for a period of up to 2 years from the date of death of their spouse/partner/cohabitant, or until their youngest child reaches the age of 18.

New customers will be written to when their youngest child reaches the age of 11 and informed of the educational, training and back-to-work opportunities available to them.

When the youngest child reaches the age of 14, a lone parent, if still in need of income support, can claim Jobseeker's Allowance or Benefit and receive the activation supports attached to that payment. These lone parents will be profiled in the future as the profiling of

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jobseekers is rolled out nationally. This will enable supports to be more effectively targeted to meet individual customer needs, with a case management approach being adopted in supporting them back to education, training and employment. Lone parents who are in low-paid employment of 19 hours or more per week, and earning below the relevant income threshold, they can claim the Family Income Supplement.

Under the reformed scheme, for existing customers, there will be no change to the payment in 2011 or 2012. The age limit for the receipt of the payment will, from 2013 onward, be reduced on a yearly basis — from the age of 17 that year to 16 in 2014, to 15 in 2015 and to 14 in 2016.

It is planned, over time and as resources permit, to provide more structured interventions from the Department/FÁS to support lone parents into education, training and employment from the claim-award stage.

Appointments to State Boards

75. **Deputy Sean Fleming** asked the Minister for Arts, Heritage and the Gaeltacht the number of appointments he has made to State boards since 9 March 2011; if he will list the names of each of these appointments and the boards to which they were appointed. [30199/11]

Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan): Twenty appointments were made by me to State boards since 9 March 2011, as set out in the following table.

Name of Body	Appointments since 9th March 2011
National Gallery of Ireland	Fred Krehbiel
National Concert Hall	Kieran Tobin (Chair) Dearbhla Collins John McGrane Laurie Cearr Gina Menzies Bruce Arnold Margaret Ryan Ray Bates Alma Hynes Artemis Kent Deborah Kelleher Peter McEvoy Pat Heneghan Rachel Holstead Patricia Slavin
Arts Council	Eimear O'Connor Ciaran Walsh Mark O'Regan John Fanning

Maoiniú d'Eagrais Ghaeilge

76. D'fhiafraigh **Aengus Ó Snodaigh** den Aire Ealaíon, Oidhreachta agus Gaeltachta an bhfuil aon chinneadh déanta aige, nó ag a Roinn nó ag Foras na Gaeilge, maoiniú ón Stát do na heagrais óige atá lonnaithe sa Stát seo, mar shampla Cumann na bhFiann, a tharraingt siar nó a laghdú [30301/11]

77. D'fhiafraigh **Aengus Ó Snodaigh** den Aire Ealaíon, Oidhreachta agus Gaeltachta, cén uair a bheidh polasaí ann lena gcinnteofar gur ar bhonn uile-Éireann a bheidh ár n-eagrais

Ghaeilge eagraithe, seachas ar bhonn 26 Chontae, má táthar ag rá gur eagrais náisiúnta iad ar mhaithe le deontais a fháil ón Lár-Chiste [30302/11]

Minister of State at the Department of Arts, Heritage and the Gaeltacht (Deputy Dinny McGinley): Tógfaidh mé Ceisteanna 76 agus 77 le chéile.

Mar thoradh ar athbhreithniú seachtrach ar na heagraíochtaí a fhaigheann bunmhaoiniú ó Fhoras na Gaeilge, Cumann na bhFiann san áireamh, d'aontaigh an Chomhairle Aireachta Thuaidh Theas gur chóir an cur chuige bunmhaoinithe a athrú chun cur chuige níos sruthlínithe agus níos cost-éifeachtaí a chur i bhfeidhm. Dá bhrí sin, tá sé i gceist go mbeidh Foras na Gaeilge ag athrú ó mhúnla bunmhaoinithe don 19 n-eagraíocht atá i gceist go múnla iomaíoch, bunaithe ar scéimeanna faoina ndéanfar tosaíochtaí straitéiseacha éagsúla a sheachadadh.

Ag cruinniú den Chomhairle Aireachta Thuaidh Theas ar 12 Deireadh Fómhair, nótáladh an dul chun cinn atá déanta ag Foras na Gaeilge go dtí seo i ndáil le punann dréacht-scéimeanna a ullmhú don tsamhail mhaoinithe iomaíoch nua, a bhfuil sé mar sprioc aici tairbhí suntasacha luach ar airgead a bhaint amach agus dualgais reachtúla Fhoras na Gaeilge a chomhlíonadh go héifeachtach.

Iarradh ar Fhoras na Gaeilge roinnt céimeanna a thógáil chun an próiseas athbhreithnithe a thabhairt chun cinn, eadhon:

- tréimhse bhreise chomhairliúcháin 12 seachtain a chur ar fáil i ndáil le punann na ndr éacht-scéimeanna, go háirithe leis na heagraíochtaí bunmhaoinithe;
- a chinntiú go dtabharfar deis do chomhlachtaí reachtúla bainteacha an tionchar a bheidh ag na dr éacht-scéimeanna ar a réimsí feidhmiúcháin a bhreithniú;
- an punann dr éacht-scéimeanna a leasú de réir mar is gá agus mar is cuí, ag féachaint don phróiseas comhairliúcháin leathnaithe;
- cás gnó mionsonraithe a ullmhú, le cúnaimh neamhspleách más gá, chun tacú le punann na ndr éacht-scéimeanna;
- plean tionscadail athbhreithnithe a ullmhú, i gcomhar leis na Ranna Urraíochta, a thabharfaidh aird mar is cuí ar chur i gcrích an phróisis athbhreithnithe mar bheart práinne; agus
- tuarascáil eile ar an dul chun cinn a sholáthar don chéad chruinniú eile den Chomhairle Aireachta Thuaidh Theas i mí Feabhra 2012.

I bhfianaise na gcinntí sin, tuigfidh an Teachta nach mbeadh sé cuí domsa a bheith ag tabhairt mo bhreithiúnais maidir leis an tsamhail mhaoinithe nua i láthair na huaire, ach bheinn ag glacadh leis go dtabharfar san áireamh, sa phróiseas thuasluaite, an cheist atá luaite ag an Teachta maidir leis an mbonn faoina bhfeidhmeoidh na heagraíochtaí a bheidh le maoiniú faoin gcóras nua amach anseo.

Turbary Rights

78. **Deputy Marcella Corcoran Kennedy** asked the Minister for Arts, Heritage and the Gaeltacht if he will review an application for compensation by a person (details supplied) for ceasing to cut turf at the Bawn bog, County Offaly, which is part of Clara bog, which was cut for domestic use only; and if he will make a statement on the matter. [30337/11]

Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan): Officials from my Department have been dealing with this application over a number of years. Following extensive negotiations an agreement was reached for my Department to purchase turbary rights from this individual on designated land located in the relevant Special Area of Conservation.

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The purchase of these rights was finalised in November 2007. A subsequent application for compensation was received by my Department in relation to this case. This claim has been rejected on foot of legal advice that the European Communities (Natural Habitats) Regulations 1997 exclude the payment of compensation where an agreement for the purchase of the land, including turbary rights, by the Minister is concluded. Confirmation of same was sent to the solicitors acting for the applicant in July of this year.

Departmental Funding

79. **Deputy Kevin Humphreys** asked the Minister for Arts, Heritage and the Gaeltacht the assistance available to a not-for-profit studio group (details supplied). [30418/11]

Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan): My Department has no role in relation to sourcing accommodation, or providing assistance towards the cost of sourcing such accommodation, for any group of the nature referred to by the Deputy, whether not-for-profit, or otherwise. As I mentioned in replies to previous Parliamentary Questions, I have met the chair and chief executive of NAMA in relation to the potential use of NAMA buildings for cultural purposes. As the Deputy and the House will, however, appreciate, NAMA is required to deal with a range of sensitive financial matters in carrying out its functions and is restricted in regard to the information it may make available in relation to assets.

Question No. 80 answered with Question No. 23.

State Agencies

81. **Deputy Joan Collins** asked the Minister for Communications, Energy and Natural Resources his input into NewERA; if he will comment on the discussion about the disposal of State assets; and if he will make a statement on the matter. [30235/11]

Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Fergus O'Dowd): The Government announced the establishment of the New Economy and Recovery Authority (NewERA), in line with the Programme for Government on 29th September last. NewERA is being initially established on a non-statutory basis as a Shareholder Executive within the NTMA.

NewERA will carry out the corporate governance function, from a shareholder perspective, of ESB, Bord Gáis, EirGrid, Bord na Móna and Coillte, reporting to the relevant Ministers. Its operation will be overseen by the Cabinet Committee on Economic Infrastructure. In this capacity, NewERA will have responsibility for reviewing capital investment plans of these commercial semi state companies from a shareholder perspective and will identify possible synergies between investment programmes of different State companies. Where requested by Government, it will also advise on, and if appropriate oversee, any restructuring of State companies and it will work with the Minister for Public Expenditure and Reform on the disposal of State assets.

NewERA will initially be established on a non-statutory basis as a Shareholder Executive within the NTMA. It will bring forward proposals for consideration by Government on options for moving towards a full holding company status which could own the shares in commercial semi-states. The establishment of NewERA and the Strategic Investment Fund under the NTMA are important elements in the Government's strategy to create jobs and promote economic growth.

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 Energy, Water and Broadband. It will also examine other commercial investments and build upon existing work by the NPRF by developing a Strategic Investment Fund.

NewERA will have the following functions:

- corporate governance from a shareholder perspective of the following Commercial Semi-State (CSS) companies: ESB, Bord Gáis, EirGrid, Bord na Mona, Coillte;
- working with Departments to develop and implement proposals for investment in line with NewERA Programme for Government commitments in Energy, Water and Next Generation Telecommunications;
- working with the National Pension Reserve Fund (NPRF) to bring forward proposals for investment of available resources in the NewERA initiative;
- developing a Strategic Investment Fund, drawing on NPRF resources, with the medium-term goal of establishing a Strategic Investment Bank;
- reviewing capital investment plans of these CSS companies from a shareholder perspective;
- identifying possible synergies between investment programmes of different CSS companies;
- where requested by Government, advising on, and if appropriate overseeing any restructuring of CSS company assets, and supporting the work of the Minister for Public Expenditure and Reform who has responsibility for the disposal of State assets;
- based on progress with the initial phase of its work, considering a model(s) for a holding company structure which could own the shares in CSS companies.

The Government has made clear its intention to ensure that State Companies play a full role in Ireland's economic recovery. The Energy State Companies are already engaged in significant programmes of infrastructure investment. We must ensure that all the investment programmes of the State Companies are cost effective, strategic and subject to rigorous shareholder scrutiny and, where appropriate, regulatory oversight. NewERA will have a key role to play in this regard on behalf of the Government's shareholder interests in the State Companies. NewERA will also work to develop and implement proposals for commercial investments in line with the Programme for Government commitments in Energy, Water and Broadband.

Now that the Authority has been formally established, I am confident that progress can be made on necessary investment under the aegis of New ERA with consequential positive direct and indirect jobs impact. The sale of a minority stake in the ESB as an integrated utility has been agreed by Government. This decision is an early demonstration of the commitment by the Government to the Programme for Government objectives and to its obligations under the EU/IMF MoU.

This sale will be advanced by means of a defined process involving a full evaluation of the best approach to be taken, including consideration of the size of the minority stake to be sold. The process is being progressed by a group co-chaired by the Department of Communications, Energy and Natural Resources and the Department of Public Expenditure and Reform, and also including officials from the Department of Finance and the National Treasury Management Agency (NTMA)/NewERA.

Telecommunications Services

82. **Deputy Pat Deering** asked the Minister for Communications, Energy and Natural

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Resources the number of applications that have been received for the rural broadband scheme from persons living in the Palatine/Burton Hall area of County Carlow; and when improved broadband will be available in this area as a result of their applications. [30280/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Almost 5,000 applications have been received under the Rural Broadband Scheme and my Department is currently processing applications where address details need to be clarified — this is a time consuming exercise but the aim is to clear these applications over the coming weeks. On a provisional basis I can say that a total of 52 applications have been received from County Carlow and 7 of these are from the Palatine/Burton Hall area. Final numbers will not be known until all applications have been processed. Once all applications have been processed I will make information available on the Department’s website on the total number of applications and a breakdown by county.

The next step in the scheme is the Verification Phase, in which the Department will give Internet service providers the opportunity to serve the applicants under normal commercial terms. Subject to agreement with the companies concerned, the Verification Phase should be carried out over the period October 2011-January 2012. We would expect that some of the applicants under the Scheme will be offered a service by these companies during this phase.

The procurement process is expected to commence in parallel to select a service provider to offer a service to remaining applicants once the Verification Phase has been completed. My Department expects to identify the preferred supplier by the end of January 2012 and pending contract negotiations a service provider will be appointed by mid-February 2012. Roll out of the service under the Scheme is expected to be completed by the end of 2012.

83. **Deputy Charlie McConalogue** asked the Minister for Communications, Energy and Natural Resources the efforts that have been made by him and his Department or through the appropriate Oireachtas committee to address the issue of mobile phone and data roaming charges in the Republic and Northern Ireland in recent years; and if he will make a statement on the matter. [30332/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): The regulation of roaming charges is an EU competency following the publication of Regulation (EC) No 717/2007 of the European Parliament and of the Council of the 27 June 2007 on roaming on public mobile telephone networks within the Community and amending Directive 2002/21/EC. This Regulation, as amended, imposes maximum wholesale and retail roaming prices on mobile service providers and additional obligations to protect customers from bill shock.

The EU Commission in its more recent communication A Digital Agenda for Europe, published August 2010, proposes that “the difference between roaming and national tariffs should approach zero by 2015.” The current Regulation is due to expire in June 2012. The EU Commission recently presented the text of a revised draft Regulation to exert further downward pressure on roaming tariffs to the Council and EU Parliament for consideration. Ireland called for the first Roaming Regulation at the Spring Council in 2006 on the grounds of protecting consumers from high roaming and supports the EU Commission’s current proposal to exert further downward pressure on roaming charges, subject to further detailed scrutiny in developing a formal Regulation of the European Parliament and the Council.

Electricity Transmission Network

84. **Deputy Seán Conlan** asked the Minister for Communications, Energy and Natural

Resources his view on EirGrid's assertion that the savings from the proposed North-South interconnector are slightly lower but very similar to the savings from the east-west interconnector, in view of the fact that fuel mix in the United Kingdom is different, that there exists tighter correlation of wind generation in Northern Ireland and Ireland compared to Ireland and the United Kingdom, and in view of the interconnection of the United Kingdom with the Netherlands and France as well as limits on the Moyle interconnector; and if he will make a statement on the matter. [30356/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I am not aware of EirGrid making any assertion that the savings from the proposed North-South interconnector are slightly lower but very similar to the savings from the East-West interconnector.

A summary of the net savings associated with the East-West interconnector are included in the 2009 "Interconnection Economic Feasibility Report" published by EirGrid. This report examines the economic feasibility of interconnection between the island of Ireland (the All Island (AI) system) and Great Britain or France and includes a range of cost savings associated with additional levels of interconnection capacity. In the case of the East-West interconnector, base case net savings in the range of €42m to €85m per annum are forecast. These net benefit figures comprise of production cost savings (fuel and CO₂) and capacity benefits (linked to generation adequacy and capacity payments) and is net of the annualised capital costs of the East-West Interconnector.

EirGrid is currently carrying out a re-evaluation of the North-South interconnection project. As part of this review, a study is underway to quantify the savings associated with the North-South interconnector. Initial results from this study, which will be published shortly, indicate cost savings in the range €20m to €30m per annum. While the economic feasibility studies for each of the interconnectors has been undertaken separately, each study was based on the assumption that both interconnectors were in place. This ensures that the full savings benefit that can be realised to consumers through these strategically critical electricity infrastructure investments is quantified.

Together, both interconnectors will play a significant role in ensuring that Ireland will meet its 40 percent renewable energy target by 2020. The benefits include, in the case of the North-South interconnector, support for the efficient operation of the Single Electricity Market and the related strengthening of the all Island transmission network while the East-West interconnector will provide additional and significant reduction in potential levels of wind curtailment. The latter is in part related to less correlated wind profiles between the All-Island system and neighbouring systems. These differences are fully reflected in both studies.

85. **Deputy Seán Conlan** asked the Minister for Communications, Energy and Natural Resources the discount rate used to work out the feasibility of Eirgrid projects; and if he will make a statement on the matter. [30357/11]

86. **Deputy Seán Conlan** asked the Minister for Communications, Energy and Natural Resources the time horizon Eirgrid uses in assessing feasibility; and if he will make a statement on the matter. [30358/11]

87. **Deputy Seán Conlan** asked the Minister for Communications, Energy and Natural Resources if 110 kV interconnector lines will be upgraded; if so, the voltage of the upgraded lines; if they will be upgraded, the reason they were not considered in the feasibility studies carried out in the early 2000s; and if he will make a statement on the matter. [30420/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I propose to take Questions Nos. 85, 86 and 87 together.

The discount rate used by EirGrid for investment appraisals and feasibility studies has been informed by and is consistent with regulatory determinations. The Commission for Energy Regulation recently determined the regulated real pre-tax Weighted Average Cost of Capital as 5.95%.

The time horizon used by EirGrid for investment appraisals and feasibility studies has been informed by and is consistent with regulatory determinations. In this regard, the Commission for Energy Regulation has recently determined that the Regulatory Asset Base would continue to be depreciated over 50 years.

The planning, development and routing of transmission line infrastructure is a matter for EirGrid, which is the State owned body responsible for the electricity transmission system. I have no statutory function regarding the planning and construction of energy networks.

However, I can confirm that there are two existing 110 kV cross border circuits connecting between the Republic of Ireland and Northern Ireland. One circuit connects Letterkenny in County Donegal to Strabane in County Tyrone; the other connects Corraclassy in County Cavan to Enniskillen in County Fermanagh. The 110kV network on both sides of the border, in these border counties, is relatively weak and the two 110kV cross border circuits were installed in order to provide emergency local support in one jurisdiction in the event of a problem in the other.

They operate as standby circuits and do not carry power under normal circumstances.

The quantity of electrical power that can be transferred via these existing cross border 110 kV circuits is constrained not only by the power carrying capacity of the circuits themselves but also by the weak 110 kV network into which they connect, on both sides of the border.

To increase the power transfer capacity of the existing cross border 110 kV circuits would therefore require an upgrade of not just the circuits themselves but also an extensive and deep upgrade of the 110 kV networks in both jurisdictions. Implementing such an upgrade by increasing the voltage rating of the existing circuits up to, say 275 kV, would require a re-build of the networks on both sides of the border. This would require such prolonged outages in the areas concerned that, even if such a rebuild of the network was feasible from an environmental and public planning perspective, it cannot be considered as a practical proposition. As a consequence it was not considered as an option in the joint feasibility studies carried out by EirGrid and Northern Ireland Electricity during the years 2001-2005.

The 2001-2005 feasibility studies were recently reviewed by EirGrid as part of its project re-evaluation process. The findings of this review, published by EirGrid in its Preliminary Re-evaluation Report of May 2011, confirmed that the most appropriate option for achieving the required increase in the capacity of North South Interconnection remains the installation of a new high capacity 400 kV circuit connecting between the existing Woodland Substation in County Meath and a new substation at Turleenan in County Tyrone and routed via the vicinity of Kingscourt in County Cavan.

In July 2011 the Minister appointed an expert independent international commission to investigate the case for undergrounding all, or part of, this proposed 400 kV circuit. The Commission is expected to report its findings in the near future.

88. **Deputy Seán Conlan** asked the Minister for Communications, Energy and Natural Resources the reason the Moyle connector was run below maximum capacity; if this was maxi-

mised, if it would decrease the need for the north-south interconnector; and if he will make a statement on the matter. [30421/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): The planning, development and routing of transmission line infrastructure are a matter for EirGrid, which is the State owned body responsible for the electricity transmission system. I have no statutory function regarding the planning and construction of energy networks. In particular, I have no function regarding the Moyle electricity connector which connects Northern Ireland and Scotland.

The European Commission is giving particular strategic priority to strengthening electricity interconnection across Europe. The enhancement of regional cooperation, including improved electricity interconnectivity between Member States, is a key objective of the EU Energy Third Package.

The Government fully endorses the strategic national importance of investing in Ireland's electricity transmission infrastructure.

In that context the Meath-Tyrone 400KV Interconnector is a key strategic project for the economies and consumers both North and South. It is also critical to ensuring energy supply adequacy on the island of Ireland. It will play a significant role in ensuring that Ireland will meet its 40 percent renewable energy target by 2020. The benefits include support for the efficient operation of the Single Electricity Market and the related strengthening of the all Island transmission network.

Investment in the development and maintenance of Ireland's electricity network infrastructure is of fundamental strategic importance for the economy. Secure and reliable energy supply is a prerequisite for inward investment, for indigenous enterprise, and for all consumers.

Ireland has achieved a reliable and modern electricity infrastructure over the last decade. The building of these modern and reliable energy network systems was achieved by extensive and well executed investment by the State owned companies, ESB and EirGrid. The networks must be maintained and enhanced as necessary to ensure that Ireland has an energy infrastructure which is fully fit for purpose. Investment in strategic energy infrastructure is also a key priority for the European Union.

The Government fully endorses the strategic national importance of investing in Ireland's electricity transmission infrastructure. Delivery by EirGrid of its national grid development strategy "GRID 25" is critical to economic recovery, regional development, security of supply, competitiveness and the achievement of Ireland's renewable electricity targets.

Energy Resources

89. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources the progress made to date in the development of the Corrib gas field, with particular reference to the likelihood of supply becoming available to the domestic and industrial consumer; and if he will make a statement on the matter. [30424/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Construction of the Corrib Gas Terminal at Bellanaboy is substantially completed, as are the subsea facilities at the Corrib Gas Field. The 83km offshore section of the Corrib gas pipeline has also been installed. Following the granting of a number of statutory consents earlier this year for the construction of the onshore section of the pipeline along a revised route, work on this final element of the development has now commenced. It is estimated that construction of the

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onshore section of the pipeline, including the construction of a 5km tunnel, will take in the region of two years.

Telecommunications Services

90. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources the extent to which he can identify precise objectives for the provision of high-speed broadband throughout the entire country without exception; the extent to which precise infrastructural requirements have been identified and costed in this regard; when such targets are likely to be achieved; and if he will make a statement on the matter. [30425/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Under the NewERA proposals in the Programme for Government, there is a commitment to co-invest with the private sector and commercial semi-State sector to provide next generation broadband customer access to every home and business in the State. The next generation broadband task force has an important role in this regard. In June of this year I convened the task force which I chair and which also comprises the Minister of State with responsibility for NewERA, Deputy O'Dowd, the CEOs of all of the major telecommunications companies currently operating in the Irish market and the CEOs of some Internet service provider companies. The purpose of the task force, which will conclude its deliberations by the end of this year, is to discuss the optimal policy environment required to facilitate the provision of high speed broadband across Ireland at efficient cost for the long-term benefit of customers.

Mobile Telephony

91. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources if, directly or through the regulator, he has become aware of poor mobile phone coverage at a number of locations throughout the country; if there is an obligation on the service providers, the regulator or the Minister to ensure that the quality of such services is at least on par with that available in other jurisdictions throughout Europe or elsewhere; and if he will make a statement on the matter. [30426/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): The provision of mobile phone networks and services is undertaken by telecommunications service providers who operate in a fully liberalised market. The regulation of telecommunications service providers, including regulatory issues surrounding mobile phone network coverage and quality, is the responsibility of the Commission for Communications Regulation (ComReg) in accordance with its functions under the Communications Regulation Act 2002, as amended, and the EU Regulatory Framework for Electronic Communications. ComReg is responsible for issuing licences to mobile phone operators and for monitoring compliance with the conditions attached to the licences. I am informed by ComReg that all of the operators have met their licence requirements in this regard and, indeed, that performance tends to exceed the minimum coverage requirements.

Telecommunications Services

92. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources the extent to which the telecommunications system is now reliant on wire, wireless or satellite systems; the degree to which fibre optics is an integral part of the system; and if he will make a statement on the matter. [30427/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): The telecommunications market in Ireland, including the provision of telecommunications infrastructure, has been fully liberalised since 1999 and since then, has been regulated by the Commission for Energy Regulation (ComReg) and its predecessor, the Office of the Director of Telecommunications Regulation. ComReg gathers data from telecommunications data service providers and publishes data reports in an aggregated form where appropriate on a quarterly basis to meet confidentiality requirements <http://www.comreg.ie/>. The most recent report, for the second quarter of 2011, reports on electronic communications connection types by reference to Internet connections. There were 1,662,471 Internet connections at the end of June 2011. Fixed wire connections, including both narrowband and broadband connections, were 762,851 or 46% of all connections, followed by mobile connections at 583,755 or 35%, cable connections at 228,595 or 14%, fixed wireless connections of 78,299 or 5% followed by others, which includes both fibre and satellite connections at 8,971 or approximately to 0.5% of all Internet connections. The ComReg report does not distinguish between fibre and satellite connections. Fibre optic would also contribute a significant element within core telecommunications networks and reaching out to the level of backhaul services. However, the ComReg reports do not quantify the contribution by fibre optic or other technologies within communications networks.

93. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources if he has studied the quality, coverage and capability of telecommunication systems throughout Europe with a view to replication here; and if he will make a statement on the matter. [30428/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): The latest OECD broadband data up to June 2010 ranked Ireland 13th of 19 EU states surveyed for fixed line broadband penetration per 100 inhabitants and third of 18 EU states surveyed for wireless broadband penetration per 100 inhabitants. However, such surveys are confined to retail services only. They do not measure customised electronic services provided over leased lines or Ethernet services provided to businesses under negotiated terms, nor do they consider service availability outside the largest city served by the service providers examined. A wider report on broadband services in 72 countries published in 2010 by the University of Oxford and the University of Oviedo in Spain concluded that the broadband services currently available in Ireland are capable of meeting the requirements of today's broadband applications and overall, in terms of broadband quality and penetration, ranks Ireland 13th of the 72 countries studied.

Offshore Exploration

94. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources the extent of any oil, mineral, gas or other valuable discoveries in the past 12 months; and if he will make a statement on the matter. [30429/11]

95. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources the number of oil, gas or other drilling explorations currently in progress on or offshore; the degree to which commercial viability has been identified; and if he will make a statement on the matter. [30430/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I propose to take Questions Nos. 94 and 95 together.

There have been no new commercial discoveries of oil and gas, or other minerals within the jurisdiction of the Irish State in the past twelve months. While there are no petroleum drilling operations currently in progress on or offshore within the jurisdiction of the Irish State, plans

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are at an advanced stage for the drilling of an appraisal well in the Celtic Sea and this drilling operation could begin as early as November.

With regard to non-petroleum minerals 517 mineral prospecting licences are currently active. Drilling is a feature of exploration activities and takes place from time to time in each licence area. Details of these licences can be found in the six-monthly report to the Oireachtas, which I am obliged to lay before the Houses under the Minerals Development Acts, 1940 to 1999. This report is also available on my Department's website.

While no new commercially viable deposits of non-petroleum minerals have been discovered in the past ten years, there have been some encouraging results, particularly in Counties Limerick and Clare. However, it is too early to determine whether these results will lead to identification of commercially viable deposits or to estimate the economic benefits that might accrue.

Postal Services

96. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources the degree to which he continues to monitor the development of the postal services in the aftermath of deregulation with particular reference to the need to meet current and future demands; and if he will make a statement on the matter. [30431/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): The Government's core policy goal for the postal sector is to ensure that Irish customers, both business and residential, enjoy competitively priced, high quality postal services. The Communications Regulation (Postal Services) Act 2011, which was enacted in August 2011, has put in place a robust and appropriate regulatory framework for the postal services market, which will offer certainty and protection to An Post, the designated universal postal service provider, its competitors, and postal service users.

While I have overall responsibility for the postal sector, the Act charges the Commission for Communications Regulation (ComReg), as the postal regulator, with the promotion of the development of the postal sector, particularly the availability of the universal postal service, the promotion of the interests of users and the facilitation of the development of competition in the sector.

Energy Resources

97. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources the degree to which he has planned for the future development of the country's natural resources; and if he will make a statement on the matter. [30432/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): Petroleum exploration in Ireland, in common with most other jurisdictions, is carried out by private enterprise under licence from the State. Petroleum exploration authorisations are issued under the Petroleum and Other Minerals Development Act 1960 and the operational framework is set out in the Licensing Terms for Offshore Oil and Gas Exploration, Development & Production 2007. In announcing the outcome to the 2011 Licensing Option Round, I indicated that while the outcome of the Licensing Round was positive in terms of the number of applications received, it is a matter of some concern that a relatively small number of applications were received over large parts of the deeper water basins where significant petroleum potential has also been indicated. We need to encourage attention in terms of our deeper water basins, seek strategies to fill data gaps and encourage an increase in drilling and data acquisition levels. I

made clear that now is a time for innovative and inventive thinking and that I am open to changes in the regulatory framework that would encourage a greater focus by both contractors and exploration companies on under-explored areas of the Irish offshore.

Non-Petroleum minerals exploration is undertaken by private enterprise under Prospecting Licences issued under the Minerals Development Acts, 1940 to 1999. At present there are 517 active Prospecting Licences. Details of these licences can be found in the six-monthly report to the Oireachtas, which I am obliged to lay before the Houses under the Minerals Development Acts, 1940 to 1999. This report is also available on my Department's website. Following substantial consultation with industry and other interests, a major project to update and consolidate minerals legislation is underway and I would intend to bring forward a very substantial Minerals Development Bill in the New Year.

Energy Prices

98. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources the degree to which he can interact with his EU colleagues with a view to achieving lower energy prices; and if he will make a statement on the matter. [30433/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I do not have a statutory function in the setting of energy prices, whether in the regulated or unregulated market. Responsibility for the regulation of the electricity and gas markets is a matter for the Commission for Energy Regulation, CER, which is an independent statutory body. Prices in the retail electricity market are now fully deregulated and from 1 October 2011 gas residential consumers are the only segment of the electricity and gas markets where prices are regulated. Prices in the electricity market and unregulated part of the gas market are wholly a commercial and operational matter for the suppliers. Ireland's electricity and gas markets, both wholesale and retail, are characterised by vigorous competition regulated by the CER.

The Government recognises that the cost of energy in Ireland is a serious competitiveness issue facing energy consumers during this difficult period for the economy. The provision of secure, sustainable and competitive energy supplies is critical for the economy and is a challenge we are determined to meet.

Global gas and oil prices have risen sharply since the start of 2011 driven by events in North Africa and Japan and high demand from the emerging economies of China and India. There are clear indications that international oil and gas prices will rise further over the coming months. These trends are leading to higher domestic electricity and gas prices, as reflected by recent increases in domestic electricity prices announced by the suppliers competing in that market and by CER's decision to allow an increase in BGE's regulated gas tariff for the residential sector.

Given Ireland's heavy reliance on imported gas and oil and relatively small market size, it is a price taker in the global fossil fuel market. The economy is therefore vulnerable to fossil fuel price fluctuations and price rises. Competitor countries are in many instances facing the same prospect and the objective in the context of higher global prices must be that we retain or improve our competitive position.

Ireland's concerns about high oil and gas prices are shared at EU level and fellow Member Countries of the International Energy Agency (IEA). The EU and IEA agree that high fossil fuel prices which pose a threat to economic recovery underline the need to reduce dependence on fossil fuels by radically enhanced energy efficiency measures and the development of renewable energy.

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EU energy Ministers have focused in recent years on bringing about change in Europe's electricity and gas markets, for example, as regards industry structure, the extent of competition, security of gas supply and greater EU energy market integration. EU targets have been set for 2020 in relation to both energy efficiency and renewable energy. These EU developments have at the same time allowed for Member State subsidiarity in these matters, especially in relation to their fuel mixes. The successful implementation of these policies should contribute to a lesser dependence on fossil fuels, and therefore a lower vulnerability to global price increases in such fuels.

At a national level, our competitive energy market helps put downward pressure on prices. In addition, we must focus on all possible additional actions to mitigate costs where possible for business and domestic customers. This is essential for competitiveness, employment and for economic recovery. I am committed to working with enterprise and with the energy sector to ensure that the costs of energy are as competitive as possible through those measures at our disposal including sustained focus on energy efficiency and renewables.

99. **Deputy Charlie McConalogue** asked the Minister for Communications, Energy and Natural Resources his plans to exclude charities, voluntary and community organisations and sporting clubs from the public service obligation levy; and if he will make a statement on the matter. [30437/11]

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): The Public Obligation Service (PSO) levy has been in place since 2001 and is the support mechanism for peat generation, the development of renewable electricity, and certain plant necessary for security of supply. The levy is designed to compensate electricity suppliers for the additional costs they incur by purchasing electricity generated by plant qualifying under these three headings. The levy has supported the connection of more than 1,400 MW of renewable energy, mostly wind, to the electricity grid over the last decade. The PSO also supports the output of two gas fuelled power plants built in 2005 to secure much needed generation capacity at the time.

The Commission for Energy Regulation determines the PSO levy which is a charge on all electricity customers without exception. The legal basis for the PSO levy and its method of calculation are set out in regulations made under the Electricity Regulation Act 1999. The scheme sets out that the levy applies to all electricity customers and the levy amount is reviewed annually. The PSO levy for 2011/2012 (exclusive of VAT of 13.5%) is €19.33 for residential customers and €57.22 for small to medium sized business customers. On a VAT exclusive basis, this roughly equates to €1.61 per month, or €3.22 every two months, for residential customers and €4.77 per month, or €9.54, every two months for small to medium sized business customers.

In general terms, the cost of the PSO levy to the consumer tends to be low or zero when gas and oil prices are high, as in these cases the market adequately rewards renewable and conventional generation including the peat stations. However, when fossil fuel prices are low, peat and renewable generators become less competitive and suppliers need to be compensated for purchasing their output. The fall in gas prices in the two years up to September 2010 accounts for the re-emergence of the PSO levy as a positive amount on all customers' bills from October 2010 onwards.

While I fully understand and appreciate concerns about the cost of the PSO levy to customers, it is the Government's position that increasing the share of renewable energy in electricity generation in Ireland, will enable Ireland reduce its fossil fuel dependence and vul-

nerability to rises in international fossil fuel prices. The PSO levy supports that development and increased security of supply in electricity generation.

Nuclear Safety

100. **Deputy Robert Dowds** asked the Minister for the Environment, Community and Local Government his views on the recent report by the United Kingdom's Chief Inspector of Nuclear Installations on the nuclear facilities and storage of radioactive material at Sellafield. [30272/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): Following the serious nuclear accident at the Fukushima nuclear power plant in Japan in March 2011, the UK Secretary of State for Energy and Climate Change requested the UK's Chief Inspector of Nuclear Installations, to examine the circumstances of the Fukushima accident to see what lessons could be learned to enhance the safety of the UK nuclear industry. The Inspector's final report was published on 11 October 2011.

The report considers implications for all of the UK's nuclear facilities, including those at Sellafield.

Conclusions drawn by the report which are of interest from an Irish perspective include the following:

- In considering the direct causes of the Fukushima accident the report sees no reason for curtailing the operation of nuclear power plants or other nuclear facilities in the UK;
- The report finds that there is no need to change the present siting strategies for the new generation of nuclear power stations in the UK;
- The report concludes that the UK Government, the Nuclear Decommissioning Authority and the Sellafield Licensee must continue to pursue the Legacy Ponds and Silos remediation and retrievals programme at Sellafield with utmost vigour and determination.

This is a detailed technical report whose content is being further examined by my Department, together with the Radiological Protection Institute of Ireland (RPII) in line with its statutory function in respect of monitoring developments abroad relating to nuclear installations and radiological safety generally, and keeping the Government informed of their implications for Ireland.

Waste Disposal

101. **Deputy Paudie Coffey** asked the Minister for the Environment, Community and Local Government the guidelines and laws in place that control the practice of burning rubbish and gorse outdoors; the protection afforded in law to the property of landowners adjacent to areas that are burned; if he intends to make any improvements in this area; and if he will make a statement on the matter. [30218/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): The Waste Management (Prohibition of Waste Disposal by Burning) Regulations 2009 explicitly prohibit a holder of waste from disposing of it by uncontrolled burning. The burning of uncontaminated wood, trees, tree trimmings, leaves, brush, or other similar waste generated by agricultural practices is exempt from the burning prohibition but only as a last resort following efforts to either recycle or reduce the waste arising in accordance with good agricultural practice. The local authority is required to be notified in advance of any such burning of waste and there are requirements on the person carrying out the disposal to take all reasonable

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measures to limit the overall nuisance or possibilities for endangering human health or causing environmental pollution or damage to adjoining hedgerows or habitats. This exemption applies until 1 January 2014 when such activities will require registration with local authorities and be subject to the controls set out in the waste facility permit legislation. Local authorities may also exempt certain local cultural events if they so wish.

All local authorities have dedicated multi-disciplinary Waste Management Enforcement Teams, supported by funding from the Environment Fund operated by my Department. Over 120 local authority waste enforcement officers are currently being supported in this way in performing a wide range of enforcement activities including policing and prosecuting breaches of the Waste Management (Prohibition of Waste Disposal by Burning) Regulations.

In addition, under Section 24 of the Air Pollution Act, the occupier of any premises must not cause or permit an emission from such premises in such a quantity, or in such a manner, as to be a nuisance. Compliance with the Air Pollution Act is enforced by local authorities, who have powers under the legislation to investigate complaints relating to air pollution. A local authority may, in order to prevent or limit air pollution, serve a notice on the occupier of any premises from which there is an emission, specifying the measures deemed to be necessary in order to prevent or to limit air pollution.

The Department of Agriculture, Food and the Marine is currently finalising a Code of Practice on Prescribed Burning. This Code of Practice will emphasise the paramount importance of safety and consideration for neighbours and wider communities in planning and implementing agricultural burning operations. The Code will also recommend close consultation and cooperation with all interested parties, including neighbouring landowners in particular, in planning such burning operations.

Waste Management

102. **Deputy Michelle Mulherin** asked the Minister for the Environment, Community and Local Government the details of plans to restructure Ireland's waste market and to restrict side-by-side competition; and if he will make a statement on the matter. [30288/11]

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): The Programme for Government contains 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.

Social and Affordable Housing

103. **Deputy Richard Boyd Barrett** asked the Minister for the Environment, Community and Local Government how children's welfare will be protected in the new social housing policy; and if he will make a statement on the matter. [26069/11]

Minister of State at the Department of the Environment, Community and Local Government (Deputy Willie Penrose): National policy in relation to child care is the responsibility of the Minister for Children and Youth Affairs. Within this context local authorities are involved in promoting child care at local level through a range of policies and activities. County/City Child care committees operate under the auspices of the local government-led County/City Development Boards to support a co-ordinated and integrated approach to child care in their area.

Local authorities are represented on these committees. Multi-Agency Children Services Committees are currently being piloted in four local authorities and a further number of local authorities have applied to establish Children Services Committees within their area. The aim of these committees is to test models of best practice which promote integrated locally led strategic planning for child services across agencies. In relation to planning, local authorities have been required since 2001 to provide for crèche facilities in new residential developments. This requirement has been further reinforced by more recent and updated statutory guidelines. I am satisfied that local authorities are contributing to the development and implementation of child care policies in their areas. Finally, I might also add that guidelines for the protection of children were developed in 2008 and provided to local authorities by the Local Government Management Services Board.

Regarding the accommodation needs of children, the provision of accommodation specifically for children, where necessary, is a matter for the Health Service Executive. Accommodation of children in family contexts is provided for through a range of housing supports operated by local authorities, as outlined in the recently published Housing Policy Statement.

Visa Applications

104. **Deputy Pat Breen** asked the Minister for Justice and Equality if, in order to boost tourism visitor numbers from China, he will arrange for an individual tourist visa online application option to be added to the Irish Embassy's website in China. [30237/11]

Minister for Justice and Equality (Deputy Alan Shatter): I can assure the Deputy that my Department is actively pursuing initiatives in the immigration area to encourage and support tourism from China. In particular, I would point to the Visa Waiver Programme for the holders of Short Stay UK visas which commenced on 1 July of this year. Under the programme, holders of the appropriate UK visa are exempt from the requirement to also hold an Irish visa to travel to Ireland. The Visa Waiver Programme covers nationals of a total of sixteen countries, including China.

In relation to the matters referred to by the Deputy, I can say that the creation of a specific Tourist Visa category is being examined by my Department. However, and not wishing to pre-empt the outcome of any such examination, there are challenges involved such as finding an accurate definition of what a Tourist is as opposed to the many and often varied reasons for wishing to travel to Ireland, for example a business trip concluding with a short holiday. The difficulty in accurately defining a Tourist for immigration purposes is not unique to Ireland and many visa regimes worldwide do not define Tourist as a specific visa category. For example, the central Visa Code governing the issuing of Schengen visas specifically avoids trying to define a Tourist category, but instead asks the visa applicant in detail their various reasons for wishing to travel. I should also point out that any technical changes to central visa system would not be without cost and must be considered in light of current budgetary constraints.

Multi-Unit Developments Act

105. **Deputy Noel Grealish** asked the Minister for Justice and Equality, with reference to the Multi-Unit Developments Act 2011, the position regarding the law in respect of residents of a particular estate who do not want to take ownership under the owner management company; how this matter should be dealt with by the developer of the estate; and if he will make a statement on the matter. [30194/11]

Minister for Justice and Equality (Deputy Alan Shatter): The Deputy will appreciate that I am not in a position as Minister to provide legal advice in response to a Parliamentary Question on a particular case. However, I can indicate the following by way of general information.

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One of the principal objectives of the Multi-Unit Developments Act 2011 is to ensure the transfer of common areas of such developments to the owners' management companies concerned. Section 4 of the Act, which deals with partially completed developments, and section 5, which deals with substantially completed developments, provide that transfer of ownership of the relevant parts of the common areas must be completed within 6 months of the coming into operation of the Act, i.e. before 1 October 2011.

Section 24 of the Act establishes a court jurisdiction for the resolution of disputes in relation to multi-unit developments. If such a dispute cannot be resolved by means of mediation or other dispute resolution process, the court may make an order where it is satisfied that a right has been infringed or an obligation has not been discharged with a view to ensuring the effective enforcement of the right or the effective discharge of the obligation concerned. Such an order may include an order transferring control of an owners' management company from a developer to the unit owners where the court is satisfied the developer has unreasonably refused to effect such a transfer or the unit owners have unreasonably refused to accept the transfer.

Appointments to State Boards

106. **Deputy Sean Fleming** asked the Minister for Justice and Equality the number of appointments he has made to State boards since 9 March 2011; and if he will list the names of each of these appointments and the boards to which they were appointed. [30209/11]

Minister for Justice and Equality (Deputy Alan Shatter): I wish to inform the Deputy that the position remains unchanged since my reply to Question No. 146 of 13 October 2011 in which I provided the information required in response to a similar question.

Deportation Orders

107. **Deputy Michael Creed** asked the Minister for Justice and Equality the reason, in dealing with applications for refugee status which have been declined and where a deportation order has issued, he will not facilitate the voluntary return of applicants to their country of origin, thereby incurring additional costs to the State of repatriation; and if he will make a statement on the matter. [30226/11]

Minister for Justice and Equality (Deputy Alan Shatter): Deportation Orders made under section 3 of the Immigration Act 1999 require the foreign national specified in the order to leave the State within such period as may be specified in the order and to remain thereafter out of the State. Thus, a Deportation Order is a requirement imposed on a person to leave the State and to remain outside of the State.

I should point out that the onus is on the individual who is the subject of a Deportation Order to remove themselves from the State. Where persons fail to leave the State or resist or evade their removal from the State the enforcement of the Deportation Order will be pursued by the Garda National Immigration Bureau.

I can assure the Deputy that in cases where a person decides to cooperate in relation to their removal from the State every effort is made to effect the removal as speedily as possible. In cases where a person is the subject of a Deportation Order and wishes to leave the State, they should contact the Garda National Immigration Bureau with their passport and their removal from the State will be facilitated at the earliest possible opportunity. However, where a person does not have their passport, difficulties can arise in securing travel documents from countries of origin which are necessary to permit persons to travel and this can lead to difficulties in

finalising travel arrangements. My Department will continue to work with the authorities of the relevant country to obtain travel documents for such persons.

I should also point out that any person for whom it is proposed to make a Deportation Order is given ample notice, opportunity and assistance to voluntarily return to their country of origin prior to the Order being made.

Legislative Programme

108. **Deputy Terence Flanagan** asked the Minister for Justice and Equality when the criminal justice (withholding of information on crimes against children and vulnerable adults) Bill will be published; if priests and journalists will be explicitly mentioned in the legislation; and if he will make a statement on the matter. [30284/11]

Minister for Justice and Equality (Deputy Alan Shatter): The text of the criminal justice (withholding of information on crimes against children and vulnerable adults) Bill has not been finalised and discussions with the Attorney General on the matter are on going. However there are no plans to include any specific references to priests or journalists in the Bill. Work is proceeding with a view to publication of the Bill before the end of this session.

Appointments to State Boards

109. **Deputy Sean Fleming** asked the Minister for Defence the number of appointments he has made to State boards since March 9 2011; if he will list the names of each of these appointments and the boards to which they were appointed. [30202/11]

Minister for Defence (Deputy Alan Shatter): The bodies under the aegis of my Department are the Civil Defence Board, the Army Pensions Board and the Board of Coiste an Asgard. The Civil Defence Act 2002 provides that the Board shall consist of at least eight but not more than fourteen members who shall be appointed by the Minister for Defence. Legislation is currently being drafted to dissolve the Civil Defence Board and transfer the functions of the Board back into the Department of Defence. I appointed the current Board as an interim measure from 11 July 2011.

Membership of the interim Board appointed from 11 July 2011 is set out in the table below:

Name	Nominating Bodies
<i>Civil Defence Board Chairperson</i>	
Mr. Brian Spain Director, Department of Defence	Nominated by Minister for Defence
<i>Civil Defence Board Members</i>	
Mr. Cathal Duffy Principal Officer, Department of Defence	Nominated by the Minister for Defence
Ms. Clare Tiernan Principal Officer, Department of Defence	Nominated by the Minister for Defence
Mr. Robert Mooney Principal Officer, Department of Defence	Nominated by the Minister for Defence
Mr. Bill Smith Director General, Civil Defence Board	Appointed as Director General, Civil Defence Board
Mr. Ned Gleeson County Manager, Limerick City Council	Nominated by City & County Managers Association
Mr. Keith Leonard Assistant Fire Advisor	Nominated by the Minister for Environment, Community and Local Government
Dr. Barbara Rafferty	Nominated by Radiological Protection Institute of Ireland
Ms. Becci Cantrell	Nominated by the Environmental Protection Agency

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Name	Nominating Bodies
Ms. Veronica FordeAssistant Civil Defence Officer	Nominated by the Civil Defence Officers Association
Lt. Col. Tony KellySSO, Defence Forces	Nominated by the Chief of Staff of the Defence Forces
Detective Superintendent Orla Mc PartlinAn Garda Síochána	Nominated by the Commissioner of An Garda Síochána
Mr. Fergal Conroy	Elected volunteer member of Civil Defence
Ms. Eileen Joyce	Elected staff member of the Civil Defence Board

No appointments have been made to the Army Pensions Board or to the Board of Coiste an Asgard since I took office as Minister for Defence.

In the context of settling the Estimates for the Department of Defence for 2010, the Government decided that the national sail training scheme operated by Coiste an Asgard would be discontinued as recommended in the Report of the Special Group on Public Service Numbers and Expenditure. As a result, no funding was provided in 2010 or 2011. No appointments have been made since that decision was taken and the Board will be dissolved shortly.

Grant Payments

110. **Deputy Noel Harrington** asked the Minister for Agriculture, Food and the Marine if he will introduce a scheme for the tracking of maps sent for digital imaging in order to provide an clear estimate time to farmers on his Department's website when the process will be completed and the completed image returned to the Department for processing of grant applications; and if he will make a statement on the matter. [30293/11]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): I can assure the Deputy, and the wider farming community, that my Department is committed to allocating such resources as is necessary to ensure that the essential digitisation of applicants' maps onto the Department's Land Parcel Identification System (LPIS) and the processing of payments are proceeding as quickly as possible. However, I must emphasise that any failings or shortcomings in LPIS would leave the Department open to the very real risk of significant fines. I am not prepared to take such a risk, nor will I compromisethe value of direct payments to Irish farmers.

I again wish to state categorically that there are no delays in payments to farmers under either the Single Farm Payment Scheme or the Disadvantaged Areas Scheme. In the case of the SFP, the earliest payment date under the governing EU rules is 1 December, while in respect of DAS there is no regulatory payment date — however, it is generally recognised and indeed acknowledged in the Farmers' Charter, that a payment target of late September of the year in question is the most realistic.

In the case of the Single Farm Payment, it should be remembered that, while the earliest payment date provided for under EU rules is 1 December, I am acutely aware of the significance to the wider rural economy of the Single Payment. Therefore earlier this year, I successfully sought the approval of the Commissioner to have advance payments made as and from 17 October. This is the earliest possible legal date for making payments, being the start of the new EU financial year. Following this agreement to my request for an advance payment of the SFP, I set a very demanding schedule of payments for the Disadvantaged Areas Scheme and the Single Payment Scheme, with payment of DAS scheduled for 22 September, the 50% advance of the SFP scheduled for 17 October and the 50% balance of the SFP scheduled for 1 December. I am pleased to say that the DAS payments commenced on target and €180m has been paid to date. This week €475m will be paid to 100,000 farmers in advance payments for

the SFP. In all cases, my Department will continue to make multiple payment runs, under both schemes, on a weekly basis, to pay farmers as their applications become fully processed and cleared.

I fully appreciate the value and importance of these schemes to Irish farmers and remain committed to ensuring that the maximum numbers are paid at the earliest possible date, mindful, of course, of the over-riding necessity to ensure compliance with the governing EU requirements. I note that Ireland continues to be among the very first countries throughout the EU to be in a position to make such payments and perhaps sight should not be lost of this fact.

111. **Deputy Noel Harrington** asked the Minister for Agriculture, Food and the Marine when the digital imaging of land will be completed in respect of a person (detail supplied) in County Cork; when their single farm payment application will be processed; the amount of the payment; and if he will make a statement on the matter. [30298/11]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): An application under the 2011 Single Payment Scheme was received from the person named on 9 May 2011, processing of which is now complete, thereby allowing the appropriate payments under the Single Payments Scheme and Disadvantaged Areas Scheme issue in the near future.

112. **Deputy Brendan Smith** asked the Minister for Agriculture, Food and the Marine when a REP scheme payment will issue to a person (details supplied); and if he will make a statement on the matter. [30344/11]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): The person named commenced REPS 4 in November 2007 and received payments for the first two years of their contract.

An adjusted agri-environmental plan was requested in July 2011 following the discovery of an query in relation to Nitrates. The person named submitted an adjusted plan and this has passed the cross check. Payment for the amount of €5209.69 representing 75% will issue within the next week while the remaining 25% totalling €1736.56 will issue shortly thereafter.

Arrangements are also well advanced to issue payments in respect of 2011 and I expect that these payments will commence in November.

113. **Deputy Denis Naughten** asked the Minister for Agriculture, Food and the Marine when payment will issue in respect of a person (details supplied) in County Roscommon; the reason for the delay in same; and if he will make a statement on the matter. [30348/11]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): An application under the 2011 Single Payment Scheme was received from the person named on 12 April 2011. Payments under the Single Payment Scheme and the Disadvantaged Areas Scheme have commenced nationally on 17 October and 21 September respectively. The processing of the application of the person named is now complete and payments under both schemes will issue shortly.

114. **Deputy Pat Breen** asked the Minister for Agriculture, Food and the Marine when payment will issue to a person (details supplied) in County Clare; and if he will make a statement on the matter. [30350/11]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): An application under the 2011 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 11 May 2011. Following processing a number of dual claims were identified

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on some of the land parcels declared by the person named. The person named has been written to in this regard and, on receipt of a satisfactory response, the application will be further processed, with a view to the appropriate payments issuing shortly thereafter.

115. **Deputy Heather Humphreys** asked the Minister for Agriculture, Food and the Marine when a disadvantaged area payment will issue to a person (details supplied); and if he will make a statement on the matter. [30351/11]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): An application under the 2011 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 3 May 2011, following processing of which, over-claims were identified in respect of a number of parcels declared by the person named. The person named has been written to regarding these matters and, on receipt of a satisfactory reply, the application will be further processed with a view to appropriate payment issuing shortly thereafter.

116. **Deputy Heather Humphreys** asked the Minister for Agriculture, Food and the Marine when a disadvantaged area payment will issue to a person (details supplied); and if he will make a statement on the matter. [30352/11]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): An application under the 2011 Single Payment Scheme/Disadvantaged Area Scheme was received from the person named on 11 May 2011. This application was selected for and was the subject of a Ground Eligibility and Animal Identification Inspection. Following completion of the inspection process the application was further processed, with payment under the Disadvantaged Areas Scheme due to issue in the coming days and the 50% advance of the Single Payment issuing shortly thereafter.

117. **Deputy Heather Humphreys** asked the Minister for Agriculture, Food and the Marine when a disadvantaged area payment will issue to a person (details supplied); and if he will make a statement on the matter. [30353/11]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): An application under the 2011 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 29 April 2011, following processing of which over-claims were identified in respect of a number of parcels declared by the person named. The person named has been written regarding the matter and, on receipt of a satisfactory reply, the application will be further processed with a view to appropriate payment issuing at an early date thereafter.

118. **Deputy Heather Humphreys** asked the Minister for Agriculture, Food and the Marine when a disadvantaged area payment will issue to a person (details supplied) in County Monaghan; and if he will make a statement on the matter. [30354/11]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): An application under the 2011 Disadvantaged Areas Scheme was received from the person named on 7 May 2011, processing of which was recently completed, thereby allowing payment to issue to the person named on 18 October.

119. **Deputy Dan Neville** asked the Minister for Agriculture, Food and the Marine the position regarding payments in respect of a person (details supplied) in County Limerick; and if he will make a statement on the matter. [30362/11]

Minister for Agriculture, Food and the Marine (Deputy Simon Coveney): An application under the 2011 Single Payment Scheme/Disadvantaged Areas Scheme was received from the person named on 10 May 2011. I can confirm that the issue relating to the dual-claim referred to by the Deputy has been resolved and that payment under the Disadvantaged Area Scheme issued on 14 October 2011, while the 50% advance payment under the Single Payment Scheme on 17 October 2011.

The person named commenced REPS 4 in June 2008 and received full payments for the first two years of their contract. In addition, 75% of the year three payment was issued for payment in December 2010 for the amount of €5,919.53. My Department is currently making arrangements to process and check the outstanding 25% payments to farmers in instances where penalties have been imposed. I expect that these outstanding payments will commence in October.

Children in Care

120. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Children and Youth Affairs, further to Parliamentary Question No. 451 of 28 June 2011, when the outstanding information will issue from the Health Service Executive. [30417/11]

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): My Department has been advised by the HSE that they hope to have a final response issued to the Deputy this week in relation to this matter.

Adoption Services

121. **Deputy Jack Wall** asked the Minister for Children and Youth Affairs her views on the attached submission regarding adoptees; the actions taken or to be taken to overcome the problems raised. [30224/11]

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.

122. **Deputy Clare Daly** asked the Minister for Children and Youth Affairs the reason Ireland has not yet signed a bilateral agreement with Russia which would allow Irish people to continue to adopt children from that country; her opinion on whether the significant number of adoptions between the two countries mean that an agreement should be put in place to facilitate continuing co-operation between the two countries in this regard; and if she will make a statement on the matter. [30296/11]

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): A core principle of the Hague Convention, which represents the international standard for adoption, is that inter-country adoption should be child-centred. The child's interests must be paramount throughout the adoption process. The Adoption Act 2010, and specifically the regime of the Hague Convention, is designed to provide an assurance for individual children, their families, and the State, that appropriate procedures have been followed and that adoptions are effected in the best interests of the child. As such, all inter-country adoptions must meet the standards of the Hague Convention.

Russia became a signatory to the Hague Convention on Inter-country Adoption on the 1 September 2000, but has not ratified the Convention. For inter-country adoptions with Russia to continue, it would be necessary to negotiate a bilateral agreement. The negotiation of bilateral agreements on inter-country adoption is primarily the responsibility of the Adoption Authority. As the Hague Convention is designed to ensure a minimum set of standards in inter-

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country adoption, the Adoption Authority have indicated that their first priority is to reach agreements on arrangements with other Hague countries.

If discussions on a bilateral agreement with Russia were to proceed it would be necessary that the key requirements which underpin the Hague Convention be satisfied to ensure that adoptions under the bilateral agreement with Russia are conducted to a similar standard as those undertaken under the Hague Convention. My Department is keeping the matter under review in conjunction with the Adoption Authority.

Information and Communications Technology

123. **Deputy Bernard J. Durkan** asked the Minister for Health the degree to which modern IT is available to the health sector on a par with the best available worldwide; and if he will make a statement on the matter. [30434/11]

Minister for Health (Deputy James Reilly): My Department is working with the HSE to develop a strategy for the use of ICT in the health services which it is hoped to publish shortly. While it is recognised that significant investment will be required over the next few years to bring ICT services to a level where they would be on par with the best world wide the current investment in strategic systems will provide a sound building block for future development when funding is more readily available. An important component for the development of information systems will be the publication of a Health Information Bill which my Department hopes to publish early next year. As indicated in the Programme for Government robust information technology systems will be vital to underpin the move to a universal health insurance system model and provide efficiency and effectiveness in delivering health services.

Health Services

124. **Deputy Thomas Pringle** asked the Minister for Health the position regarding the meetings that have taken place between him, the Health Service Executive and the Diabetes Federation of Ireland to decide on the appropriate model of care for children and adolescents with diabetes; the progress, if any, that has been made on the roll-out of specialist paediatric nurses to manage the care of diabetes on a regional basis; and if he will make a statement on the matter. [30196/11]

Minister for Health (Deputy James Reilly): The HSE National Clinical Programme for Diabetes — which includes the care of children and adolescents with diabetes — was established within the Clinical Strategy and Programmes Directorate. The national clinical leads for diabetes and paediatrics met recently to discuss the issues involved in the care of children and adolescents with diabetes. They set up a working group to assess current services across the country — including the question raised by the Deputy on specialist paediatric nurses, to agree a model of care and to standardise these across the country. This Group is only recently established and its work is continuing.

One proposed national model of diabetes care is based on 8-10 regional networks, with the 3 existing Dublin centres acting as a tertiary hub of excellence and continuing to see one third of the national paediatric/adolescent diabetes population. This model has been proposed by the Diabetes Federation of Ireland. The second model came from the Expert Advisory Group, chaired by Dr Colm Costigan, Paediatric Endocrinologist in Crumlin Hospital. This proposes that care be centralised for each region in a dedicated paediatric/adolescent diabetes centre looking after at least 150 children/adolescents. Ideally the centre should be in a regional hospital that has an adult diabetes centre to facilitate transition to adulthood; however the final

shape of any model will be determined by the Working Group and may possibly be a variation of either of the two earlier models described above.

In parallel officials from my Department and the HSE met with representatives from the DFI at the end of July last. The primary purpose of this constructive meeting was to discuss developments in relation to the care of all people with diabetes.

Appointments to State Boards

125. **Deputy Sean Fleming** asked the Minister for Health the number of appointments he has made to State boards since 9 March 2011; and if he will list the names of each of these appointments and the boards to which they were appointed. [30207/11]

Minister for Health (Deputy James Reilly): The following board appointments have been made by me since 9th March 2011:

Board	Member	Position	Appointed	Expiry Date
Pre-Hospital Emergency Care Council	Maureen Cronin	Ordinary Member	20/04/2011	29/06/2012
Health Service Executive	Brian Gilroy	Ordinary Member	20/05/2011	31/12/2012
Health Service Executive	Laverne McGuinness	Ordinary Member	20/05/2011	31/12/2012
Health Service Executive	Philip Crowley	Ordinary Member	20/05/2011	31/12/2012
Health Service Executive	Barry White	Ordinary Member	20/05/2011	31/12/2012
Health Service Executive	Bairbre Nic Aongusa	Ordinary Member	20/05/2011	07/02/2015
Health Service Executive	Paul Barron	Ordinary Member	20/05/2011	07/02/2015
Health Service Executive	Tony Holohan	Ordinary Member	20/05/2011	07/02/2015
Health Service Executive	Michael Scanlan	Ordinary Member	20/05/2011	07/02/2015
National Haemophilia Council	Ann Grogan	Ordinary Member	23/05/2011	09/12/2013
National Haemophilia Council	Deborah Greene	Ordinary Member	23/05/2011	21/07/2013
Health Service Executive	Martin Connor	Ordinary Member	06/06/2011	07/06/2015
Pharmaceutical Society of Ireland Council	Catriona O'Driscoll	Ordinary Member	15/06/2011	14/06/2015
Pharmaceutical Society of Ireland Council	Michael Barry	Ordinary Member	15/06/2011	14/06/2015
Pharmaceutical Society of Ireland Council	Leonie Clarke	Ordinary Member	15/06/2011	14/06/2015
Pharmaceutical Society of Ireland Council	Jean Holohan	Ordinary Member	15/06/2011	14/06/2015
Pharmaceutical Society of Ireland Council	Ciaran O'Boyle	Ordinary Member	15/06/2011	14/06/2015
Pharmaceutical Society of Ireland Council	Fionan O'Cuinneagain	Ordinary Member	15/06/2011	14/06/2015
Pharmaceutical Society of Ireland Council	Kenneth McDonald	Ordinary Member	15/06/2011	14/06/2015
Pharmaceutical Society of Ireland Council	Keith O'Hourihane	Ordinary Member	15/06/2011	14/06/2015
Pharmaceutical Society of Ireland Council	John David Corr	Ordinary Member	15/06/2011	14/06/2015
Pharmaceutical Society of Ireland Council	Ignatius Noel Stenson	Ordinary Member	15/06/2011	14/06/2015
National Haemophilia Council	Barry Harrington	Chairperson	19/07/2011	18/07/2014

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Board	Member	Position	Appointed	Expiry Date
National Haemophilia Council	Mary Jackson	Ordinary Member	22/07/2011	21/07/2014
Hepatitis C and HIV Compensation Tribunal	Kathryn Hutton	Ordinary Member	01/08/2011	31/07/2012
National Cancer Registry Board	Anna Gavin	Ordinary Member	06/08/2011	05/08/2012
National Cancer Registry Board	Donal Hollywood	Ordinary Member	06/08/2011	05/08/2012
National Cancer Registry Board	Deirdre Murray	Ordinary Member	06/08/2011	05/08/2012
National Cancer Registry Board	Mary Jackson	Ordinary Member	06/08/2011	05/08/2012
National Cancer Registry Board	John McCormack	Ordinary Member	06/08/2011	05/08/2012
National Cancer Registry Board	Paul Redmond	Ordinary Member	06/08/2011	05/08/2012
National Cancer Registry Board	Tony O'Brien	Chairperson	06/08/2011	05/08/2012
Pharmaceutical Society of Ireland Council	Fachtna Murphy	Ordinary Member	26/09/2011	21/05/2013
Medical Council	Michael Ryan	Ordinary Member	04/10/2011	31/05/2013
Medical Council	Marie Kehoe	Ordinary Member	04/10/2011	31/05/2013
Irish Blood Transfusion Service	Dr Lelia Thornton	Ordinary Member	18/10/2011	31/10/2013

Hospital Staff

126. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health when he intends to publish the review into the pay of fourth-year student nurses; and if he will make a statement on the matter. [30217/11]

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.

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.

General Practitioner Services

127. **Deputy Robert Troy** asked the Minister for Health his future proposals for the MIDOC service, Mullingar, County Westmeath. [30222/11]

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.

Medical Inquiries

128. **Deputy Luke 'Ming' Flanagan** asked the Minister for Health, on behalf of the survivors of symphysiotomy, when the report commissioned in June will be completed and published; the steps he will take to speed up its delivery; and if he will make a statement on the matter. [30231/11]

Minister for Health (Deputy James Reilly): My Department has been in discussion with the independent academic researcher appointed to carry out the research in relation to its completion. The researcher has advised my Department that due to unforeseen difficulties in accessing information sources over the summer she expects to complete the report by the end of this month rather than as originally planned.

As soon as the draft report is received my Department will further engage with patient representative groups and the Institute of Obstetricians and Gynaecologists as I am very conscious of the feelings of the women that underwent this procedure. It is my intention that the report be published, subject of course to the usual legal and related considerations, which are as of now not expected to create any significant barriers to publication.

Hospital Staff

129. **Deputy Joan Collins** asked the Minister for Health if his attention has been drawn to the fact that he stated on 23 June 2011 that two radiographers would be appointed later in 2011 to allow for the resumption of the mammography service at Sligo General Hospital, County Sligo; if his further attention has been drawn to the fact that the Health Service Executive, due to the current financial position, has had to put in place a recruitment pause and as a result these and other positions are currently on hold; if he will provide the necessary funding to the HSE to allow for the recruitment of the radiographers; the date on which the follow-up mammography service will resume in this hospital; and if he will make a statement on the matter. [30240/11]

Minister for Health (Deputy James Reilly): The Deputy's question relates to service delivery matters and accordingly I have asked the HSE to respond directly to her.

Hospital Services

130. **Deputy Sean Fleming** asked the Minister for Health if he will arrange an appointment in respect of a person (details supplied) in County Laois; and if he will make a statement on the matter. [30273/11]

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

131. **Deputy Terence Flanagan** asked the Minister for Health if he will deal with the following matter (details supplied) regarding a waiting list for an operation; and if he will make a statement on the matter. [30279/11]

Minister for Health (Deputy James Reilly): I am determined to address the issues which cause unacceptable delays in patients receiving treatment in our hospitals. In this regard I have established the Special Delivery Unit (SDU), which will work to unblock access to acute services by dramatically improving the flow of patients through the system, and by streamlining waiting lists, including referrals from GPs. The SDU is working closely with its partner agencies — mainly the HSE and the NTPF.

As a priority, public hospitals have been instructed to ensure that, by the end of 2011, they have no patients waiting more than 12 months for treatment. Where they fail to do so, the NTPF will source the necessary treatments elsewhere and an appropriate budgetary adjustment will be made.

As this is a service matter, it has been referred to the HSE for direct reply. Should the patient's general practitioner consider that the patient's condition warrants an earlier appoint-

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ment, he/she would be in the best position to take the matter up with the consultant and facility involved.

Health Service Staff

132. **Deputy Gerry Adams** asked the Minister for Health if essential front-line staff remain part of the Health Service Executive recruitment embargo. [30289/11]

Minister for Health (Deputy James Reilly): The Employment Control Framework for the health sector requires a net reduction in employment of approximately 1,500 staff a year to 2014. The Framework contains sufficient flexibility to provide for adaptation to changing service needs. It exempts certain grades and posts from the moratorium on recruitment in order to deliver on key priority services. These exemptions include medical consultants, certain therapy grades, and a limited number of nursing posts. The Framework also allows the HSE discretion to fill non-exempt posts on exceptional grounds in order to maintain essential services and to meet priority service change and reconfiguration requirements. Although the number of such exceptions must be kept to a minimum, the Framework does allow the HSE the flexibility to manage its staffing resources in order to protect front line services in so far as possible. In addition, the Public Service Agreement allows the HSE to redeploy staff based on service need.

In July 2011, the HSE decided to introduce a recruitment pause to assist with addressing the serious budgetary overrun. Notwithstanding this pause, exceptions are still being made in order to address critical service risks.

133. **Deputy Gerry Adams** asked the Minister for Health if an embargo remains in place in relation to two posts in the national counselling service in the Health Service Executive in counties Louth, Cavan and Monaghan; when he expects the positions to be filled; and if he will make a statement on the matter. [30290/11]

Minister for Health (Deputy James Reilly): The Employment Control Framework for the health sector exempts certain grades and posts from the moratorium on recruitment. These include psychologists, counsellors and behavioural therapists. The Framework also allows the HSE discretion to fill non-exempt posts on exceptional grounds in order to maintain essential services.

In July 2011, the HSE decided to introduce a recruitment pause to assist with addressing the serious budgetary overrun. Notwithstanding this pause, exceptions are still being made in order to address critical service risks.

In relation to the two posts referred to in the question, as this is a service matter, it has been referred to the HSE for attention and direct reply to the Deputy.

Health Services

134. **Deputy Robert Troy** asked the Minister for Health if he will expedite an application in respect of a person (details supplied) in County Westmeath; and if he will make a statement on the matter. [30295/11]

Minister for Health (Deputy James Reilly): As this is a service matter, it has been referred to the Health Service Executive for direct reply.

135. **Deputy Finian McGrath** asked the Minister for Health the position regarding long term care and support in respect of a person (details supplied) in Dublin 17 [30299/11]

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.

136. **Deputy Robert Troy** asked the Minister for Health if he will expedite an application in respect of a person (details supplied) in County Longford [30303/11]

Minister for Health (Deputy James Reilly): As this is a service matter, it has been referred to the Health Service Executive for direct reply.

Vaccination Programme

137. **Deputy Billy Kelleher** asked the Minister for Health the number of persons and the number of girls aged ten to 18 years who have received the HPV vaccine since the start of August 2011; and if he will make a statement on the matter. [30321/11]

Minister for Health (Deputy James Reilly): Data on the uptake of HPV vaccination for girls in first year and for those in the sixth year catch-up programme in the 2011/2012 academic year will not be available until the end of the school year. Early indications are that the uptake rate is approximately 80%.

138. **Deputy Billy Kelleher** asked the Minister for Health if he is satisfied with the level of information regarding the side effects of the HPV vaccine being provided to parents; and if he will make a statement on the matter. [30322/11]

Minister for Health (Deputy James Reilly): All parents/guardians receive a letter, information booklet and consent form prior to the HSE school teams' visit for the HPV vaccination programme. The booklet includes information on possible side effects. When devising the HPV booklet, the HSE consulted with a number of parents in advance of publication and this resulted in 90 percent of parents stating that they were happy with the information provided and said that it was sufficient for them to make an informed decision. All vaccine information leaflets are approved by the National Adult Literacy Agency.

The HSE also provides additional information sources at www.hpv.ie and www.immunisation.ie. This includes information translated into eight languages as well as more details on the safety and side effects of the vaccine. Individual queries can be sent to either website and these are replied to by doctors in the HSE National Immunisation Office within one working day. For those who do not have access to the internet and who require additional assurances and information, the letter to parents contains contact information for Local Immunisation Teams and details of the HSE Information line.

I am satisfied with the level of information being provided by the HSE about the HPV vaccine.

139. **Deputy Billy Kelleher** asked the Minister for Health the cost of administering the HPV vaccine; if there any commercial interests involved in the administration of the vaccine; the name of same; and if he will make a statement on the matter. [30323/11]

Minister for Health (Deputy James Reilly): The HSE has allocated €4 million annually for the HPV vaccination programme. This includes

- Provision of three doses of HPV vaccine
- Training for all school vaccination teams
- Information materials and consent forms for parents/guardians.

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There are two HPV vaccines licensed for use in Ireland — Gardasil manufactured by Sanofi Pasteur and Cervarix manufactured by GlaxoSmithKline. The vaccines are not interchangeable so the HSE was required to purchase one vaccine for the HPV vaccination programme. Following a competitive tender under EU procurement rules, the HSE in 2010 secured a contract with Sanofi Pasteur MSD for the provision of Gardasil HPV for the programme. There are no commercial interests in the administration of the vaccine in the HSE programme.

Hospital Staff

140. **Deputy Ciara Conway** asked the Minister for Health, further to Parliamentary Question No. 199 of 29 September 2011, if he will provide figures to explain the small number of consultants as referred to in the last line in this question's reply; the number of consultants who have failed to rectify the breach in question and have been informed that they may no longer conduct private practice in public hospitals; the amount that is owed by this group of consultants; and if he will make a statement on the matter. [30328/11]

141. **Deputy Ciara Conway** asked the Minister for Health, further to Parliamentary Question No. 199 of 29 September 2011, the measures in place to ensure that the consultants in question have definitely stopped private practice in public hospitals; the action he will take against those who persist in breaching their contracts; and if he will make a statement on the matter. [30329/11]

142. **Deputy Ciara Conway** asked the Minister for Health, further to Parliamentary Question No. 199 of 29 September 2011, the sum or sums of money owed by hospital consultants to a research and study fund or funds; if overdue moneys will be subject to interest; if so, the rate of interest; and if he will make a statement on the matter. [30330/11]

143. **Deputy Ciara Conway** asked the Minister for Health, further to Parliamentary Question No. 199 of 29 September 2011, the amount of money derived from private practice excess that has currently been collected and deposited in a research and study fund or funds; how this fund, or funds, is administered; the further way this money is to be used, with details of proposed or active projects; and if he will make a statement on the matter. [30331/11]

Minister for Health (Deputy James Reilly): I propose to take Questions Nos. 140 to 143, inclusive, together.

My Department has asked the HSE for the detailed information sought by the Deputy and I will be in further communication when it is to hand.

Health Service Allowances

144. **Deputy Sean Fleming** asked the Minister for Health when a home care package will be approved in respect of a person (details supplied) in County Laois; and if he will make a statement on the matter. [30343/11]

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.

Health Services

145. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health, further to Parliamentary Question No. 1002 of 14 September, when a reply will issue from the Health Service Executive. [30412/11]

147. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health, further to Parliamentary Question No. 1007 of 14 September, when a reply will issue from the Health Service Executive. [30414/11]

Minister for Health (Deputy James Reilly): I propose to take Questions Nos. 145 and 147 together.

Officials from my Department have contacted the HSE in relation to the outstanding PQ responses. The HSE has advised that the information requested will soon be available to my Department, and a reply will issue to the Deputy shortly.

146. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health, further to Parliamentary Question No. 1006 of 14 September, when a reply will issue from the Health Service Executive. [30413/11]

Minister for Health (Deputy James Reilly): I have been advised by the HSE that it is currently collating the detailed information requested by the Deputy. I will revert to the Deputy as soon as this information is to hand.

Question No. 147 answered with Question No. 145.

Health Promotion

148. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health, further to Parliamentary Questions Nos. 627 of 3 May 2011 and 1019 of 14 September 2011, when a reply will issue from the Health Service Executive. [30415/11]

Minister for Health (Deputy James Reilly): I have requested and received a report on the Social and Personal Health Education Programme (SPHE) from the Health Service Executive. My officials are currently examining the report and are in contact with the Department of Education and Skills with a view to convening a meeting of the SPHE Inter-Departmental Group as soon as possible to consider the report. The meeting will also discuss ways of enhancing the partnership.

Services for People with Disabilities

149. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health, further to Parliamentary Question No. 364 of 21 June 2011, when the outstanding information will issue from the Health Service Executive. [30416/11]

Minister of State at the Department of Health (Deputy Kathleen Lynch): As the Deputy's question relates to service matters, I have arranged for this question to be referred to the Health Service Executive for direct reply.

Hospital Services

150. **Deputy Sean Fleming** asked the Minister for Health when a person (details supplied) in County Laois will receive a date for an operation; and if he will make a statement on the matter. [30419/11]

Minister for Health (Deputy James Reilly): As this is a service matter, it has been referred to the Health Service Executive for direct reply.

Tourism Revenue

151. **Deputy Noel Grealish** asked the Minister for Transport, Tourism and Sport the number

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of additional tourists he expects to come to the west of Ireland as part of the Gathering initiative in 2013; the amount of additional revenue he expects it will generate for the region; and if he will make a statement on the matter. [30193/11]

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): The National Tourism Development Authority, Fáilte Ireland, is the lead agency for the implementation of the Gathering initiative and is also responsible for the development of tourism in the regions. Therefore, I have referred the Deputy's question to Fáilte Ireland for direct reply. Please advise my private office if you do not receive a reply within ten working days.

Fishing Vessel Licences

152. **Deputy Thomas Pringle** asked the Minister for Transport, Tourism and Sport if he will consider amending the restrictions on the skipper limited certificate of competency to qualify holders to operate outside the area between 62°N and 48°N, recognising that fishing vessels are obliged to operate outside these areas from time to time during their season in order to make a living; and if he will make a statement on the matter. [30197/11]

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): The safety of fishing vessels is a very important matter for my Department. One of the key aspects of fishing vessel safety is the competency of the skipper and the crew. It is for this reason that the competency of the skippers of fishing vessels is regulated to protect the fishing vessel itself and also other vessels at sea. Regrettably, there has been a number of collisions involving fishing vessels, most recently last September in the Irish sea where there was a collision between an Irish registered fishing vessel and an oil tanker. Holders of the Skipper Limited certificate of competency may operate between 61°N and 42°N. These certificates are issued by the Marine Survey Office of my Department following the satisfactory completion of a course of study and examinations. However, in order for a holder of a Skipper Limited certificate to trade in other areas the requirements as set out in the examination directions for certificates of competency must be complied with and the appropriate syllabus and examinations completed.

State Agencies

153. **Deputy Michael McNamara** asked the Minister for Transport, Tourism and Sport the bonuses that were paid to the chief executive officer and the management team of the Dublin Airport Authority for the years 2009, 2010 and 2011; and if he will make a statement on the matter. [30229/11]

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): The Government has made it clear to all State Agencies that performance-related bonuses in respect of chief executives are not appropriate and should not be paid in the current economic circumstances. I reiterated this point to the Chairpersons and Chief Executives of the agencies under my aegis when I met them in April of this year.

The full details of the Chief Executive Officer's remuneration is available in the Dublin Airport annual reports. I can confirm that no bonuses have been paid to the Chief Executive Officer in respect of 2010 or 2011 performance. The payment of performance related pay to other senior management is a matter for the agency itself. I have forwarded the Deputy's question to Dublin Airport Authority. If the Deputy does not receive a reply within ten working days, please advise my private office.